

VILLAGE OF MELROSE PARK, ILLINOIS

ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2022

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VILLAGE OF MELROSE PARK, ILLINOIS

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FINANCIAL SECTION

This section includes:

Independent Auditors' Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

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INDEPENDENT AUDITORS' REPORT

This section includes the opinion of the Village's independent auditing firm.



INDEPENDENT AUDITORS' REPORT

August 15, 2023

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

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, 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, 2022, 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.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

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

Supplementary Information

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

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF MELROSE PARK, ILLINOIS

Management's Discussion and Analysis

December 31, 2022

This Management's Discussion and Analysis (MD&A) provides the reader with a narrative overview and analysis of the overall financial position and results of operations for the year ended December 31, 2022 for the Village of Melrose Park. Please read it in conjunction with the transmittal letter, which can be found in the introductory section of this report, and the Village's financial statements, which can be found in the basic financial statements section of this report.

FINANCIAL HIGHLIGHTS

- At the close of the fiscal year as of December 31, 2022, liabilities and deferred inflows of the Village exceeded the total assets and deferred outflows by \$42,391,331. This amount represents net position. During the year, government-wide revenues totaled \$105,781,368, while expenses totaled \$70,593,646, resulting in an increase of net position of \$35,187,722.
- The Village's net position at December 31, 2022 increased as a result of this year's operations. Net position of business-type activities increased by \$10,107,010, or 39.7 percent and net position of the governmental activities increased by \$25,080,712 or 24.3 percent. The primary contributing factor for the increase in business-type activities net position was the valuation of pension and other post-employment benefits. Increases in intergovernmental revenue were primarily responsible for an increase to Governmental Activities net position.
- The Village's net position as of December 31, 2022 totaled (\$42,391,331) which includes \$79,691,190 net investment in capital assets and \$26,597,999 subject to external restrictions. The net investment in capital assets increased by \$13,513,934 as a result of the Village's continued efforts to improve capital infrastructure, while paying down long-term debt.
- Total governmental funds reported combined ending fund balance of \$71,959,158 of which \$44,308,221 is unassigned and available for spending at the Village's discretion. The unassigned fund balance increased \$10,175,429 due largely to a surplus within the General Fund as described below.
- The General Fund reported a surplus this year of \$11,197,244, resulting in ending fund balance of \$53,237,889, an increase of 26.6 percent. This surplus was largely due to increases in revenues such as intergovernmental revenues (sales tax, home rule sales tax, personal property replacement taxes), there were also increased projects in the Village which resulted in higher permits and license revenues. At the end of the fiscal year, the unassigned fund balance for the General Fund was \$46,216,614 or 86.6 percent of total expenditures and transfers for the fiscal year and approximately 88.1 percent of fiscal year 2022 budgeted expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

The MD&A serves as an introduction to the Village's basic financial statements that are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. Government-wide financial statements provide information on the finances of the Village as a whole and present a long-term view of the Village's finances. Fund financial statements tell how the Village's activities were financed in the short-term as well as what remains for future spending. They also report in greater detail than the government wide statements. Together, these statements allow for in-depth comparison of the Village's financial activities, and for comparison with the financial state of other governments. The notes to the financial statements provide additional information essential to a full understanding of the basic financial statements. This annual report also contains supplementary information required by Governmental Accounting Standards Board (GASB).

VILLAGE OF MELROSE PARK, ILLINOIS

Management's Discussion and Analysis

December 31, 2022

OVERVIEW OF THE FINANCIAL STATEMENTS - Continued

Government-Wide Financial Statements

The *Government-Wide Financial Statements* provide readers with a broad overview of the Village's finances, in a manner similar to private-sector business. The financial statements' focus is on both the Village as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year-to-year or government-to-government) and enhance the Village's accountability.

The *Statement of Net Position* reports information on all of the Village's assets/deferred outflows and liabilities/deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the Village's property tax base and the condition of the Village's infrastructure, is needed to assess the overall health of the Village.

The *Statement of Activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village include general government, public safety, highways and streets, refuse, culture and recreation, Hispanic liaison center, and community development. The business-type activities of the Village include water and sewer operations.

The Village includes one separate legal entity in its report. The Melrose Park Public Library is presented as a discretely presented component unit. Although legally separate, this "component unit" is important because the Village is financially accountable for it. Financial information for the component unit is reported separately from the financial information presented for the primary government itself.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund financial statements provide more detailed information about the Village's most significant funds, rather than about the Village as a whole. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds: Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Village's near-term financing requirements.

VILLAGE OF MELROSE PARK, ILLINOIS

Management's Discussion and Analysis

December 31, 2022

OVERVIEW OF THE FINANCIAL STATEMENTS - Continued

Fund Financial Statements - Continued

Governmental Funds - Continued: 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 the comparison between governmental funds and governmental activities.

The Village maintains eleven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Mid-Metro TIF, and Senior First TIF which are considered major funds. Data from the other eight nonmajor governmental funds are combined into a single, aggregated presentation.

The Village adopts an annual appropriated budget for all of the governmental funds. A budgetary comparison statement for these funds is provided to demonstrate compliance with this budget.

Proprietary Funds: The Village maintains two different types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements, only in more detail. The Village does not maintain internal service funds.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Fund, which is considered to be a major fund of the Village.

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's funding of I.M.R.F. and Police and Firefighters' pension obligations to provide retirement benefits to its employees, and post-employment retirement benefit obligations. In addition, schedules of budgetary comparison schedules for funds is also presented.

VILLAGE OF MELROSE PARK, ILLINOIS

Management's Discussion and Analysis

December 31, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table represents the net position as of December 31, 2022. Net position serves over time as a useful indicator of a government's financial position. The following tables show that assets/deferred outflows exceeded liabilities/deferred inflows by (\$42,391,331).

	Net Position					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	12/31/22	12/31/21	12/31/22	12/31/21	12/31/22	12/31/21
Current and Other Assets	\$ 104,192,648	114,808,202	15,983,088	13,169,709	120,175,736	127,977,911
Capital Assets	66,723,187	37,005,221	34,339,944	32,668,910	101,063,131	69,674,131
Total Assets	170,915,835	151,813,423	50,323,032	45,838,619	221,238,867	197,652,042
Deferred Outflows	21,470,365	20,654,558	1,356,053	3,969,671	22,826,418	24,624,229
Total Assets and Deferred Outflows	192,386,200	172,467,981	51,679,085	49,808,290	244,065,285	222,276,271
Long-Term Debt	196,917,896	196,844,291	7,424,432	16,505,805	204,342,328	213,350,096
Other Liabilities	12,570,770	10,592,571	3,709,826	4,079,170	16,280,596	14,671,741
Total Liabilities	209,488,666	207,436,862	11,134,258	20,584,975	220,622,924	228,021,837
Deferred Inflows	60,885,487	68,099,784	4,948,205	3,733,703	65,833,692	71,833,487
Total Liabilities and Inflows	270,374,153	275,536,646	16,082,463	24,318,678	286,456,616	299,855,324
Net Position						
Net Investment in						
Capital Assets	45,351,246	58,600,704	34,339,944	34,604,420	79,691,190	93,205,124
Restricted	24,441,010	18,640,183	2,156,989	—	26,597,999	18,640,183
Unrestricted (Deficit)	(147,780,209)	(180,309,552)	(900,311)	(9,114,808)	(148,680,520)	(189,424,360)
Total Net Position	(77,987,953)	(103,068,665)	35,596,622	25,489,612	(42,391,331)	(77,579,053)

A portion of the Village's net position, \$79,691,190 reflects its investment in capital assets (for example, land, construction in progress, improvements other than buildings, buildings, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$26,597,999 of the Village's net position represents resources that are subject to external restrictions on how they may be used. The remaining (\$148,680,520), represents unrestricted (deficit) net position and may be used to meet the government's ongoing obligations to citizens and creditors.

VILLAGE OF MELROSE PARK, ILLINOIS

Management's Discussion and Analysis

December 31, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

	Change in Net Position					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	12/31/22	12/31/21	12/31/22	12/31/21	12/31/22	12/31/21
Revenues						
Program Revenues						
Charges for Services	\$ 9,330,127	30,527,576	32,226,675	32,385,584	41,556,802	62,913,160
Operating Grants/Contributions	1,093,599	1,225,217	—	—	1,093,599	1,225,217
Capital Grants/Contributions	578,528	778,372	170,703	182,483	749,231	960,855
General Revenues						
Property	23,334,791	27,385,843	—	—	23,334,791	27,385,843
Sales	24,070,142	22,303,812	—	—	24,070,142	22,303,812
Telecommunications	347,688	410,683	—	—	347,688	410,683
Amusement	403,449	249,500	—	—	403,449	249,500
Other Taxes	2,534,611	2,259,171	—	—	2,534,611	2,259,171
State Income Tax	4,040,440	3,351,843	—	—	4,040,440	3,351,843
Replacement Tax	4,875,447	2,536,785	—	—	4,875,447	2,536,785
State Gaming Revenue	679,661	580,976	—	—	679,661	580,976
Other General Revenues	2,082,230	1,676,555	13,277	2,309	2,095,507	1,678,864
Total Revenues	73,370,713	93,286,333	32,410,655	32,570,376	105,781,368	125,856,709
Expenses						
General Government	11,741,900	5,800,086	—	—	11,741,900	5,800,086
Public Safety	20,507,445	17,215,737	—	—	20,507,445	17,215,737
Highways and Streets	4,773,684	4,608,708	—	—	4,773,684	4,608,708
Refuse	2,256,423	2,184,734	—	—	2,256,423	2,184,734
Culture and Recreation	2,433,612	1,945,568	—	—	2,433,612	1,945,568
Hispanic Liaison Center	262,878	284,240	—	—	262,878	284,240
Community Development	4,961,141	3,669,156	—	—	4,961,141	3,669,156
Interest on Long-Term Debt	1,352,918	1,434,366	—	—	1,352,918	1,434,366
Water and Sewer	—	—	22,303,645	23,328,131	22,303,645	23,328,131
Total Expenses	48,290,001	37,142,595	22,303,645	23,328,131	70,593,646	60,470,726
Change in Net Position	25,080,712	56,143,738	10,107,010	9,242,245	35,187,722	65,385,983
Net Position - Beginning	(103,068,665)	(159,212,403)	25,489,612	16,247,367	(77,579,053)	(142,965,036)
Net Position - Ending	(77,987,953)	(103,068,665)	35,596,622	25,489,612	(42,391,331)	(77,579,053)

VILLAGE OF MELROSE PARK, ILLINOIS

Management's Discussion and Analysis

December 31, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Net position of the Village's governmental activities increased by 24.3 percent ((\$77,987,953) for December 31, 2022 compared to (\$103,068,665) for December 31, 2021). Net position of business-type activities increased by 39.7 percent (\$35,596,622 for December 31, 2022 compared to \$25,489,612 for December 31, 2021).

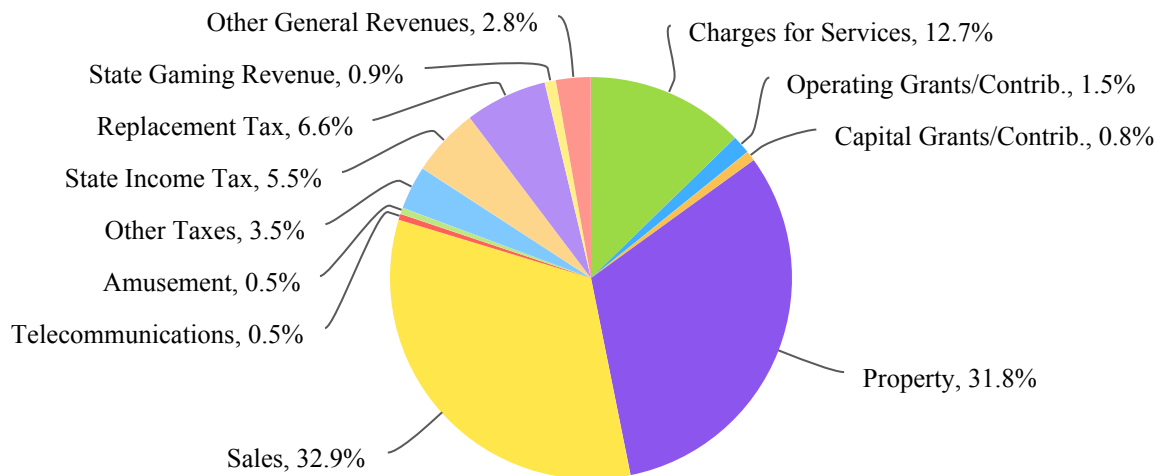
Revenues for governmental activities totaled \$73,370,713, while the cost of all governmental functions totaled \$48,290,001. This results in a surplus of \$25,080,712. For December 31, 2021, revenues of \$93,286,333 exceeded expenses of \$37,142,595, resulting in a surplus of \$56,143,738.

Governmental Activities

The surplus for December 31, 2022 was due in large part to significant increases for revenues including personal property replacement taxes increasing by \$2.3 million and other taxes (primarily sales taxes) increasing by \$2.1 million. Most revenues continued to trend up toward pre-covid levels. As in fiscal year 2022 there were less Covid related restrictions there were increases in Food and Beverage tax revenue (approximately \$380 thousand) increases in building permits (approximately \$1.8 million). The remainder of the increase is due to increases in revenues overall, not attributable to a specific source. Overall expenditures did not increase significantly from fiscal year 2021 to fiscal year 2022, which also contributed to the surplus.

The following chart graphically depicts the major revenue sources of the Village. The Village relies most heavily on property taxes and sales taxes. The chart also clearly identifies the less significant percentage the Village receives from income taxes.

Revenue by Source - Governmental Activities



VILLAGE OF MELROSE PARK, ILLINOIS

Management's Discussion and Analysis

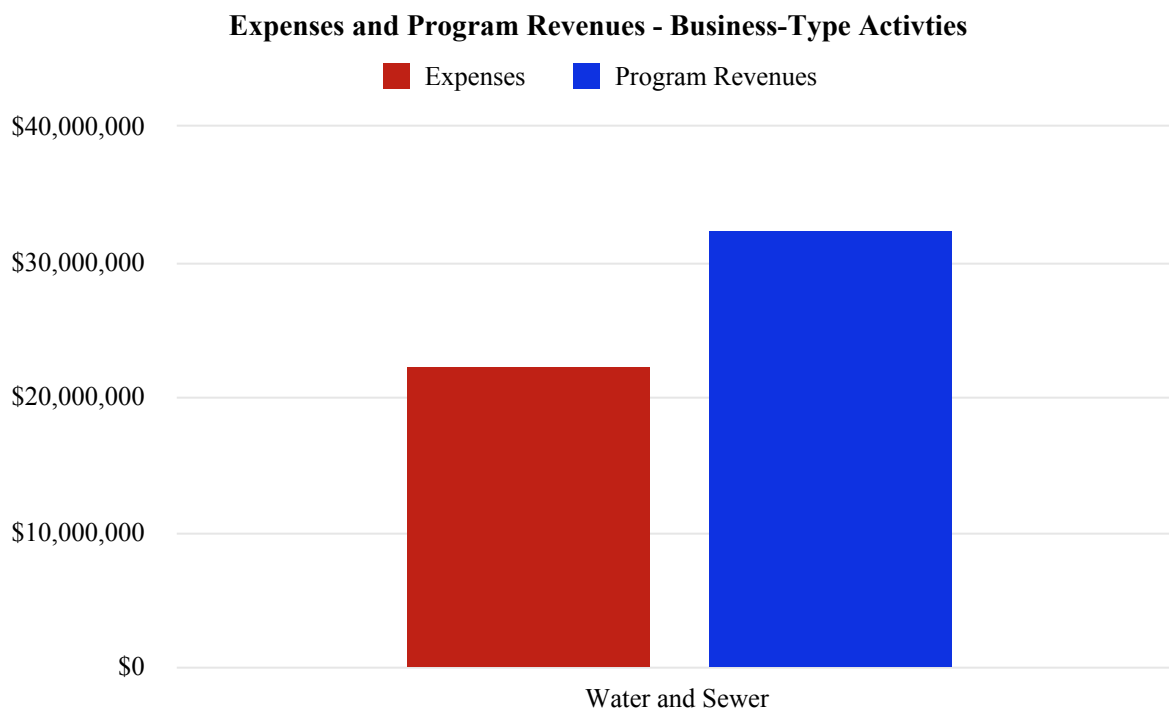
December 31, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Business-Type Activities

Business-Type activities posted total revenues of \$32,410,655, while the cost of all business-type activities totaled \$22,303,645. This results in a surplus of \$10,107,010. For December 31, 2021, revenues of \$32,570,376 exceed expenses of \$23,328,131, resulting in a surplus \$9,242,245. The surplus for December 31, 2022 was due in part to revenue from the change in OPEB plan (\$5.9 million). In addition to the OPEB revenue, expenditures in the business type fund were \$2.4 million under the budgeted amount.

This graph compares program revenues to expenses for the water, sewer, and parking operations.



VILLAGE OF MELROSE PARK, ILLINOIS

Management's Discussion and Analysis

December 31, 2022

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The Village's governmental funds reported combining ending fund balances of \$71,959,158, which is \$12,480,179, or 21.0 percent, greater than last year's total of \$59,478,979. Of the \$71,959,158 total, \$44,308,221, or approximately 61.6 percent, of the fund balance constitutes unassigned fund balance.

The General Fund is the chief operating fund of the Village. As mentioned earlier, the General Fund reported an increase in fund balance for the year of \$11,197,244, or 26.6 percent. This surplus was largely due to the increase of intergovernmental revenues and increases in the license and permit revenues within the General Fund.

At December 31, 2022, unassigned fund balance in the General Fund was \$46,216,614, which represents 86.8 percent of the total fund balance of the General Fund. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance in the General Fund represents approximately 86.6 percent of total General Fund expenditures and transfers.

The Mid-Metro TIF Fund reported an increase in fund balance of \$315,804. This surplus is mainly due to property tax and rental receipts being higher than debt and development expenditures for the year.

The Senior First TIF Fund had a decrease in fund balance of \$72,569. This deficit is mainly due to property tax receipts being lower than debt and development expenditures for the year.

Proprietary Funds

The Village's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Village reports the Water and Sewer Fund as a major proprietary fund and accounts for operations of the water distribution system and sewer system.

The Water and Sewer Fund has a surplus in the current fiscal year was \$10,107,010, due to operating expenses came in below budget by \$2,401,196, largely due to water purchases being lower than expected, coming in at \$1,525,263 under budget. Unrestricted net position in the Water Fund totaled (\$900,311) at December 31, 2022.

VILLAGE OF MELROSE PARK, ILLINOIS

Management's Discussion and Analysis

December 31, 2022

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS - Continued

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Trustees made no budget amendments to the General Fund during the year. General Fund actual revenues for the year totaled \$64,560,248, compared to budgeted revenues of \$53,885,835. As stated earlier, revenues for all functions were higher than budgeted.

The General Fund actual expenditures for the year were \$171,310 lower than budgeted (\$52,278,524 actual compared to \$52,449,834 budgeted). Salaries and wages in Police and Fire departments were \$1,436,336 below the budget, largely due to turnover throughout the year. This was partially offset by expenditures being over budget in the Civil Defense department, \$1,253,100 budgeted vs \$2,126,461 actual (over budget by \$873,361).

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Village's investment in capital assets for its governmental and business type activities as of December 31, 2022 was \$101,063,131 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, construction in progress, improvements other than buildings, buildings, machinery and equipment, vehicles, and infrastructure.

	Capital Assets - Net of Depreciation					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	12/31/22	12/31/21	12/31/22	12/31/21	12/31/22	12/31/21
Land	\$ 27,087,846	26,879,581	699,347	699,347	27,787,193	27,578,928
Land Improvements	—	—	12,479	12,479	12,479	12,479
Construction in Progress	2,924,681	3,605,699	1,205,594	1,223,684	4,130,275	4,829,383
Buildings	3,680,035	3,776,987	—	—	3,680,035	3,776,987
Buildings	11,441,692	11,763,031	727,892	753,634	12,169,584	12,516,665
Machinery and Equipment	1,216,697	1,371,177	418,162	460,967	1,634,859	1,832,144
Vehicles	2,865,450	2,167,142	83,322	65,033	2,948,772	2,232,175
Infrastructure	17,506,786	17,926,884	31,193,148	31,389,276	48,699,934	49,316,160
Totals	66,723,187	67,490,501	34,339,944	34,604,420	101,063,131	102,094,921

VILLAGE OF MELROSE PARK, ILLINOIS

Management's Discussion and Analysis

December 31, 2022

CAPITAL ASSETS AND DEBT ADMINISTRATION - Continued

Capital Assets - Continued

This year's major additions included:

Land	\$ 208,265
Construction in Progress	555,931
Buildings	136,660
Machinery and Equipment	55,864
Vehicles	478,625
Infrastructure	81,787
	<u>1,517,132</u>

Additional information on the Village's capital assets can be found in Note 3 of this report.

Debt Administration

At year-end, the Village had long-term debt outstanding in the total of 208,331,928. The amount outstanding as compared to the previous year was 218,291,699 a decrease of \$9,959,771. 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, the total OPEB liability, and net pension liability. Bonds and loans payable decreased due to the payment of scheduled principal maturities during the year. The other significant changes in long term debt were the decrease in the net pension liabilities due to increased funding of the pension plans as well as plan changes that affected the valuation of OPEB.

	Long-Term Liabilities Outstanding					
	Governmental		Business-Type		Totals	
	Activities	Activities	Activities	Activities	Activities	Activities
	12/31/22	12/31/21	12/31/22	12/31/21	12/31/22	12/31/21
General Obligation Bonds	\$ 20,947,595	25,985,893	195,344	186,204	21,142,939	26,172,097
Loans Payable	5,294,729	5,413,658	—	—	5,294,729	5,413,658
Net Pension Liability	124,211,09	108,106,87	—	—	124,211,091	108,106,873
Total OPEB Liability	50,258,737	62,093,266	7,424,432	16,505,805	57,683,169	78,599,071
	<u>200,712,15</u>	<u>201,599,69</u>	<u>7,619,776</u>	<u>16,692,009</u>	<u>208,331,928</u>	<u>218,291,699</u>

See Note 3 for a detailed description of the Village's long-term liabilities.

VILLAGE OF MELROSE PARK, ILLINOIS

Management's Discussion and Analysis

December 31, 2022

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

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 and economic incentive agreements 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

REQUESTS FOR INFORMATION

This financial report is designed provide citizens, customers, investors and creditors and for all those with an interest in the government's finances, a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to Business Office, Village of Melrose Park, 1000 North 25th Avenue, Melrose Park, Illinois 60160.

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

Government-Wide Financial Statements

Fund Financial Statements

- Governmental Funds
- Proprietary Fund
- Fiduciary Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

VILLAGE OF MELROSE PARK, ILLINOIS

Statement of Net Position

December 31, 2022

See Following Page

VILLAGE OF MELROSE PARK, ILLINOIS

Statement of Net Position December 31, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Totals	Melrose Park Public Library
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 75,896,504	5,854,651	81,751,155	54,483
Receivables - Net of Allowances	28,135,206	3,656,919	31,792,125	1,228,445
Internal Balances	(4,121,491)	4,121,491	—	—
Prepays	499,887	193,038	692,925	—
Total Current Assets	100,410,106	13,826,099	114,236,205	1,282,928
Noncurrent Assets				
Capital Assets				
Nondepreciable	30,012,527	1,917,420	31,929,947	333,332
Depreciable	68,497,603	53,225,597	121,723,200	1,181,368
Accumulated Depreciation	(31,786,943)	(20,803,073)	(52,590,016)	(874,938)
Total Capital Assets	66,723,187	34,339,944	101,063,131	639,762
Other Assets				
Net Pension Asset - IMRF	3,782,542	2,156,989	5,939,531	—
Total Noncurrent Assets	70,505,729	36,496,933	107,002,662	639,762
Total Assets	170,915,835	50,323,032	221,238,867	1,922,690
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Items - IMRF	446,936	254,865	701,801	—
Deferred Items - Police Pension	7,765,312	—	7,765,312	—
Deferred Items - Firefighters' Pension	5,803,763	—	5,803,763	—
Deferred Items - RBP	7,454,354	1,101,188	8,555,542	—
Total Deferred Outflows of Resources	21,470,365	1,356,053	22,826,418	—
Total Assets and Deferred Outflows of Resources	192,386,200	51,679,085	244,065,285	1,922,690

The notes to the financial statements are an integral part of this statement.

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Totals	Melrose Park Public Library
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 5,743,389	1,760,192	7,503,581	16,857
Accrued Payroll	842,147	—	842,147	—
Accrued Interest Payable	33,787	—	33,787	—
Insurance Claims Payable	120,982	195,344	316,326	50,826
Due to Other Governments	402,203	—	402,203	570,112
Other Payables	—	1,754,290	1,754,290	959,136
Current Portion of Long-Term Debt	5,428,262	—	5,428,262	—
Total Current Liabilities	12,570,770	3,709,826	16,280,596	1,596,931
Noncurrent Liabilities				
Net Pension Liability - Police Pension	57,026,485	—	57,026,485	—
Net Pension Liability - Firefighters' Pension	67,184,606	—	67,184,606	—
Total OPEB Liability - RBP	50,258,737	7,424,432	57,683,169	—
General Obligation Bonds Payable - Net	16,070,596	—	16,070,596	—
Loans Payable	5,167,812	—	5,167,812	—
Insurance Claims Payable	1,209,660	—	1,209,660	—
Total Noncurrent Liabilities	196,917,896	7,424,432	204,342,328	—
Total Liabilities	209,488,666	11,134,258	220,622,924	1,596,931
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	17,621,598	—	17,621,598	—
Grants	1,865,847	—	1,865,847	—
Deferred Items - IMRF	3,411,922	1,945,643	5,357,565	—
Deferred Items - Police Pension	11,471,634	—	11,471,634	—
Deferred Items - Firefighters' Pension	6,189,029	—	6,189,029	—
Deferred Items - RBP	20,325,457	3,002,562	23,328,019	—
Total Deferred Inflows of Resources	60,885,487	4,948,205	65,833,692	—
Total Liabilities and Deferred Inflows of Resources	270,374,153	16,082,463	286,456,616	1,596,931
NET POSITION				
Net Investment in Capital Assets	45,351,246	34,339,944	79,691,190	639,762
Restricted				
Illinois Municipal Retirement	3,782,542	2,156,989	5,939,531	—
Crossing Guards	28,806	—	28,806	—
Highways and Streets	3,410,951	—	3,410,951	—
Community Development	13,709,502	—	13,709,502	—
Debt Service	3,509,209	—	3,509,209	—
Unrestricted (Deficit)	(147,780,209)	(900,311)	(148,680,520)	(314,003)
Total Net Position	(77,987,953)	35,596,622	(42,391,331)	325,759

The notes to the financial statements are an integral part of this statement.

VILLAGE OF MELROSE PARK, ILLINOIS

Statement of Activities

For the Fiscal Year Ended December 31, 2022

		Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
	Expenses			
Governmental Activities				
General Government	\$ 11,741,900	5,464,478	79,403	—
Public Safety	20,507,445	3,147,532	—	—
Highways and Streets	4,773,684	—	1,014,196	578,528
Refuse	2,256,423	—	—	—
Culture and Recreation	2,433,612	—	—	—
Hispanic Liaison Center	262,878	—	—	—
Community Development	4,961,141	718,117	—	—
Interest on Long-Term Debt	1,352,918	—	—	—
Total Governmental Activities	48,290,001	9,330,127	1,093,599	578,528
Business-Type Activities				
Water and Sewer	22,303,645	32,226,675	—	170,703
Total Primary Government	70,593,646	41,556,802	1,093,599	749,231
Component Unit				
Melrose Park Public Library	788,453	—	48,799	—

General Revenues
Taxes
Property
Sales
Telecommunications
Amusement
Other Taxes
Intergovernmental - Unrestricted
State Income Tax
Replacement Tax
State Gaming Revenue
Interest Income
Miscellaneous

Change in Net Position

Net Position - Beginning

Net Position - Ending

The notes to the financial statements are an integral part of this statement.

Net (Expenses)/Revenues			
Primary Government			Component
Governmental	Business-Type		Unit
Activities	Activities	Totals	Morton Grove Public Library
(6,198,019)	—	(6,198,019)	—
(17,359,913)	—	(17,359,913)	—
(3,180,960)	—	(3,180,960)	—
(2,256,423)	—	(2,256,423)	—
(2,433,612)	—	(2,433,612)	—
(262,878)	—	(262,878)	—
(4,243,024)	—	(4,243,024)	—
(1,352,918)	—	(1,352,918)	—
(37,287,747)	—	(37,287,747)	—
—	10,093,733	10,093,733	—
(37,287,747)	10,093,733	(27,194,014)	—
—	—	—	(739,654)
23,334,791	—	23,334,791	932,974
24,070,142	—	24,070,142	—
347,688	—	347,688	—
403,449	—	403,449	—
2,534,611	—	2,534,611	—
4,040,440	—	4,040,440	—
4,875,447	—	4,875,447	—
679,661	—	679,661	—
218,631	6,891	225,522	—
1,863,599	6,386	1,869,985	37,396
62,368,459	13,277	62,381,736	970,370
25,080,712	10,107,010	35,187,722	230,716
(103,068,665)	25,489,612	(77,579,053)	95,043
(77,987,953)	35,596,622	(42,391,331)	325,759

The notes to the financial statements are an integral part of this statement.

VILLAGE OF MELROSE PARK, ILLINOIS

Balance Sheet - Governmental Funds

December 31, 2022

	General
<hr/>	
ASSETS	
Cash and Investments	\$ 52,392,777
Receivables - Net of Allowances	
Property Taxes	20,571,530
Utility Taxes	358,013
Other Receivables	2,410,504
Due from Other Governments	4,146,229
Advances to Other Funds	6,492,582
Prepays	499,887
Total Assets	<u>86,871,522</u>
LIABILITIES	
Accounts Payable	3,271,829
Accrued Payroll	842,147
Insurance Claims Payable	120,982
Deposits Payable	402,203
Due to Other Funds	2,221,256
Advances from Other Funds	5,916,423
Other Payables	1,854,782
Total Liabilities	<u>14,629,622</u>
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	17,317,439
Grants	1,686,572
Total Deferred Inflows of Resources	<u>19,004,011</u>
Total Liabilities and Deferred Inflows of Resources	<u>33,633,633</u>
FUND BALANCES	
Nonspendable	6,992,469
Restricted	28,806
Unassigned	46,216,614
Total Fund Balances	<u>53,237,889</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>86,871,522</u>

The notes to the financial statements are an integral part of this statement.

Special Revenue			
Mid-Metro TIF	Senior First TIF	Nonmajor	Totals
6,291,896	2,466,679	14,745,152	75,896,504
—	—	372,818	20,944,348
—	—	—	358,013
—	—	—	2,410,504
—	—	276,112	4,422,341
3,687,972	2,094,631	3,863,074	16,138,259
—	—	—	499,887
9,979,868	4,561,310	19,257,156	120,669,856
84,426	—	165,878	3,522,133
—	—	—	842,147
—	—	—	120,982
—	—	—	402,203
—	—	3,482,004	5,703,260
5,057,479	5,803,844	—	16,777,746
—	—	—	1,854,782
5,141,905	5,803,844	3,647,882	29,223,253
—	—	304,159	17,621,598
—	—	179,275	1,865,847
—	—	483,434	19,487,445
5,141,905	5,803,844	4,131,316	48,710,698
—	—	—	6,992,469
4,837,963	—	15,791,699	20,658,468
—	(1,242,534)	(665,859)	44,308,221
4,837,963	(1,242,534)	15,125,840	71,959,158
9,979,868	4,561,310	19,257,156	120,669,856

The notes to the financial statements are an integral part of this statement.

VILLAGE OF MELROSE PARK, ILLINOIS

Reconciliation of the Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities

December 31, 2022

Total Governmental Fund Balances	\$ 71,959,158
Amounts reported for governmental activities 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 funds.	66,723,187
Certain revenues that are deferred in the governmental funds are recognized as revenue in the governmental activities	1,854,782
A net pension asset is not considered to represent a financial resources and therefore is not reported in the funds. Net Pension Asset - IMRF	3,782,542
Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Deferred Items - IMRF	(2,964,986)
Deferred Items - Police Pension	(3,706,322)
Deferred Items - Firefighters' Pension	(385,266)
Deferred Items - RBP	(12,871,103)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Net Pension Liability - Police Pension	(57,026,485)
Net Pension Liability - Firefighters' Pension	(67,184,606)
Total OPEB Liability - RBP	(50,258,737)
Insurance Claims Payable	(1,209,660)
General Obligation Bonds Payable - Net	(21,371,941)
Loans Payable	(5,294,729)
Accrued Interest Payable	(33,787)
Net Position of Governmental Activities	(77,987,953)

The notes to the financial statements are an integral part of this statement.

VILLAGE OF MELROSE PARK, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended December 31, 2022**

See Following Page

VILLAGE OF MELROSE PARK, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds For the Fiscal Year Ended December 31, 2022

	<u>General</u>
Revenues	
Taxes	\$ 44,346,810
Intergovernmental	9,674,951
Licenses and Permits	4,758,737
Charges for Services	2,543,642
Fines and Forfeitures	1,309,631
Interest Income	62,878
Miscellaneous	1,863,599
Total Revenues	<u>64,560,248</u>
Expenditures	
General Government	7,164,207
Public Safety	33,337,020
Highways and Streets	3,431,088
Refuse	2,256,423
Culture and Recreation	2,263,708
Hispanic Liaison Center	261,472
Community Development	3,075,440
Debt Service	
Principal Retirement	118,929
Interest and Fiscal Charges	370,237
Total Expenditures	<u>52,278,524</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>12,281,724</u>
Other Financing Sources (Uses)	
Disposal of Capital Assets	14,800
Transfers In	—
Transfers Out	(1,099,280)
	<u>(1,084,480)</u>
Net Change in Fund Balances	11,197,244
Fund Balances - Beginning	<u>42,040,645</u>
Fund Balances - Ending	<u><u>53,237,889</u></u>

The notes to the financial statements are an integral part of this statement.

Special Revenue			
Mid-Metro TIF	Senior First TIF	Nonmajor	Totals
1,594,219	1,111,881	3,629,569	50,682,479
—	—	1,592,724	11,267,675
—	—	—	4,758,737
718,117	—	—	3,261,759
—	—	—	1,309,631
77,480	32,026	46,247	218,631
—	—	—	1,863,599
2,389,816	1,143,907	5,268,540	73,362,511
—	—	—	7,164,207
—	—	—	33,337,020
—	—	686,368	4,117,456
—	—	—	2,256,423
—	—	—	2,263,708
—	—	—	261,472
753,258	126,074	964,417	4,919,189
850,000	997,497	3,277,503	5,243,929
78,000	92,905	792,586	1,333,728
1,681,258	1,216,476	5,720,874	60,897,132
708,558	(72,569)	(452,334)	12,465,379
—	—	—	14,800
—	—	1,831,554	1,831,554
(392,754)	—	(339,520)	(1,831,554)
(392,754)	—	1,492,034	14,800
315,804	(72,569)	1,039,700	12,480,179
4,522,159	(1,169,965)	14,086,140	59,478,979
4,837,963	(1,242,534)	15,125,840	71,959,158

The notes to the financial statements are an integral part of this statement.

VILLAGE OF MELROSE PARK, ILLINOIS

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities - Governmental Activities For the Fiscal Year Ended December 31, 2022

Net Change in Fund Balances - Total Governmental Funds	\$ 12,480,179
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Amounts reported for governmental activities in the Statement of Activities
are different because:

Governmental funds report capital outlays as expenditures. However, in the
Statement of Activities the cost of those assets is allocated over their estimated
useful lives and reported as depreciation expense.

Capital Outlays	881,870
Depreciation Expense	(1,597,126)
Disposals - Cost	(970,226)
Disposals - Accumulated Depreciation	918,168

A deduction to certain revenues recognized as revenue only in the governmental funds.	8,202
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An addition to a net pension asset is not considered to be an increase in a
financial asset in the governmental funds.

Change in Net Pension Asset - IMRF	2,450,354
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The net effect of deferred outflows (inflows) of resources related
to the pensions not reported in the funds.

Change in Deferred Items - IMRF	(1,169,561)
Change in Deferred Items - Police Pension	12,089,651
Change in Deferred Items - Firefighters' Pension	16,459,897
Change in Deferred Items - RBP	(17,503,929)

The issuance of long-term debt provides current financial resources to
governmental funds, while the repayment of the principal on long-term
debt consumes the current financial resources of the governmental funds.

Change in Net Pension Liability - Police Pension	(7,896,723)
Change in Net Pension Liability - Firefighters' Pension	(8,207,495)
Change in Total OPEB Liability - RBP	11,834,529
Retirement of Debt - Net	5,308,113
Accretion Expense - Alternate Revenue Capital Appreciation Bonds	(86,702)
Change in Claims Payable	78,183
Amortization of Loss on Refunding	(12,266)

Changes to accrued interest on long-term debt in the Statement of Activities
does not require the use of current financial resources and, therefore, are not
reported as expenditures in the governmental funds.

15,594

Changes in Net Position of Governmental Activities

25,080,712

The notes to the financial statements are an integral part of this statement.

VILLAGE OF MELROSE PARK, ILLINOIS

Statement of Net Position - Proprietary Funds

December 31, 2022

See Following Page

VILLAGE OF MELROSE PARK, ILLINOIS

Statement of Net Position - Proprietary Fund
December 31, 2022

	Business-Type Activities
	Enterprise
	Water and Sewer
ASSETS	
Current Assets	
Cash and Investments	\$ 5,854,651
Receivables - Net of Allowances	
Accounts	3,656,919
Advances to Other Funds	4,121,491
Prepays	193,038
Total Current Assets	13,826,099
Noncurrent Assets	
Capital Assets	
Nondepreciable	1,917,420
Depreciable	53,225,597
Accumulated Depreciation	(20,803,073)
Total Capital Assets	34,339,944
Other Assets	
Net Pension Assets - IMRF	2,156,989
Total Noncurrent Assets	36,496,933
Total Assets	50,323,032
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Items - IMRF	254,865
Deferred Items - RBP	1,101,188
Total Deferred Outflows of Resources	1,356,053
Total Assets and Deferred Outflows of Resources	51,679,085

The notes to the financial statements are an integral part of this statement.

	Business-Type Activities
	Enterprise
	Water and Sewer
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 1,760,192
Insurance Claims Payable	195,344
Other Payables	1,754,290
Total Current Liabilities	3,709,826
Noncurrent Liabilities	
Total OPEB Liability - RBP	7,424,432
Total Liabilities	11,134,258
DEFERRED INFLOWS OF RESOURCES	
Deferred Items - IMRF	1,945,643
Deferred Items - RBP	3,002,562
Total Deferred Inflows of Resources	4,948,205
Total Liabilities and Deferred Inflows of Resources	16,082,463
NET POSITION	
Investment in Capital Assets	34,339,944
Restricted	2,156,989
Unrestricted (Deficit)	(900,311)
Total Net Position	35,596,622

The notes to the financial statements are an integral part of this statement.

VILLAGE OF MELROSE PARK, ILLINOIS

Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Fund For the Fiscal Year Ended December 31, 2022

	Business-Type Activities
	Enterprise
	Water and Sewer
Operating Revenues	
Charges for Services	\$ 25,555,116
Revenue from Change in IMRF Plan	723,070
Revenue from Change in OPEB Plan	5,948,489
Total Operating Revenues	32,226,675
Operating Expenses	
Operations	21,403,907
Depreciation	894,697
Total Operating Expenses	22,298,604
Operating Income	9,928,071
Nonoperating Revenues (Expenses)	
Interest Income	6,891
Grants	6,386
Disposal of Capital Assets	(5,041)
	8,236
Income before Capital Grants	9,936,307
Capital Grants	170,703
Change in Net Position	10,107,010
Net Position - Beginning	25,489,612
Net Position - Ending	35,596,622

The notes to the financial statements are an integral part of this statement.

VILLAGE OF MELROSE PARK, ILLINOIS

Statement of Cash Flows - Proprietary Funds For the Fiscal Year Ended December 31, 2022

	Business-Type Activities Enterprise Water and Sewer
Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 29,310,868
Payments to Suppliers	(28,525,084)
Payments to Employees	(1,366,433)
	<u>(580,649)</u>
Cash Flows from Capital and Related Financing Activities	
Purchase of Capital Assets	(635,262)
Capital Grant	170,703
	<u>(464,559)</u>
Cash Flows from Investing Activities	
Interest Income	<u>6,891</u>
Net Change in Cash and Cash Equivalents	(1,038,317)
Cash and Cash Equivalents - Beginning	<u>6,892,968</u>
Cash and Cash Equivalents - Ending	<u><u>5,854,651</u></u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	9,928,071
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities:	
Depreciation Expense	894,697
Other Income (Expense)	6,386
(Increase) Decrease in Current Assets	(2,922,193)
Increase (Decrease) in Current Liabilities	<u>(8,487,610)</u>
Net Cash Provided by Operating Activities	<u><u>(580,649)</u></u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF MELROSE PARK, ILLINOIS

**Statement of Fiduciary Net Position
December 31, 2022**

	<u>Pension Trust</u>
ASSETS	
Cash and Cash Equivalents	\$ 9,763,312
Investments	
Illinois Police Officers' Pension Investment Fund	31,677,152
Illinois Firefighters' Pension Investment Fund	27,932,204
Due from Other Funds	2,221,256
Prepays	<u>7,673</u>
Total Assets	71,601,597
LIABILITIES	
Accounts Payable	<u>8,416</u>
NET POSITION	
Net Position Restricted	<u><u>71,593,181</u></u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF MELROSE PARK, ILLINOIS

**Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended December 31, 2022**

	Pension Trust
Additions	
Contributions	
Employer	\$ 11,302,898
Plan Members	1,133,355
Total Contributions	12,436,253
Investment Earnings	
Interest Earned	(253,824)
Net Change in Fair Value	(8,826,277)
	(9,080,101)
Less Investment Expenses	(39,792)
Net Investment Income	(9,119,893)
Total Additions	3,316,360
Deductions	
Administration	118,642
Benefits and Refunds	10,321,172
Total Deductions	10,439,814
Change in Fiduciary Net Position	(7,123,454)
Net Position Restricted for Pensions	
Beginning	78,716,635
Ending	71,593,181

The notes to the financial statements are an integral part of this statement.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

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 government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the Village's accounting policies established in GAAP and used by the Village are described below.

REPORTING ENTITY

The Village's financial reporting entity comprises the following:

Primary Government:	Village of Melrose Park
Discretely Presented Component Units:	Melrose Park Public Library

In determining the financial reporting entity, the Village complies with the provisions of GASB Statement No. 61, "The Financial Reporting Omnibus – an Amendment of GASB Statements No. 14 and No. 34," and includes all component units that have a significant operational or financial relationship with the Village. Based upon the criteria set forth in the GASB Statement No. 61, all component units that have a significant operational or financial relationship with the Village have been included.

Police Pension Employees Retirement System

The Village's sworn police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's Mayor, one elected pension beneficiary and two elected police employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining 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 is legally separate from the Village, the PPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the Village's police employees. The PPERS is reported as a pension trust fund.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

REPORTING ENTITY - Continued

Firefighters' Pension Employees Retirement System

The Village's sworn firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of those employees and is governed by a five-member pension board, with two members appointed by the Village's Mayor, two elected from active participants of the Fund, and one elected from the retired members of the Fund. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining 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 is legally separate from the Village, the FPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the Village's sworn firefighters. The FPERS is reported as a fiduciary fund, and specifically a pension trust fund, due to the fiduciary responsibility exercised over the FPERS.

Discretely Presented Component Unit

Discretely presented component units are separate legal entities that meet the component unit criteria but do not meet the criteria for blending.

Melrose Park Public Library

The government-wide financial statements include the Melrose Park Public Library (the 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, 2022. The Library does not issue separate financial statements.

BASIS OF PRESENTATION

Government-Wide Statements

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Village's public safety, highways and streets, refuse, culture and recreation, Hispanic liaison center, community development, and general government services are classified as governmental activities. The Village's water and sewer services are classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are: (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations. The Village's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The Village utilizes restricted resources to finance qualifying activities.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Government-Wide Statements - Continued

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions and business-type activities (general government, public safety, highways and streets, refuse, culture and recreation, Hispanic liaison center, community development, etc.). The functions are supported by general government revenues (property taxes, sales taxes, telecommunication taxes, utility taxes, amusement taxes, certain intergovernmental revenues, interest income, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which 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.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, intergovernmental revenues, charges for services, etc.).

The Village does not allocate indirect costs. An administrative service fee is charged by the General Fund to the other operating funds that is eliminated like a reimbursement (reducing the revenue and expense in the General Fund) to recover the direct costs of General Fund services provided (finance, personnel, purchasing, legal, technology management, etc.).

This government-wide focus is more on the sustainability of the Village as an entity and the change in the Village's net position resulting from the current year's activities.

Fund Financial Statements

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories.

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The Village may electively add funds, as major funds, which either had debt outstanding or specific community focus. The nonmajor funds are combined in a column in the fund financial statements. A fund is considered major if it is a primary operating fund of the Village or meets the following criteria:

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Fund Financial Statements - Continued

The various funds are reported by generic classification within the financial statements. The following fund types are used by the Village:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Village:

General Fund is the general operating fund of the Village. It accounts for all revenues and expenditures of the Village which are not accounted for in other funds. The General Fund is a major fund.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Village maintains eight special revenue funds. The Mid-Metro TIF Fund, a major fund, is used to account for the accumulation of resources for, and the payment of expenditures within the boundaries of the Mid-Metro TIF District. The Senior First TIF Fund, also a major fund, is used to account for the accumulation of resources for, and the payment of expenditures within the boundaries of the Senior First TIF District. Per the terms of the 1992 Project Use Agreement.

Debt Service Funds are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The Village maintains two nonmajor debt service funds.

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the Village:

Enterprise Funds account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The Village maintains one major enterprise fund. The Water and Sewer Fund is used to account for operations of the water distribution system and sewer system.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Fund Financial Statements - Continued

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or custodial capacity for others and therefore are not available to support Village programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

Pension Trust Funds are used to account for assets held in a trustee capacity for pension benefit payments. The Police Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the Village's police force. The Firefighters' Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the Village's Fire Department.

The Village's pension trust funds are presented in the fiduciary fund financial statements. Since by definition these assets are being held for the benefit of a third party (pension participants) and cannot be used to address activities or obligations of the Village, these funds are not incorporated into the government-wide statements.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined below. In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

All proprietary and fiduciary funds utilize an "economic resources" measurement focus. The accounting objectives of the "economic resources" measurement focus is the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows, liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. The Village recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty-day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, sales and use taxes, franchise taxes, utility taxes, hotel/motel taxes, fines, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

All proprietary funds and pension trust funds utilize 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.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 Village’s enterprise funds and of the Village’s internal service funds are charges to customers for sales and services. The Village also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service 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 nonoperating revenues and expenses.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

Cash and Investments

Cash and cash equivalents on the Statement of Net Position are considered to be cash on hand, demand deposits, cash with fiscal agent. For the purpose of the proprietary funds "Statement of Cash Flows," cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, 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.

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes, sales and use taxes, franchise taxes, and grants. Business-type activities report charges for services as their major receivables.

Prepays

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements. Prepaids are valued at cost, which approximates market. The costs of governmental fund-type prepaids are recorded as expenditures when consumed rather than when purchased.

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

Capital Assets

Capital assets purchased or acquired with an original cost of more than \$10,000 for infrastructure assets and \$10,000 for all other capital assets, are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Village as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. Infrastructure such as streets, traffic signals and signs are capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are capitalized at acquisition value on the date donated.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Improvements Other than Buildings	20 - 50 Years
Buildings	25 - 50 Years
Machinery and Equipment	5 - 40 Years
Vehicles	10 - 40 Years
Infrastructure	25 - 100 Years

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents a consumption/acquisition of net assets that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

Long-Term Obligations - Continued

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Net Investment in Capital Assets - Consists of capital assets, including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted - Consists of net position with constraints placed on the 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.

Unrestricted - All other net position balances that do not meet the definition of “restricted” or “net investment in capital assets.”

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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 budgeted amounts 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 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.

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.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - Continued

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

The following fund had an excess of actual expenditures over budget for the fiscal year:

Fund	Excess
Senior First TIF	\$ 21,272
Chicago Ave and Superior TIF	958,567
MFT Bond	2

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 Chicago Ave and Superior TIF Fund and by other TIF funds in the Senior First TIF as TIF's are contiguous.

DEFICIT FUND BALANCES

The following funds had deficit fund balance as of the date of this report:

Fund	Deficit
Senior First TIF	\$ 1,242,534
25th and North TIF	134,052
Zenith Opus North TIF	531,807

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.

NOTE 3 - DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

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

Permitted Deposits and Investments - Illinois Statutes authorizes the Village to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, and commercial paper rated within the three highest classifications by at least two standard rating services.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Village

Deposits. At year-end, the carrying amount of the Village's deposits for governmental and business-type activities totaled \$81,751,155 and the bank balances totaled \$82,732,996.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. 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.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. 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 investment policy authorizes investments in any type of security allowed for in Illinois statutes regarding the investment of public funds.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. 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. At year-end, 5,439,521 of the bank balance of deposits was not covered by collateral, federal depository or equivalent insurance.

For an investment, this 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 policy requires all securities to be held by a third party custodian designated by the Treasurer and evidenced by safekeeping receipts.

Concentration Risk. This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. 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. At year-end, the Village has no investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Police Pension Fund

The Illinois Police Officers Pension Investment Fund (IPOPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate police pension funds. IPOPIF was created by Public Act 101-0610, and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds. Participation in IPOPIF by Illinois suburban and downstate police pension funds is mandatory. Investments of the Fund are combined in a commingled external investment pool and held by IPOPIF. A schedule of investment expenses is included in IPOPIF's annual report. For additional information on IPOPIF's investments, please refer to their annual report, which can be obtained from IFPIF at 456 Fulton Street, Suite 402 Peoria, Illinois 61602 or at www.ipopif.org. The Fund transferred all eligible assets to the Investment Fund on August 1, 2022.

Deposits. The Fund retains all its available cash with one financial institution. Available cash is determined to be that amount which is required for the current expenditures of the Fund. The excess of available cash is required to be transferred to IPOPIF for purposes of the long-term investment for the Fund. At year-end, the carrying amount of the Fund's cash on hand totaled \$5,601,050 and the bank balances totaled \$5,541,050.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Fund's deposits may not be returned to it. The Fund's investment policies do not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the pension fund's deposits with financial institutions. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

Investments. At year-end the Fund has \$31,677,152 invested in IPOPIF, which is measured at the Net Asset Value (NAV) per share as determined by the pool. The pooled investments consist of the investments as noted in the target allocation table available at www.ipopif.org.

Investment Policy. IPOPIF's current investment policy was adopted by the Board of Trustees on December 17, 2021. IPOPIF is authorized to invest in all investments allowed by Illinois Compiled Statutes (ILCS). The IPOPIF shall not be subject to any of the limitations applicable to investments of pension fund assets currently held by the transferor pension funds under Sections 1-113.1 through 1-113.12 or Article 3 of the Illinois Pension Code.

Rate of Return

For the year ended December 31, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was not available. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Firefighters' Pension Fund

The Illinois Firefighters' Pension Investment Fund (IFPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate firefighter pension funds. IFPIF was created by Public Act 101-0610, and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds. Participation in IFPIF by Illinois suburban and downstate firefighter pension funds is mandatory. Investments of the Fund are combined in a commingled external investment pool and held by IFPIF. A schedule of investment expenses is included in IFPIF's annual report. For additional information on IFPIF's investments, please refer to their annual report, which can be obtained from IFPIF at 1919 South Highland Avenue, Building A, Suite 237, Lombard, IL 60148 or at www.ifpif.org. The Fund transferred all eligible assets to the IFPIF on January 1, 2022.

Deposits. The Fund retains all its available cash with one financial institution. Available cash is determined to be that amount which is required for the current expenditures of the Fund. The excess of available cash is required to be transferred to IFPIF for purposes of the long-term investment for the Fund. At year-end, the carrying amount of the Fund's cash on hand totaled \$4,162,262 and the bank balances totaled \$4,167,198.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Fund's deposits may not be returned to it. The Fund's deposits are covered by FDIC insurance and flow-through FDIC insurance is available for the Fund's deposits with financial institutions. The Fund's investment policy 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. At year-end, 3,403,289 of the bank balance of deposits was not covered by collateral, federal depository or equivalent insurance.

Investments. At year-end the Fund has \$27,932,204 invested in IFPIF, which is measured at the Net Asset Value (NAV) per share as determined by the pool. The pooled investments consist of the investments as noted in the target allocation table available at www.ifpif.org.

Investment Policy. IFPIF's current investment policy was adopted by the Board of Trustees on June 17, 2022. IFPIF is authorized to invest in all investments allowed by Illinois Compiled Statutes (ILCS). The IFPIF shall not be subject to any of the limitations applicable to investments of pension fund assets currently held by the transferor pension funds under Sections 1-113.1 through 1-113.12 or Article 4 of the Illinois Pension Code.

Rate of Return

For the year ended December 31, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (15.79%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Component Unit - Melrose Park Public Library

Deposits. At year-end, the carrying amount of the Library's deposits for governmental totaled \$54,483 and the bank balances totaled \$54,483.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Library's investment policy does not address interest rate risk.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments in commercial paper, corporate bonds and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The Library's investment policy does not impose further limits on investment choices.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Library's deposits may not be returned to it. The Library's investment policy does not address custodial credit risk for deposits. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

For an investment, this 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's investment policy does not address custodial credit risk for investments.

Concentration Risk. This is the risk of loss attributed to the magnitude of the Library's investment in a single issuer. The Library's investment policy does not address concentration risk. At year-end, the Library has no investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

PROPERTY TAXES

Property taxes for 2021 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Resolution). Tax bills are prepared by the County and are payable in two installments, on or about March 1 and August 1 during the following year. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 3.0% of the tax levy to reflect actual collection experience.

INTERFUND BALANCES

Interfund balances result from the time lag between when transactions are recorded in the accounting system and payments between funds are made. The composition of interfund balances as of the date of this report, is as follows:

Receivable Fund	Payable Fund	Amount
Police Pension	General Fund	\$ 1,001,795
Firefighters' Pension	General Fund	1,219,461
		<u>2,221,256</u>

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

INTERFUND ADVANCES

Interfund balances are advances in anticipation of receipts to cover temporary cash shortages. at December 31, 2022. These amounts will be paid over several years. Interfund balances as of the date of this report are as follows:

Receivable Fund	Payable Fund	Amount
General	Mid-Metro TIF	\$ 3,257,531
General	Senior First TIF	1,581,269
General	Nonmajor Governmental	1,653,782
Mid-Metro TIF	Senior First TIF	3,687,972
Senior First TIF	General	160,631
Senior First TIF	Mid-Metro TIF	967,000
Senior First TIF	Nonmajor Governmental	967,000
Nonmajor Governmental	General	1,634,301
Nonmajor Governmental	Senior First TIF	534,603
Nonmajor Governmental	Mid-Metro TIF	832,948
Nonmajor Governmental	Nonmajor Governmental	861,222
Water	General	4,121,491
		<u>20,259,750</u>

INTERFUND TRANSFERS

Interfund transfers for the fiscal year consisted of the following:

Transfer In	Transfer Out	Amount
Nonmajor Governmental	General	\$ 1,099,280 (2)
Nonmajor Governmental	Mid-Metro TIF	392,754 (1)
Nonmajor Governmental	Nonmajor Governmental	<u>339,520 (1)</u>
		<u>1,831,554</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to the Financial Statements December 31, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the fiscal year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 26,879,581	208,265	—	27,087,846
Construction in Progress	3,605,699	44,439	725,457	2,924,681
	<u>30,485,280</u>	<u>252,704</u>	<u>725,457</u>	<u>30,012,527</u>
Depreciable Capital Assets				
Improvements Other than Buildings	4,917,621	—	—	4,917,621
Buildings	23,047,684	136,660	—	23,184,344
Machinery and Equipment	5,555,861	55,864	—	5,611,725
Vehicles	7,627,212	1,162,099	970,226	7,819,085
Infrastructure	26,964,828	—	—	26,964,828
	<u>68,113,206</u>	<u>1,354,623</u>	<u>970,226</u>	<u>68,497,603</u>
Less Accumulated Depreciation				
Improvements Other than Buildings	1,140,634	96,952	—	1,237,586
Buildings	11,284,653	457,999	—	11,742,652
Machinery and Equipment	4,184,684	210,344	—	4,395,028
Vehicles	5,460,070	411,733	918,168	4,953,635
Infrastructure	9,037,944	420,098	—	9,458,042
	<u>31,107,985</u>	<u>1,597,126</u>	<u>918,168</u>	<u>31,786,943</u>
Total Net Depreciable Capital Assets	<u>37,005,221</u>	<u>(242,503)</u>	<u>52,058</u>	<u>36,710,660</u>
Total Net Capital Assets	<u>67,490,501</u>	<u>10,201</u>	<u>777,515</u>	<u>66,723,187</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 230,011
Public Safety	497,625
Highways and Streets	656,228
Culture and Recreation	169,904
Hispanic Liaison Center	1,406
Community Development	<u>41,952</u>
	<u>1,597,126</u>

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS - Continued

Business-Type Activities

Business-type capital asset activity for the fiscal year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 699,347	—	—	699,347
Land Improvements	12,479	—	—	12,479
Construction in Progress	1,223,684	511,492	529,582	1,205,594
	<u>1,935,510</u>	<u>511,492</u>	<u>529,582</u>	<u>1,917,420</u>
Depreciable Capital Assets				
Buildings	1,666,602	—	—	1,666,602
Equipment	781,060	—	—	781,060
Vehicles	622,765	41,983	72,996	591,752
Infrastructure - Water System	49,574,814	611,369	—	50,186,183
	<u>52,645,241</u>	<u>653,352</u>	<u>72,996</u>	<u>53,225,597</u>
Less Accumulated Depreciation				
Buildings	912,968	25,742	—	938,710
Equipment	320,093	42,805	—	362,898
Vehicles	557,732	18,653	67,955	508,430
Water System Infrastructure	18,185,538	807,497	—	18,993,035
	<u>19,976,331</u>	<u>894,697</u>	<u>67,955</u>	<u>20,803,073</u>
Total Net Depreciable Capital Assets	<u>32,668,910</u>	<u>(241,345)</u>	<u>5,041</u>	<u>32,422,524</u>
Total Net Capital Assets	<u>34,604,420</u>	<u>270,147</u>	<u>534,623</u>	<u>34,339,944</u>

Depreciation expense was charged to business-type activities as follows:

Water and Sewer	<u>\$ 894,697</u>
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VILLAGE OF MELROSE PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS - Continued

Component Unit - Melrose Park Public Library

Component unit capital asset activity for the fiscal year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 333,332	—	—	333,332
Depreciable Capital Assets				
Buildings	658,577	—	—	658,577
Machinery and Equipment	522,791	—	—	522,791
	1,181,368	—	—	1,181,368
Less Accumulated Depreciation				
Buildings	395,791	6,324	—	402,115
Machinery and Equipment	463,695	9,128	—	472,823
	859,486	15,452	—	874,938
Total Net Depreciable Capital Assets	321,882	(15,452)	—	306,430
Total Net Capital Assets	655,214	(15,452)	—	639,762

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT

General Obligation/General Obligation Capital Appreciation Bonds

The Village issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the Village. General obligation bonds currently outstanding are as follows:

Issue	Retired by Fund	Beginning Balances	Issuances	Retirements	Ending Balances
\$5,320,000 General Obligation Capital Appreciation Bonds (Alternate Revenue Source) of 2003C- Due in annual installments of \$270,000 to \$1,090,000 plus interest at 4.70% to 5.40% through December 15, 2023.	Zenith Opus TIF	\$ 1,589,643	86,702	615,000	1,061,345
\$4,800,000 General Obligation Tax Increment Bonds (Alternate Revenue Source) of 2004A- Due in annual installments of \$175,000 to \$470,000 plus interest at 6.75% through December 15, 2023.	Senior First TIF	910,000	—	440,000	470,000
\$3,710,000 General Obligation Bonds of 2011A- Due in annual installments of \$235,000 to \$1,775,000 plus interest at 4.00% to 5.00% through December 15, 2023.	25th and North TIF	1,737,500	—	850,000	887,500
	Metro TIF	1,737,500	—	850,000	887,500
\$14,355,000 General Obligation Bonds of 2012 - Due in annual installments of \$475,000 to \$1,020,000 plus interest at 3.50% to 5.00% through December 15, 2023.	Debt Service	9,255,000	—	685,000	8,570,000

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

General Obligation/General Obligation Capital Appreciation Bonds - Continued

Issue	Retired by Fund	Beginning Balances	Issuances	Retirements	Ending Balances
\$8,910,000 General Obligation Bonds of 2015 - Due in annual installments of \$505,000 to \$1,305,000 plus interest at 2.00% to 4.00% through December 15, 2023.	Motor Fuel Tax \$	130,130	—	84,014	46,116
	Senior First TIF	863,514	—	557,497	306,017
	Zenith Opus TIF	431,356	—	278,489	152,867
\$3,660,000 General Obligation Bonds of 2016- Due in annual installments of \$40,000 to \$465,000 plus interest at 2.00% to 3.20% through December 15, 2026.	Debt Service	1,395,000	—	260,000	1,135,000
\$2,908,750 General Obligation Refunding Bonds of 2019 - Due in annual installments of \$73,750 to \$1,507,400 plus interest at 4.75% through May 15, 2024.	25th and North TIF	2,171,250	—	295,000	1,876,250
\$5,970,000 General Obligation Bonds of 2020 - Due in annual installments of \$205,000 to \$390,000 plus interest at 2.00% to 5.00% through December 15, 2040.	Debt Service	5,765,000	—	210,000	5,555,000
		25,985,893	86,702	5,125,000	20,947,595

Loans Payable

The Village obtained loans for general government purposes with a carrying value of \$5,158,062 as of December 31, 2022. The loans' maturity date was originally February 2012 but was extended through February 29, 2024. The interest rate on these notes is 7.00%.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Loans Payable - Continued

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 the lease of office space within the building over a 264-month period. At December 31, 2022, the balance due was \$136,667.

Long-Term Liabilities Activity

Changes in long-term liabilities during the fiscal year were as follows:

Long-Term Liability	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Net Pension Liability - Police Pension	\$ 49,129,762	7,896,723	—	57,026,485	—
Net Pension Liability - Firefighters' Pension	58,977,111	8,207,495	—	67,184,606	—
Total OPEB Liability - RBP	62,093,266	—	11,834,529	50,258,737	—
General Obligation Bonds	25,985,893	86,702	5,125,000	20,947,595	5,301,345
Plus: Unamortized Premium	520,699	—	69,151	451,548	—
Less: Unamortized Discount	(32,169)	—	(4,967)	(27,202)	—
Loans Payable	5,413,658	—	118,929	5,294,729	126,917
Claims Payable	1,287,843	42,799	—	1,330,642	120,982
	<u>203,376,063</u>	<u>16,233,719</u>	<u>17,142,642</u>	<u>202,467,140</u>	<u>5,549,244</u>
Business-Type Activities					
Total OPEB Liability - RBP	16,505,805	—	9,081,373	7,424,432	—
Claims Payable	186,204	9,140	—	195,344	195,344
	<u>16,692,009</u>	<u>9,140</u>	<u>9,081,373</u>	<u>7,619,776</u>	<u>195,344</u>

For the governmental activities, payments on the net pension liability and the total OPEB liability are made by the General Fund. Payments on general obligation bonds are being liquidated by the Debt Service Fund, the Motor Fuel Tax Fund, the Senior First TIF Fund, the Zenith Opus TF Fund, the 25th and North TIF Fund, and the Mid-Metro TIF Fund. Payments on the loans payable are made by the General Fund.

Additionally, for the business-type activities, the total OPEB liability are being liquidated by the Water and Sewer Fund.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year	Governmental Activities		
	General Obligation Bonds		General Obligation Capital Appreciation Bonds
	Principal	Interest	Principal/Accretion
2023	\$ 4,240,000	761,069	1,061,345
2024	2,816,250	557,281	—
2025	1,290,000	475,479	—
2026	1,350,000	416,250	—
2027	1,090,000	362,200	—
2028	1,140,000	316,050	—
2029	1,190,000	267,750	—
2030	1,240,000	217,300	—
2031	1,295,000	164,700	—
2032	1,350,000	109,750	—
2033	335,000	62,350	—
2034	340,000	55,650	—
2035	350,000	48,850	—
2036	355,000	41,850	—
2037	365,000	33,862	—
2038	370,000	25,650	—
2039	380,000	17,325	—
2040	390,000	8,775	—
	19,886,250	3,942,141	1,061,345

Legal Debt Margin

Article VII, Section 6(k) of the 1970 Illinois Constitution governs the computation of legal debt margin.

“The General Assembly may limit by law the amount and require referendum approval of debt to the incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property...(2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent: indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum...shall not be included in the foregoing percentage amounts.”

To date the Illinois General Assembly has set no limits for home rule municipalities. The Village is a home rule municipality.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

NET POSITION CLASSIFICATIONS

Net investment in capital assets was comprised of the following as of December 31, 2022:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 66,723,187
Less Capital Related Debt:	
General Obligation Bonds	(20,947,595)
Unamortized Premium	(451,548)
Unamortized Discount	<u>27,202</u>
Net Investment in Capital Assets	<u><u>45,351,246</u></u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	<u><u>34,339,944</u></u>

FUND BALANCE CLASSIFICATIONS

In the governmental funds financial statements, the Village considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The Village first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

Restricted Fund Balance. Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Board of Trustees; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned Fund Balance. Consists of amounts that are constrained by the Village Board of Trustees intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by the Board of Trustees itself or by a body or official to which the Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. The Village's highest level of decision-making authority is the Village Board of Trustees, who is authorized to assign amounts to a specific purpose.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

FUND BALANCE CLASSIFICATIONS - Continued

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	General	Special Revenue		Nonmajor	Totals
		Tax Mid-Metro TIF	Senior First TIF		
Fund Balances					
Nonspendable					
Advances	\$ 6,492,582	—	—	—	6,492,582
Prepays	499,887	—	—	—	499,887
	6,992,469	—	—	—	6,992,469
Restricted					
Crossing Guards	28,806	—	—	—	28,806
Debt Service	—	—	—	3,509,209	3,509,209
Community Development	—	4,837,963	—	8,871,539	13,709,502
Highways and Streets	—	—	—	3,410,951	3,410,951
	28,806	4,837,963	—	15,791,699	20,658,468
Unassigned	46,216,614	—	(1,242,534)	(665,859)	44,308,221
Total Fund Balances	53,237,889	4,837,963	(1,242,534)	15,125,840	71,959,158

CONSTRUCTION COMMITMENTS

The Village has active construction projects as of December 31, 2022. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 4 - OTHER INFORMATION

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 \$1,330,642 of the governmental activities, \$195,344 of the business-type activity and \$50,826 of the component unit.

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.

	12/31/2022	12/31/2021
Claims Payable - Beginning	\$ 1,692,139	2,096,152
Incurred Claims	6,379,210	7,076,171
Claims Paid	(6,494,537)	(7,480,184)
Claims Payable - Ending	<u>1,576,812</u>	<u>1,692,139</u>

CONTINGENT LIABILITIES

Litigation

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. 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.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Village expects such amounts, if any, to be immaterial.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 4 - OTHER INFORMATION - Continued

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 \$3,075,440.

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 \$1,984,372.

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit 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. IMRF does issue a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained on-line at www.imrf.org. The Police and Firefighters' Pension Plans also issue separate reports that may be obtained by writing the Village at 1000 North 25th Avenue, Melrose Park, IL 60160. The benefits, benefit levels, employee contributions and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

The aggregate amounts recognized for the pension plans are:

	Pension Expense/ (Revenue)	Net Pension Liability/ (Asset)	Deferred Outflows	Deferred Inflows
IMRF - Regular	\$ (1,523,168)	(5,939,531)	701,801	5,357,565
Police Pension	857,843	57,026,485	7,765,312	11,471,634
Firefighters' Pension	2,000,275	67,184,606	5,803,763	6,189,029
	1,334,950	118,271,560	14,270,876	23,018,228

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF)

Plan Descriptions

Plan Administration. All employees (other than those covered by the Police and Firefighters' Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

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

IMRF provides two tiers of pension benefits. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of:

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

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Plan Membership. As of December 31, 2021, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	129
Inactive Plan Members Entitled to but not yet Receiving Benefits	50
Active Plan Members	<u>109</u>
Total	<u><u>288</u></u>

Contributions. As set by statute, the Village's members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the fiscal year ended December 31, 2022, the Village's contribution was 7.46% of covered payroll.

Net Pension (Asset). The Village's net pension (asset) was measured as of December 31, 2021. The total pension liability used to calculate the net pension (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liabilities were determined by an actuarial valuation performed, as of December 31, 2021, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	2.85% to 13.75%
Cost of Living Adjustments	3.25%
Inflation	2.25%

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

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

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

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	25.00%	(0.60%)
Domestic Equities	39.00%	1.90%
International Equities	15.00%	3.15%
Real Estate	10.00%	3.30%
Blended	10.00%	1.70% - 5.50%
Cash and Cash Equivalents	1.00%	(0.90%)

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Discount Rate Sensitivity

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension (Asset)	(1,381,660)	(5,939,531)	(9,556,224)

Changes in the Net Pension (Asset)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension (Asset) (A) - (B)
Balances at December 31, 2020	\$ 37,242,157	39,313,027	(2,070,870)
Changes for the Year:			
Service Cost	648,402	—	648,402
Interest on the Total Pension Liability	2,660,985	—	2,660,985
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	277,923	—	277,923
Changes of Assumptions	—	—	—
Contributions - Employer	—	642,395	(642,395)
Contributions - Employees	—	291,998	(291,998)
Net Investment Income	—	6,559,350	(6,559,350)
Benefit Payments, Including Refunds of Employee Contributions	(1,726,239)	(1,726,239)	—
Other (Net Transfer)	—	(37,772)	37,772
Net Changes	1,861,071	5,729,732	(3,868,661)
Balances at December 31, 2021	39,103,228	45,042,759	(5,939,531)

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

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

For the fiscal year ended December 31, 2022, the Village recognized pension revenue of \$1,523,168. At December 31, 2022, the Village reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 206,619	(195,006)	11,613
Change in Assumptions	14,485	(151,071)	(136,586)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	(5,011,488)	(5,011,488)
	221,104	(5,357,565)	(5,136,461)
Pension Contributions Made Subsequent to the Measurement Date	480,697	—	480,697
	701,801	(5,357,565)	(4,655,764)

\$480,697 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension (asset) in the reporting year ending December 31, 2023. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred (Inflows) of Resources
2023	\$ (1,217,401)
2024	(2,003,874)
2025	(1,167,341)
2026	(747,845)
2027	—
Thereafter	—
Totals	(5,136,461)

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan

Plan Descriptions

Plan Administration. The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The Village accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the Village President, one member is elected by pension beneficiaries and two members are elected by active police employees.

Plan Membership. At December 31, 2022, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	68
Inactive Plan Members Entitled to but not yet Receiving Benefits	11
Active Plan Members	<u>64</u>
Total	<u><u>143</u></u>

Benefits Provided. The following is a summary of the Police Pension Plan as provided for in Illinois State Statutes.

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of $\frac{1}{2}$ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter.

Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 48 consecutive months of service within the last 60 months of service in which the total salary was the highest by the number of months of service in that period. Police officer salary for the pension purposes is capped at \$106,800, plus the lesser of $\frac{1}{2}$ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., $\frac{1}{2}$ percent for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or $\frac{1}{2}$ of the change in the Consumer Price Index for the proceeding calendar year.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan - Continued

Plan Descriptions - Continued

Contributions. 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 plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended December 31, 2022, the Village's contribution was 79.86% of covered payroll.

Concentrations. At year end, the Pension Plan does not have any investments over 5 percent of net plan position available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of December 31, 2022, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal (Level %)
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.00%
Discount Rate	7.00%
Salary Increases	3.75% - 35.47%
Cost of Living Adjustments	2.25%
Inflation	2.25%

Mortality rates were based on the PubS-2010 Employee mortality, unadjusted, with generational improvements with most recent projection scale.

Discount Rate

The discount rate used to measure the total pension liability was 7.00%, and 6.75% in the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan - Continued

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Village calculated using the discount rate 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 or one percentage point higher than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Net Pension Liability \$	70,435,056	57,026,485	46,075,827

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2021	\$ 90,684,150	41,554,388	49,129,762
Changes for the Year:			
Service Cost	1,510,294	—	1,510,294
Interest on the Total Pension Liability	6,294,207	—	6,294,207
Changes of Benefit Terms	(51,245)	—	(51,245)
Difference Between Expected and Actual Experience of the Total Pension Liability	1,550,952	—	1,550,952
Changes of Assumptions	—	—	—
Contributions - Employer	—	5,050,771	(5,050,771)
Contributions - Employees	—	623,053	(623,053)
Contributions - Other	—	—	—
Net Investment Income	—	(4,198,639)	4,198,639
Benefit Payments, Including Refunds of Employee Contributions	(4,685,145)	(4,685,145)	—
Other (Net Transfer)	—	(67,700)	67,700
Net Changes	4,619,063	(3,277,660)	7,896,723
Balances at December 31, 2022	95,303,213	38,276,728	57,026,485

VILLAGE OF MELROSE PARK, ILLINOIS**Notes to the Financial Statements****December 31, 2022****NOTE 4 - OTHER INFORMATION - Continued****EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued****Police Pension Plan - Continued****Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions**

For the fiscal year ended December 31, 2022, the Village recognized pension expense of \$857,843. At December 31, 2022, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 3,027,938	(2,714,907)	313,031
Change in Assumptions	1,546,889	(8,756,727)	(7,209,838)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	3,190,485	—	3,190,485
Total Deferred Amounts Related to Police Pension	<u>7,765,312</u>	<u>(11,471,634)</u>	<u>(3,706,322)</u>

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

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2023	\$ (4,029,804)
2024	(2,452,973)
2025	1,050,304
2026	1,552,599
2027	173,552
Thereafter	<u>—</u>
Total	<u>(3,706,322)</u>

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Firefighters' Pension Plan

Plan Descriptions

Plan Administration. The Firefighters' Pension Plan is a single-employer defined benefit pension plan that covers all sworn firefighter personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only by the Illinois legislature. The Village accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the Village President, one member is elected by pension beneficiaries and two members are elected by active fire employees.

Plan Membership. At December 31, 2022, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	77
Inactive Plan Members Entitled to but not yet Receiving Benefits	4
Active Plan Members	<u>50</u>
Total	<u><u>131</u></u>

Benefits Provided. The following is a summary of the Firefighters' Pension Plan as provided for in Illinois State Statutes.

The Firefighters' Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of $\frac{1}{2}$ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a 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 be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3percent compounded annually thereafter.

Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 48 consecutive months of service within the last 60 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for the pension purposes is capped at \$106,800, plus the lesser of $\frac{1}{2}$ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., $\frac{1}{2}$ percent for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or $\frac{1}{2}$ of the change in the Consumer Price Index for the proceeding calendar year.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Firefighters' Pension Plan - Continued

Plan Descriptions - Continued

Contributions. Covered employees are required to contribute 9.455% of their base salary to the Firefighters' 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 plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended December 31, 2022, the Village's contribution was 115.84% of covered payroll.

Concentrations. At year end, the Pension Plan does not have any investments over 5 percent of net plan position available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of December 31, 2022, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.00%
Salary Increases	3.75% - 35.47%
Cost of Living Adjustments	3.25%
Inflation	2.25%

Active mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study. Mortality improvement uses MP-2019 Improvement Rates applied on a fully generational basis.

Discount Rate

The discount rate used to measure the total pension liability was 7.00%, and 7.00% in the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Firefighters' Pension Plan - Continued

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Village calculated using the discount rate 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 or one percentage point higher than the current rate:

		1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability	\$	79,821,456	67,184,606	56,723,750

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2021	\$ 96,139,358	37,162,247	58,977,111
Changes for the Year:			
Service Cost	1,364,842	—	1,364,842
Interest on the Total Pension Liability	6,671,944	—	6,671,944
Changes of Benefit Terms	(120,193)	—	(120,193)
Difference Between Expected and Actual Experience of the Total Pension Liability	2,007,976	—	2,007,976
Changes of Assumptions	73,159	—	73,159
Contributions - Employer	—	6,252,127	(6,252,127)
Contributions - Employees	—	510,302	(510,302)
Net Investment Income	—	(4,921,254)	4,921,254
Benefit Payments, Including Refunds of Employee Contributions	(5,636,027)	(5,636,027)	—
Other (Net Transfer)	—	(50,942)	50,942
Net Changes	4,361,701	(3,845,794)	8,207,495
Balances at December 31, 2022	100,501,059	33,316,453	67,184,606

VILLAGE OF MELROSE PARK, ILLINOIS**Notes to the Financial Statements****December 31, 2022****NOTE 4 - OTHER INFORMATION - Continued****EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued****Firefighters' Pension Plan - Continued****Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions**

For the year ended December 31, 2022, the Village recognized pension revenue of \$2,000,275. At December 31, 2022, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 1,879,713	(3,736,532)	(1,856,819)
Change in Assumptions	546,170	(2,452,497)	(1,906,327)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	3,377,880	—	3,377,880
Total Deferred Amounts Related to Firefighters' Pension	5,803,763	(6,189,029)	(385,266)

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

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2023	\$ (2,466,036)
2024	10,667
2025	559,666
2026	1,510,437
2027	
Thereafter	—
Total	(385,266)

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plan

Plan Description. The Village's defined benefit OPEB plan, Retiree Benefits Plan (RBP), provides OPEB for all permanent full-time general and public safety employees of the Village. RBP is a single-employer defined benefit OPEB plan administered by the Village. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the Village Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided. Retired eligible employees and their dependents may continue coverage under City's group health until they reach age 65 by paying 100% of the blended group premium cost. The City pays the entire actuarial cost of the health coverage for retired elected officials and their spouses.

Dental coverage is offered to retirees through COBRA at a rate of 102% of the active premium for a maximum of 18 months. The retiree pays the full 102% adjusted premium with no additional cost to the City.

Plan Membership. As of December 31, 2021, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	216
Inactive Plan Members Entitled to but not yet Receiving Benefits	—
Active Plan Members	<u>230</u>
Total	<u><u>446</u></u>

Total OPEB Liability

The Village's total OPEB liability was measured as of December 31, 2022, and was determined by an actuarial valuation as of December 31, 2021.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Total OPEB Liability - Continued

Actuarial assumptions and other inputs - Continued.

Inflation	2.00%
Salary Increases	2.00%
Discount Rate	3.72%
Healthcare Cost Trend Rates	5.10% to an ultimate rate of 3.50% for 2023 and later years.
Retirees' Share of Benefit-Related Costs	100% of projected health insurance premiums for retirees.

The discount rate assumption is based on the Bond Buyer 20-Bond G.O. Index.

Active, retiree, and spousal IMRF mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010 study, with blue collar adjustment. These rates are then improved generationally using MP-2021.

Change in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balances at December 31, 2021	<u>\$ 78,599,071</u>
Changes for the Year:	
Service Cost	3,343,101
Interest on the Total OPEB Liability	1,596,499
Changes of Benefit Terms	—
Difference Between Expected and Actual Experience	(5,746,860)
Changes of Assumptions or Other Inputs	(17,910,391)
Benefit Payments	(2,198,251)
Other Changes	—
Net Changes	<u>(20,915,902)</u>
Balances at December 31, 2022	<u><u>57,683,169</u></u>

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The discount rate used to measure the total pension liability was 3.72%, while the prior valuation used 2.06%. The following presents the total OPEB liability, calculated using the discount rate, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher:

	1% Decrease (2.72%)	Current Discount Rate (3.72%)	1% Increase (4.72%)
Total OPEB Liability	\$ 65,634,340	57,683,169	51,127,933

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability, calculated using a variable Healthcare Trend Rate, as well as what the total OPEB liability would be if it were calculated using a Healthcare Trend Rate that is one percentage point lower or one percentage point higher:

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Total OPEB Liability	\$ 50,243,503	57,683,169	66,921,649

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

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

For the fiscal year ended December 31, 2022, the Village recognized OPEB expense of \$1,919,163. At December 31, 2022, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 36,001	(8,934,561)	(8,898,560)
Change in Assumptions	8,519,541	(14,393,458)	(5,873,917)
Net Difference Between Projected and Actual Earnings	—	—	—
Total Deferred Amounts Related to OPEB	8,555,542	(23,328,019)	(14,772,477)

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

Fiscal Year	Net Deferred (Inflows) of Resources
2023	\$ (2,886,049)
2024	(5,087,077)
2025	(5,619,300)
2026	(1,180,051)
2027	
Thereafter	
Totals	(14,772,477)

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule Employer Contributions
 - Illinois Municipal Retirement Fund
 - Police Pension Fund
 - Firefighters' Pension Fund
- Schedule of Changes in the Employer's Net Pension Liability/(Asset)
 - Illinois Municipal Retirement Fund
 - Police Pension Fund
 - Firefighters' Pension Fund
- Schedule of Investment Returns
 - Police Pension Fund
 - Firefighters' Pension Fund
- Schedule of Changes in the Employer's Total OPEB Liability
 - Retiree Benefit Plan
- Budgetary Comparison Schedules
 - General Fund
 - Mid-Metro TIF - Special Revenue Fund
 - Senior First TIF - Special Revenue Fund

Notes to the Required Supplementary Information

Budgetary information - budgets are adopted on a basis consistent with generally accepted accounting principles.

VILLAGE OF MELROSE PARK, ILLINOIS

Illinois Municipal Retirement Fund - Regular Plan

Schedule of Employer Contributions

December 31, 2022

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	\$ 739,913	\$ 733,892	\$ (6,021)	\$ 6,367,580	11.53%
2015	732,788	732,788	—	6,444,927	11.37%
2016	673,843	688,710	14,867	6,268,308	10.99%
2017	646,585	646,584	(1)	6,082,643	10.63%
2018	697,572	697,572	—	6,307,161	11.06%
2019	598,138	598,138	—	6,565,726	9.11%
2020	646,837	646,837	—	6,546,938	9.88%
2021	642,395	642,395	—	6,488,837	9.90%
2022	480,697	480,697	—	6,446,387	7.46%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	21 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.25%
Salary Increases	2.85% to 13.75%, Including Inflation
Investment Rate of Return	7.25%
Retirement Age	See the Notes to the Financial Statements
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

VILLAGE OF MELROSE PARK, ILLINOIS

Police Pension Fund

Schedule of Employer Contributions

December 31, 2022

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	\$ 3,370,479	\$ 1,931,506	\$ (1,438,973)	\$ 6,101,999	31.65%
2015	3,626,693	2,344,781	(1,281,912)	6,145,012	38.16%
2016	3,907,689	2,544,568	(1,363,121)	6,530,060	38.97%
2017	4,205,294	2,683,691	(1,521,603)	6,791,262	39.52%
2018	4,665,508	4,190,868	(474,640)	6,656,802	62.96%
2019	4,971,954	4,586,223	(385,731)	6,815,775	67.29%
2020	5,424,553	5,036,768	(387,785)	6,561,873	76.76%
2021	4,854,596	5,248,225	393,629	6,194,510	84.72%
2022	4,900,163	5,050,771	150,608	6,324,326	79.86%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	20 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.25%
Salary Increases	3.75% - 23.69%
Investment Rate of Return	7.00%
Retirement Age	See the Notes to the Financial
Mortality	Mortality rates are based on Pub-2010 Adjusted for Plan Status, Demographics, and Illinois Public Pension Data, as Appropriate.

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

VILLAGE OF MELROSE PARK, ILLINOIS

Firefighters' Pension Fund Schedule of Employer Contributions December 31, 2022

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	\$ 3,605,419	\$ 2,310,781	\$ (1,294,638)	\$ 5,176,104	44.64%
2015	3,862,790	2,828,716	(1,034,074)	5,304,117	53.33%
2016	4,195,708	3,081,599	(1,114,109)	5,289,401	58.26%
2017	3,953,554	3,267,702	(685,852)	5,474,530	59.69%
2018	5,213,850	5,117,795	(96,055)	5,386,420	95.01%
2019	5,366,266	5,614,028	247,762	5,357,268	104.79%
2020	5,614,830	5,806,189	191,359	5,531,379	104.97%
2021	5,854,861	6,491,075	636,214	5,638,391	115.12%
2022	6,086,335	6,252,127	165,792	5,397,163	115.84%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	19 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.25%
Salary Increases	3.25% - 23.69%
Investment Rate of Return	7.00%
Retirement Age	50-65
Mortality	Pub-2010 Adjusted for Plan Status, Demographics, and Illinois Public Pension Data.

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

VILLAGE OF MELROSE PARK, ILLINOIS

Illinois Municipal Retirement Fund - Regular Plan

Schedule of Changes in the Employer's Net Pension Liability/(Asset)

December 31, 2022

	2014	2015
Total Pension Liability		
Service Cost	\$ 743,990	720,114
Interest	2,007,132	2,159,282
Changes in Benefit Terms	—	—
Differences Between Expected and Actual Experience	(549,303)	(161,828)
Change of Assumptions	1,019,046	38,627
Benefit Payments, Including Refunds of Member Contributions	(1,190,303)	(1,170,219)
Net Change in Total Pension Liability	2,030,562	1,585,976
Total Pension Liability - Beginning	26,984,918	29,015,480
Total Pension Liability - Ending	29,015,480	30,601,456
Plan Fiduciary Net Position		
Contributions - Employer	\$ 733,892	732,788
Contributions - Members	286,680	310,481
Net Investment Income	1,588,784	137,287
Benefit Payments, Including Refunds of Member Contributions	(1,190,303)	(1,170,219)
Other (Net Transfer)	(28,739)	(557,001)
Net Change in Plan Fiduciary Net Position	1,390,314	(546,664)
Plan Net Position - Beginning	26,130,507	27,520,821
Plan Net Position - Ending	27,520,821	26,974,157
Employer's Net Pension Liability/(Asset)	\$ 1,494,659	3,627,299
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	94.85%	88.15%
Covered Payroll	\$ 6,367,580	6,444,927
Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	23.47%	56.28%

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2014 through 2021. Changes in assumptions related to the demographics were made in 2017.

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

2016	2017	2018	2019	2020	2021
706,700	665,162	609,931	665,049	696,079	648,402
2,264,379	2,406,470	2,427,290	2,491,552	2,592,595	2,660,985
—	—	—	—	—	—
418,345	(180,405)	(507,824)	(151,714)	(302,574)	277,923
(40,032)	(1,078,546)	975,477	—	(303,343)	—
(1,445,554)	(1,503,226)	(1,511,696)	(1,548,437)	(1,704,977)	(1,726,239)
1,903,838	309,455	1,993,178	1,456,450	977,780	1,861,071
30,601,456	32,505,294	32,814,749	34,807,927	36,264,377	37,242,157
32,505,294	32,814,749	34,807,927	36,264,377	37,242,157	39,103,228
688,710	646,584	697,572	598,138	646,837	642,395
292,138	273,720	298,132	308,909	294,614	291,998
1,839,872	5,013,734	(1,675,670)	5,640,255	4,932,223	6,559,350
(1,445,554)	(1,503,226)	(1,511,696)	(1,548,437)	(1,704,977)	(1,726,239)
371,559	(851,244)	390,855	(508,580)	154,402	(37,772)
1,746,725	3,579,568	(1,800,807)	4,490,285	4,323,099	5,729,732
26,974,157	28,720,882	32,300,450	30,499,643	34,989,928	39,313,027
28,720,882	32,300,450	30,499,643	34,989,928	39,313,027	45,042,759
3,784,412	514,299	4,308,284	1,274,449	(2,070,870)	(5,939,531)
88.36%	98.43%	87.62%	96.49%	105.56%	115.19%
6,268,308	6,082,643	6,307,161	6,565,726	6,546,938	6,488,837
60.37%	8.46%	68.31%	19.41%	(31.63%)	(91.53%)

VILLAGE OF MELROSE PARK, ILLINOIS

Police Pension Fund

Schedule of Changes in the Employer's Net Pension Liability

December 31, 2022

	2014	2015
Total Pension Liability		
Service Cost	\$ 3,055,173	2,914,663
Interest	3,729,059	3,937,589
Changes in Benefit Terms	—	—
Differences Between Expected and Actual Experience	—	(232,186)
Change of Assumptions	—	4,046,411
Benefit Payments, Including Refunds of Member Contributions	(2,949,846)	(3,182,525)
Net Change in Total Pension Liability	3,834,386	7,483,952
Total Pension Liability - Beginning	93,098,003	96,932,389
Total Pension Liability - Ending	96,932,389	104,416,341
Plan Fiduciary Net Position		
Contributions - Employer	\$ 1,931,506	2,344,781
Contributions - Members	756,019	606,618
Contributions - Other	—	—
Net Investment Income	1,223,223	(52,183)
Benefit Payments, Including Refunds of Member Contributions	(2,949,846)	(3,182,525)
Administrative Expenses	(58,112)	(54,130)
Net Change in Plan Fiduciary Net Position	902,790	(337,439)
Plan Net Position - Beginning	21,037,921	21,940,711
Plan Net Position - Ending	21,940,711	21,603,272
Employer's Net Pension Liability	\$ 74,991,678	82,813,069
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	22.64%	20.69%
Covered Payroll	\$ 6,101,999	6,145,012
Employer's Net Pension Liability as a Percentage of Covered Payroll	1,228.97%	1,347.65%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

2016	2017	2018	2019	2020	2021	2022
3,096,037	3,232,572	1,523,328	1,657,032	1,632,781	1,501,331	1,510,294
4,533,831	4,547,452	5,158,559	5,362,773	5,866,377	5,946,637	6,294,207
—	—	—	534,855	—	—	(51,245)
(6,471,840)	251,300	199,202	1,567,517	1,722,646	(3,152,074)	1,550,952
2,460,747	(33,930,854)	3,073,903	(1,084,229)	(500,284)	533,955	—
(3,216,713)	(3,403,209)	(3,643,925)	(3,809,217)	(4,158,189)	(4,764,492)	(4,685,145)
402,062	(29,302,739)	6,311,067	4,228,731	4,563,331	65,357	4,619,063
104,416,341	104,818,403	75,515,664	81,826,731	86,055,462	90,618,793	90,684,150
104,818,403	75,515,664	81,826,731	86,055,462	90,618,793	90,684,150	95,303,213
2,544,568	2,683,691	4,190,868	4,586,223	5,036,768	5,248,225	5,050,771
616,461	962,677	634,798	640,652	623,843	683,172	623,053
—	—	—	975	—	—	—
443,852	2,368,533	(610,207)	4,289,057	3,292,218	5,147,019	(4,198,639)
(3,216,713)	(3,403,209)	(3,643,925)	(3,809,217)	(4,158,189)	(4,764,492)	(4,685,145)
(57,194)	(84,912)	(73,274)	(71,699)	(76,103)	(73,350)	(67,700)
330,974	2,526,780	498,260	5,635,991	4,718,537	6,240,574	(3,277,660)
21,603,272	21,934,246	24,461,026	24,959,286	30,595,277	35,313,814	41,554,388
21,934,246	24,461,026	24,959,286	30,595,277	35,313,814	41,554,388	38,276,728
82,884,157	51,054,638	56,867,445	55,460,185	55,304,979	49,129,762	57,026,485
20.93%	32.39%	30.50%	35.55%	38.97%	45.82%	40.16%
6,530,060	6,791,262	6,656,802	6,815,775	6,561,873	6,194,510	6,324,326
1,269.27%	751.77%	854.28%	813.70%	842.82%	793.12%	901.70%

VILLAGE OF MELROSE PARK, ILLINOIS

Firefighter's Pension Fund

Schedule of Changes in the Employer's Net Pension Liability

December 31, 2022

	2014	2015
Total Pension Liability		
Service Cost	\$ 3,202,801	3,214,142
Interest	4,136,830	4,264,327
Changes in Benefit Terms	—	—
Differences Between Expected and Actual Experience	—	(827,482)
Change of Assumptions	—	8,906,564
Benefit Payments, Including Refunds of Member Contributions	(3,895,218)	(4,055,975)
Net Change in Total Pension Liability	3,444,413	11,501,576
Total Pension Liability - Beginning	111,098,805	114,543,218
Total Pension Liability - Ending	114,543,218	126,044,794
Plan Fiduciary Net Position		
Contributions - Employer	\$ 2,310,781	2,828,716
Contributions - Members	477,120	496,897
Net Investment Income	1,392,764	30,595
Benefit Payments, Including Refunds of Member Contributions	(3,895,218)	(4,055,975)
Administrative Expenses	(50,625)	(42,370)
Net Change in Plan Fiduciary Net Position	234,822	(742,137)
Plan Net Position - Beginning	18,928,296	19,163,118
Plan Net Position - Ending	19,163,118	18,420,981
Employer's Net Pension Liability	\$ 95,380,100	107,623,813
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	16.73%	14.61%
Covered Payroll	\$ 5,176,104	5,304,117
Employer's Net Pension Liability as a Percentage of Covered Payroll	1,842.70%	2,029.06%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

2016	2017	2018	2019	2020	2021	2022
3,038,141	3,163,009	1,345,146	1,405,942	1,521,296	1,474,066	1,364,842
5,090,989	5,229,386	6,171,252	6,284,231	6,428,659	6,362,057	6,671,944
—	—	—	637,738	—	—	(120,193)
(3,356,003)	308,733	399,421	805,002	(2,629,308)	(3,647,117)	2,007,976
3,079,730	(43,088,053)	—	(1,411,970)	621,744	—	73,159
(4,352,878)	(4,618,221)	(4,757,769)	(4,979,367)	(5,065,078)	(5,366,214)	(5,636,027)
3,499,979	(39,005,146)	3,158,050	2,741,576	877,313	(1,177,208)	4,361,701
126,044,794	129,544,773	90,539,627	93,697,677	96,439,253	97,316,566	96,139,358
129,544,773	90,539,627	93,697,677	96,439,253	97,316,566	96,139,358	100,501,059
3,081,599	3,267,702	5,117,795	5,614,028	5,806,189	6,491,075	6,252,127
501,401	507,441	503,646	509,357	519,211	503,447	510,302
1,322,812	2,819,467	(926,831)	4,304,377	3,742,148	4,497,560	(4,921,254)
(4,352,878)	(4,618,220)	(4,757,769)	(4,979,367)	(5,065,078)	(5,366,214)	(5,636,027)
(40,577)	(57,981)	(46,774)	(48,036)	(49,543)	(58,721)	(50,942)
512,357	1,918,409	(109,933)	5,400,359	4,952,927	6,067,147	(3,845,794)
18,420,981	18,933,338	20,851,747	20,741,814	26,142,173	31,095,100	37,162,247
18,933,338	20,851,747	20,741,814	26,142,173	31,095,100	37,162,247	33,316,453
110,611,435	69,687,880	72,955,863	70,297,080	66,221,466	58,977,111	67,184,606
14.62%	23.03%	22.14%	27.11%	31.95%	38.65%	33.15%
5,289,401	5,474,530	5,386,420	5,357,268	5,531,379	5,638,391	5,397,163
2,091.19%	1,272.95%	1,354.44%	1,312.18%	1,197.20%	1,045.99%	1,244.81%

VILLAGE OF MELROSE PARK, ILLINOIS

Police Pension Fund

Schedule of Investment Returns

December 31, 2022

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2014	5.69%
2015	(3.78%)
2016	2.20%
2017	11.35%
2018	(2.84%)
2019	17.91%
2020	11.22%
2021	16.71%
2022	N/A

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

N/A - Not Available

VILLAGE OF MELROSE PARK, ILLINOIS

**Firefighters' Pension Fund
Schedule of Investment Returns
December 31, 2022**

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2014	N/A
2015	N/A
2016	N/A
2017	N/A
2018	N/A
2019	N/A
2020	N/A
2021	14.29%
2022	(15.79%)

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

N/A - Not Available

VILLAGE OF MELROSE PARK, ILLINOIS

Retiree Benefit Plan

Schedule of Changes in the Employer's Total OPEB Liability

December 31, 2022

	2016
Total OPEB Liability	
Service Cost	\$ 2,568,413
Interest	4,008,339
Changes in Benefit Terms	—
Differences Between Expected and Actual Experience	(1,596,956)
Change of Assumptions or Other Inputs	—
Benefit Payments	(4,075,187)
Other Changes	—
Net Change in Total OPEB Liability	904,609
Total OPEB Liability - Beginning	91,745,454
Total OPEB Liability - Ending	92,650,063
Covered-Employee Payroll	\$ 13,450,000
Total OPEB Liability as a Percentage of Covered-Employee Payroll	688.85%

Notes:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

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

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2016 through 2022.

2017	2018	2019	2020	2021	2022
2,506,399	3,098,398	2,531,400	3,495,558	3,955,130	3,343,101
4,044,150	3,443,298	3,537,723	2,668,349	2,306,965	1,596,499
—	—	—	—	—	—
1,065,685	(8,459,477)	(1,512,399)	228,868	(9,461,494)	(5,746,860)
—	(7,564,307)	12,407,377	8,403,084	12,092,989	(17,910,391)
(3,268,819)	(3,760,863)	(3,410,799)	(3,341,248)	(2,923,459)	—
—	—	—	—	(36,133,500)	(2,198,251)
4,347,415	(13,242,951)	13,553,302	11,454,611	(30,163,369)	(20,915,902)
92,650,063	96,997,478	83,754,527	97,307,829	108,762,440	78,599,071
96,997,478	83,754,527	97,307,829	108,762,440	78,599,071	57,683,169
12,450,000	12,600,000	12,600,000	13,150,000	11,500,000	11,500,000
779.10%	664.72%	772.28%	827.09%	683.47%	501.59%

VILLAGE OF MELROSE PARK, ILLINOIS

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Taxes	\$ 39,406,300	39,406,300	44,346,810	4,940,510
Intergovernmental	6,624,115	6,624,115	9,674,951	3,050,836
Licenses and Permits	3,092,800	3,092,800	4,758,737	1,665,937
Charges for Services	2,175,300	2,175,300	2,543,642	368,342
Fines and Forfeitures	1,165,000	1,165,000	1,309,631	144,631
Interest Income	45,570	45,570	62,878	17,308
Miscellaneous	1,376,750	1,376,750	1,863,599	486,849
Total Revenues	53,885,835	53,885,835	64,560,248	10,674,413
Expenditures				
General Government	6,721,000	6,721,000	7,164,207	443,207
Public Safety	34,351,450	34,351,450	33,337,020	(1,014,430)
Highways and Streets	3,646,100	3,646,100	3,431,088	(215,012)
Refuse	2,200,000	2,200,000	2,256,423	56,423
Culture and Recreation	1,917,950	1,917,950	2,263,708	345,758
Hispanic Liaison Center	257,500	257,500	261,472	3,972
Community Development	2,500,000	2,500,000	3,075,440	575,440
Debt Service				
Principal Retirement	485,596	485,596	118,929	(366,667)
Interest and Fiscal Charges	370,238	370,238	370,237	(1)
Total Expenditures	52,449,834	52,449,834	52,278,524	(171,310)
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,436,001	1,436,001	12,281,724	10,845,723
Other Financing Sources (Uses)				
Disposal of Capital Assets	—	—	14,800	14,800
Debt Issuance	1,100,000	1,100,000	—	(1,100,000)
Transfers Out	(1,099,280)	(1,099,280)	(1,099,280)	—
	720	720	(1,084,480)	(1,085,200)
Net Change in Fund Balance	1,436,721	1,436,721	11,197,244	9,760,523
Fund Balance - Beginning			42,040,645	
Fund Balance - Ending			53,237,889	

VILLAGE OF MELROSE PARK, ILLINOIS

Mid-Metro TIF - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Taxes				
Property Taxes	\$ 2,200,000	2,200,000	1,594,219	(605,781)
Charges for Services				
Rental Income	700,000	700,000	718,117	18,117
Interest Income	1,000	1,000	77,480	76,480
Total Revenues	2,901,000	2,901,000	2,389,816	(511,184)
Expenditures				
Community Development				
Professional Services	4,800	4,800	—	(4,800)
Repairs and Maintenance	—	—	17,051	17,051
Contractual Services	1,500,000	1,500,000	736,207	(763,793)
Debt Service				
Principal Retirement	850,000	850,000	850,000	—
Interest and Fiscal Charges	78,000	78,000	78,000	—
Total Expenditures	2,432,800	2,432,800	1,681,258	(751,542)
Excess (Deficiency) of Revenues Over (Under) Expenditures	468,200	468,200	708,558	240,358
Other Financing (Uses)				
Transfers Out	—	—	(392,754)	392,754
Net Change in Fund Balance	468,200	468,200	315,804	(152,396)
Fund Balance - Beginning			4,522,159	
Fund Balance - Ending			4,837,963	

VILLAGE OF MELROSE PARK, ILLINOIS**Senior First TIF - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended December 31, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Taxes				
Property Taxes	\$ 1,200,000	1,200,000	1,111,881	(88,119)
Interest Income	200	200	32,026	31,826
Total Revenues	1,200,200	1,200,200	1,143,907	(56,293)
Expenditures				
Community Development				
Professional Services	4,800	4,800	—	(4,800)
Contractual Services	100,000	100,000	126,074	26,074
Debt Service				
Principal Retirement	997,497	997,497	997,497	—
Interest and Fiscal Charges	92,907	92,907	92,905	(2)
Total Expenditures	1,195,204	1,195,204	1,216,476	21,272
Net Change in Fund Balance	4,996	4,996	(72,569)	(77,565)
Fund Balance - Beginning			(1,169,965)	
Fund Balance - Ending			(1,242,534)	

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Budgetary Comparison Schedules - Major Governmental Funds
- Combining Statements - Nonmajor Governmental Funds
- Budgetary Comparison Schedules - Nonmajor Governmental Funds
- Budgetary Comparison Schedules - Enterprise Fund
- Combining Statements - Pension Trust Funds
- Component Unit - Statement of Net Position and Combining Balance Sheet
- Component Unit - Statement of Activities and Combining Statement of Revenues, Expenditures and Changes in Fund Balance

INDIVIDUAL FUND DESCRIPTIONS

GENERAL FUND

The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital projects funds) that are legally restricted to expenditure for specified purposes.

Mid-Metro TIF Fund

The Mid-Metro TIF Fund is used to account for the accumulation of resources for, and the payment of expenditures within the boundaries of the Mid-Metro TIF District.

Senior First TIF Fund

The Senior First TIF Fund is used to account for the accumulation of resources for, and the payment of expenditures within the boundaries of the Senior First TIF District. Per the terms of the 1992 Project Use Agreement.

Motor Fuel Tax Fund

The Motor Fuel Tax Fund is used to account for expenditures related to approved motor fuel tax projects and revenue from the state gasoline tax as collected and distributed by the State of Illinois.

25th and North TIF Fund

The 25th and North TIF Fund is used to account for the accumulation of resources for, and the payment of expenditures within the boundaries of the 25th and North TIF District.

Lake Street Corridor TIF Fund

The Lake Street Corridor TIF Fund is used to account for the accumulation of resources for, and the payment of expenditures within the boundaries of the Lake Street Corridor TIF District.

Zenith Opus TIF Fund

The Zenith Opus TIF Fund is used to account for the accumulation of resources for, and the payment of expenditures within the boundaries of the Zenith Opus TIF District.

INDIVIDUAL FUND DESCRIPTIONS - Continued

SPECIAL REVENUE FUNDS – Continued

Chicago Avenue and Superior TIF Fund

The Chicago Avenue and Superior TIF Fund is used to account for the accumulation of resources for, and the payment of expenditures within the boundaries of the Chicago Avenue and Superior TIF District.

Ruby Street TIF Fund

The Ruby Street TIF Fund is used to account for the accumulation of resources for, and the payment of expenditures within the boundaries of the Ruby Street TIF District.

DEBT SERVICE FUNDS

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Debt Service Fund

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

MFT Bond Fund

The MFT Bond Fund is used to account for the accumulation of resources for, and the payment of the 2003 MFT bond debt principal and interest.

ENTERPRISE FUND

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where it has been decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose.

Water and Sewer Fund

The Water and Sewer Fund is used to account for operations of the water distribution system and sewer system.

INDIVIDUAL FUND DESCRIPTIONS - Continued

PENSION TRUST FUNDS

Police Pension Fund

The Police Pension Fund is used to account for the accumulation of resources to be used for retirement pensions for the Village's sworn police personnel. Most rules and regulations of the fund are established by the Pension Division of the Illinois Department of Insurance. Resources are contributed by sworn police personnel at rates fixed by state statutes and by the Village through an annual property tax levy.

Firefighter's Pension Fund

The Firefighters' Pension Fund is used to account for the accumulation of resources to be used for retirement pensions for the Village's sworn firefighter/paramedic personnel. Most rules and regulations of the fund are established by the Pension Division of the Illinois Department of Insurance. Resources are contributed by sworn firefighter/paramedic personnel at rates fixed by state statutes and by the Village through an annual property tax levy.

VILLAGE OF MELROSE PARK, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual

For the Fiscal Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
Taxes				
Property	\$ 16,422,500	16,422,500	16,999,122	576,622
Sales	19,691,800	19,691,800	24,061,940	4,370,140
Utility	2,400,000	2,400,000	2,420,636	20,636
Telecommunication	400,000	400,000	347,688	(52,312)
Parking	125,000	125,000	113,975	(11,025)
Amusement	367,000	367,000	403,449	36,449
Total Taxes	39,406,300	39,406,300	44,346,810	4,940,510
Intergovernmental				
State Income Tax	2,700,000	2,700,000	4,040,440	1,340,440
Replacement Tax	1,720,000	1,720,000	4,875,447	3,155,447
State Gaming Revenue	400,000	400,000	679,622	279,622
PUSH Tax	—	—	39	39
Grants	1,804,115	1,804,115	79,403	(1,724,712)
Total Intergovernmental	6,624,115	6,624,115	9,674,951	3,050,836
Licenses and Permits				
Business Licenses	538,500	538,500	628,500	90,000
Liquor Licenses	290,000	290,000	233,000	(57,000)
Animal Licenses	300	300	325	25
Vehicle Licenses	250,000	250,000	232,465	(17,535)
Contractor Licenses	75,000	75,000	70,700	(4,300)
Building Permit	1,600,000	1,600,000	3,375,674	1,775,674
Electrical Permit	30,000	30,000	18,970	(11,030)
Plumbing Permit	7,500	7,500	8,410	910
Sign Inspection Fees	45,000	45,000	27,896	(17,104)
Elevator Inspection Fees	15,000	15,000	9,042	(5,958)
Enforcement Fees	125,000	125,000	84,330	(40,670)
Reimbursable Engineering Fees	60,000	60,000	15,174	(44,826)
Sidewalk Repair Fees	30,000	30,000	35,145	5,145
Miscellaneous	26,500	26,500	19,106	(7,394)
Total Licenses and Permits	3,092,800	3,092,800	4,758,737	1,665,937

VILLAGE OF MELROSE PARK, ILLINOIS**General Fund****Schedule of Revenues - Budget and Actual - Continued****For the Fiscal Year Ended December 31, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Charges for Services				
Copy Fees	\$ 30,000	30,000	17,042	(12,958)
Ambulance Services	1,200,000	1,200,000	1,498,903	298,903
Fire Alarm Fees	—	—	500	500
Fire Protection Fees	255,000	255,000	254,168	(832)
Senior Fees	50,000	50,000	—	(50,000)
Franchise Fees	130,000	130,000	93,557	(36,443)
Tower Rental Fees	75,000	75,000	77,162	2,162
Taste of Melrose Park	340,000	340,000	416,172	76,172
Civic Center Fees	75,000	75,000	166,026	91,026
Miscellaneous	20,300	20,300	20,112	(188)
Total Charges for Services	2,175,300	2,175,300	2,543,642	368,342
Fines and Forfeitures				
Court Fines	30,000	30,000	16,919	(13,081)
Violation Fines	1,135,000	1,135,000	1,292,712	157,712
Total Fines and Forfeitures	1,165,000	1,165,000	1,309,631	144,631
Interest Income	45,570	45,570	62,878	17,308
Miscellaneous				
Miscellaneous	1,376,750	1,376,750	1,863,599	486,849
Total Revenues	53,885,835	53,885,835	64,560,248	10,674,413

VILLAGE OF MELROSE PARK, ILLINOIS**General Fund****Schedule of Expenditures - Budget and Actual****For the Fiscal Year Ended December 31, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget
General Government				
Mayor				
Regular Wages	\$ 40,000	40,000	50,000	10,000
Trustees				
Regular Wages	132,100	132,100	147,100	15,000
Risk Management	1,500	1,500	—	(1,500)
	133,600	133,600	147,100	13,500
Village Clerk's Office				
Regular Wages	45,000	45,000	65,000	20,000
Contractual Services	800	800	—	(800)
Professional Services	1,000	1,000	2,300	1,300
Travel and Meeting	100	100	—	(100)
Commodities	500	500	328	(172)
Miscellaneous	500	500	270	(230)
	47,900	47,900	67,898	19,998
Liquor Commission				
Regular Wages	20,000	20,000	25,000	5,000
Village Attorney				
Professional Services	30,000	30,000	2,828	(27,172)
Miscellaneous	3,000	3,000	3,365	365
	33,000	33,000	6,193	(26,807)
Village Prosecutor				
Regular Wages	109,600	109,600	109,600	—
Village Treasurer				
Regular Wages	6,000	6,000	9,000	3,000

VILLAGE OF MELROSE PARK, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
General Government - Continued				
Finance and Administration				
Regular Wages	\$ 860,000	860,000	844,403	(15,597)
Benefits	803,000	803,000	387,741	(415,259)
Contractual Services	70,000	70,000	57,149	(12,851)
Professional Services	1,162,400	1,162,400	1,382,679	220,279
Repairs and Maintenance	86,000	86,000	37,857	(48,143)
Commodities	225,000	225,000	295,979	70,979
Utilities	950,000	950,000	1,652,233	702,233
Risk Management	1,000,000	1,000,000	720,868	(279,132)
Miscellaneous	45,000	45,000	50,830	5,830
Capital Outlay	30,000	30,000	57,783	27,783
Interdepartmental Charge	(1,150,000)	(1,150,000)	(996,559)	153,441
	4,081,400	4,081,400	4,490,963	409,563
Village Hall				
Repairs and Maintenance	—	—	5,988	5,988
Utilities	—	—	321	321
Miscellaneous	4,000	4,000	4,311	311
	4,000	4,000	10,620	6,620
IMRF/Social Security				
Benefits	1,400,000	1,400,000	1,223,964	(176,036)
Interdepartmental Charge	(460,000)	(460,000)	(353,593)	106,407
	940,000	940,000	870,371	(69,629)
Public Relations				
Commodities	70,500	70,500	84,512	14,012
Miscellaneous	—	—	714	714
	70,500	70,500	85,226	14,726

VILLAGE OF MELROSE PARK, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
General Government - Continued				
Building Department				
Regular Wages	\$ 825,000	825,000	883,953	58,953
Benefits	400,500	400,500	347,243	(53,257)
Contractual Services	1,000	1,000	1,200	200
Professional Services	28,000	28,000	53,231	25,231
Repairs and Maintenance	25,000	25,000	35,808	10,808
Commodities	5,000	5,000	19,571	14,571
Utilities	13,500	13,500	3,703	(9,797)
Risk Management	—	—	20	20
Miscellaneous	10,000	10,000	7,028	(2,972)
Capital Outlay	2,000	2,000	2,712	712
Interdepartmental Charge	(75,000)	(75,000)	(62,233)	12,767
	1,235,000	1,235,000	1,292,236	57,236
 Total General Government	 6,721,000	 6,721,000	 7,164,207	 443,207
 Public Safety				
Police Department				
Regular Wages	7,780,000	7,780,000	7,109,516	(670,484)
Overtime Wages	180,000	180,000	327,865	147,865
Benefits	2,685,000	2,685,000	2,440,289	(244,711)
Retirement Contributions	4,900,000	4,900,000	5,025,787	125,787
Contractual Services	90,000	90,000	91,731	1,731
Professional Services	165,000	165,000	174,014	9,014
Repairs and Maintenance	255,000	255,000	212,435	(42,565)
Animal Control and Impound	—	—	325	325
Commodities	170,000	170,000	285,090	115,090
Utilities	315,000	315,000	158,700	(156,300)
Training and Education	40,000	40,000	39,061	(939)
Miscellaneous	28,500	28,500	94,120	65,620
Risk Management	5,000	5,000	1,213	(3,787)
Capital Outlay	255,000	255,000	133,246	(121,754)
Interdepartmental Charge	(6,500)	(6,500)	(6,826)	(326)
	16,862,000	16,862,000	16,086,566	(775,434)

VILLAGE OF MELROSE PARK, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
Public Safety - Continued				
Fire Department				
Regular Wages	\$ 5,970,000	5,970,000	5,517,306	(452,694)
Overtime Wages	60,000	60,000	65,889	5,889
Benefits	1,805,000	1,805,000	1,582,799	(222,201)
Retirement Contributions	6,090,000	6,090,000	6,252,127	162,127
Professional Services	1,268,500	1,268,500	1,297,737	29,237
Risk Management	1,000	1,000	—	(1,000)
Repairs and Maintenance	109,500	109,500	206,741	97,241
Commodities	25,000	25,000	104,938	79,938
Utilities	19,500	19,500	17,270	(2,230)
EMS Services	23,000	23,000	22,163	(837)
Training and Education	15,000	15,000	29,550	14,550
Miscellaneous	2,000	2,000	1,211	(789)
Annual Physicals	1,000	1,000	—	(1,000)
Capital Outlay	1,341,000	1,341,000	567,587	(773,413)
Interdepartmental Charge	(600,000)	(600,000)	(617,334)	(17,334)
	16,130,500	16,130,500	15,047,984	(1,082,516)
Safety and Prevention				
Professional Services	600	600	—	(600)
Commodities	200	200	—	(200)
Training and Education	500	500	—	(500)
Miscellaneous	250	250	—	(250)
	1,550	1,550	—	(1,550)
Civil Defense				
Regular Wages	12,400	12,400	14,800	2,400
Benefits	5,500	5,500	6,400	900
Professional Services	900,600	900,600	1,205,895	305,295
Repairs and Maintenance	47,500	47,500	91,178	43,678
Commodities	10,600	10,600	16,191	5,591
Utilities	15,000	15,000	11,531	(3,469)
Training and Education	500	500	454	(46)
Miscellaneous	5,000	5,000	5,131	131
Capital Outlay	256,000	256,000	774,881	518,881
	1,253,100	1,253,100	2,126,461	873,361

VILLAGE OF MELROSE PARK, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
Public Safety - Continued				
Youth Commission				
Regular Wages	\$ 35,000	35,000	26,400	(8,600)
Board Compensation	10,800	10,800	10,800	—
Professional Services	1,000	1,000	900	(100)
Commodities	2,300	2,300	—	(2,300)
Miscellaneous	4,000	4,000	4,959	959
	53,100	53,100	43,059	(10,041)
Fire and Police Commission				
Board Compensation	23,200	23,200	23,200	—
Professional Services	20,000	20,000	—	(20,000)
	43,200	43,200	23,200	(20,000)
Planning Commission				
Board Compensation	8,000	8,000	9,750	1,750
Total Public Safety	34,351,450	34,351,450	33,337,020	(1,014,430)
Highways and Streets				
Ornamental and Street Lighting				
Regular Wages	335,000	335,000	292,565	(42,435)
Overtime Wages	2,500	2,500	2,319	(181)
Benefits	150,000	150,000	132,613	(17,387)
Professional Services	2,000	2,000	62,419	60,419
Repairs and Maintenance	3,900	3,900	8,499	4,599
Commodities	15,000	15,000	15,735	735
Utilities	13,200	13,200	17,835	4,635
Capital Outlay	4,500	4,500	7,574	3,074
Interdepartmental Charge	(250,000)	(250,000)	(245,706)	4,294
	276,100	276,100	293,853	17,753
Mini-Bus Administration				
Regular Wages	130,000	130,000	123,299	(6,701)
Benefits	30,000	30,000	26,221	(3,779)
	160,000	160,000	149,520	(10,480)

VILLAGE OF MELROSE PARK, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
Highways and Streets - Continued				
Streets and Bridges				
Regular Wages	\$ 1,130,000	1,130,000	1,033,212	(96,788)
Overtime Wages	50,000	50,000	30,670	(19,330)
Benefits	584,000	584,000	531,767	(52,233)
Professional Services	2,511,000	2,511,000	2,619,929	108,929
Repairs and Maintenance	922,900	922,900	511,907	(410,993)
Commodities	180,000	180,000	158,846	(21,154)
Utilities	6,500	6,500	8,351	1,851
Equipment Rental	30,000	30,000	15,737	(14,263)
Risk Management	20,000	20,000	27,876	7,876
Training and Education	100	100	—	(100)
Miscellaneous	15,000	15,000	24,562	9,562
Capital Outlay	10,500	10,500	4,082	(6,418)
Interdepartmental Charge	(2,250,000)	(2,250,000)	(1,979,224)	270,776
	3,210,000	3,210,000	2,987,715	(222,285)
Total Highways and Streets	3,646,100	3,646,100	3,431,088	(215,012)
Refuse				
Professional Services	2,200,000	2,200,000	2,256,423	56,423
Culture and Recreation				
Horticulture				
Contractual Services	250	250	—	(250)
Professional Services	10,000	10,000	49,539	39,539
Repairs and Maintenance	3,000	3,000	26,214	23,214
Commodities	40,000	40,000	44,801	4,801
Utilities	1,000	1,000	777	(223)
Capital Outlay	5,000	5,000	10,203	5,203
	59,250	59,250	131,534	72,284
Environmental Control				
Professional Services	7,500	7,500	7,800	300

VILLAGE OF MELROSE PARK, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
Culture and Recreation - Continued				
Taste of Melrose				
Contractual Services	\$ 8,000	8,000	9,725	1,725
Professional Services	150,000	150,000	69,169	(80,831)
Repairs and Maintenance	135,000	135,000	164,356	29,356
Commodities	50,000	50,000	48,506	(1,494)
Miscellaneous	61,500	61,500	152,672	91,172
	404,500	404,500	444,428	39,928
Senior Building				
Benefits	—	—	182	182
Professional Services	11,000	11,000	24,233	13,233
Repairs and Maintenance	16,500	16,500	123,810	107,310
Commodities	10,500	10,500	18,237	7,737
Utilities	20,000	20,000	11,440	(8,560)
Miscellaneous	5,000	5,000	15,402	10,402
	63,000	63,000	193,304	130,304
Civic Center				
Regular Wages	604,000	604,000	537,794	(66,206)
Overtime Wages	30,500	30,500	80,369	49,869
Benefits	285,000	285,000	293,071	8,071
Contractual Services	55,000	55,000	71,722	16,722
Professional Services	170,000	170,000	167,974	(2,026)
Repairs and Maintenance	104,000	104,000	109,435	5,435
Commodities	5,200	5,200	22,251	17,051
Utilities	105,000	105,000	158,855	53,855
Miscellaneous	25,000	25,000	45,171	20,171
	1,383,700	1,383,700	1,486,642	102,942
Total Culture and Recreation	1,917,950	1,917,950	2,263,708	345,758

VILLAGE OF MELROSE PARK, ILLINOIS**General Fund****Schedule of Expenditures - Budget and Actual - Continued****For the Fiscal Year Ended December 31, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Hispanic Liaison Center				
Regular Wages	\$ 100,000	100,000	82,000	(18,000)
Professional Services	140,000	140,000	165,905	25,905
Commodities	6,000	6,000	4,431	(1,569)
Utilities	11,500	11,500	9,136	(2,364)
Total Hispanic Liaison Center	257,500	257,500	261,472	3,972
Community Development				
Economic Incentive	2,500,000	2,500,000	3,075,440	575,440
Debt Service				
Principal Retirement	485,596	485,596	118,929	(366,667)
Interest and Fiscal Charges	370,238	370,238	370,237	(1)
Total Debt Service	855,834	855,834	489,166	(366,668)
Total Expenditures	52,449,834	52,449,834	52,278,524	(171,310)

VILLAGE OF MELROSE PARK, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet

December 31, 2022

See Following Page

VILLAGE OF MELROSE PARK, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet

December 31, 2022

			Special
	Motor	25th and	Lake
	Fuel	North	Street
	Tax	TIF	Corridor
			TIF
ASSETS			
Cash and Investments	\$ 3,695,911	—	2,394,933
Receivables - Net of Allowances			
Taxes	—	—	—
Due from Other Governments	276,055	—	—
Advances to Other Funds	—	832,948	—
Total Assets	3,971,966	832,948	2,394,933
LIABILITIES			
Accounts Payable	165,878	—	—
Advances from Other Funds	215,862	967,000	343,750
Total Liabilities	381,740	967,000	343,750
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	—	—	—
Grants	179,275	—	—
Total Deferred Inflows of Resources	179,275	—	—
Total Liabilities and Deferred Inflows of Resources	561,015	967,000	343,750
FUND BALANCES			
Restricted	3,410,951	—	2,051,183
Unassigned	—	(134,052)	—
Total Fund Balances	3,410,951	(134,052)	2,051,183
Total Liabilities, Deferred Inflows of Resources and Fund Balances	3,971,966	832,948	2,394,933

Revenue					
Zenith Opus TIF	Chicago Avenue and Superior TIF	Ruby Street TIF	Debt Service		Totals
			Debt Service	MFT Bond	
459,168	2,988,101	4,796,672	410,367	—	14,745,152
—	—	—	372,818	—	372,818
—	—	—	57	—	276,112
—	—	—	3,030,126	—	3,863,074
459,168	2,988,101	4,796,672	3,813,368	—	19,257,156
—	—	—	—	—	165,878
990,975	964,417	—	—	—	3,482,004
990,975	964,417	—	—	—	3,647,882
—	—	—	304,159	—	304,159
—	—	—	—	—	179,275
—	—	—	304,159	—	483,434
990,975	964,417	—	304,159	—	4,131,316
—	2,023,684	4,796,672	3,509,209	—	15,791,699
(531,807)	—	—	—	—	(665,859)
(531,807)	2,023,684	4,796,672	3,509,209	—	15,125,840
459,168	2,988,101	4,796,672	3,813,368	—	19,257,156

VILLAGE OF MELROSE PARK, ILLINOIS

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended December 31, 2022

	Motor Fuel Tax	25th and North TIF	Special Lake Street Corridor TIF
Revenues			
Taxes	\$ —	759,797	424,081
Intergovernmental	1,592,724	—	—
Interest Income	3,430	—	3,198
Total Revenues	1,596,154	759,797	427,279
Expenditures			
Highways and Streets	686,366	—	—
Community Development	—	—	—
Debt Service	—		
Principal Retirement	84,014	1,145,000	—
Interest and Fiscal Charges	4,744	175,754	—
Total Expenditures	775,124	1,320,754	—
Excess (Deficiency) of Revenues Over (Under) Expenditures	821,030	(560,957)	427,279
Other Financing Sources (Uses)			
Transfers In	—	392,754	—
Transfers Out	(64,520)	—	(275,000)
	(64,520)	392,754	(275,000)
Net Change in Fund Balances	756,510	(168,203)	152,279
Fund Balances - Beginning	2,654,441	34,151	1,898,904
Fund Balances - Ending	3,410,951	(134,052)	2,051,183

Revenue					
Zenith Opus TIF	Chicago Avenue and Superior TIF	Ruby Street TIF	Debt Service	MFT Bond	Totals
398,011	134,883	1,613,089	299,708	—	3,629,569
—	—	—	—	—	1,592,724
11,281	6,254	8,124	13,960	—	46,247
409,292	141,137	1,621,213	313,668	—	5,268,540
—	—	—	—	2	686,368
—	964,417	—	—	—	964,417
893,489	—	—	1,155,000	—	3,277,503
15,726	—	—	596,362	—	792,586
909,215	964,417	—	1,751,362	2	5,720,874
(499,923)	(823,280)	1,621,213	(1,437,694)	(2)	(452,334)
—	—	—	1,438,800	—	1,831,554
—	—	—	—	—	(339,520)
—	—	—	1,438,800	—	1,492,034
(499,923)	(823,280)	1,621,213	1,106	(2)	1,039,700
(31,884)	2,846,964	3,175,459	3,508,103	2	14,086,140
(531,807)	2,023,684	4,796,672	3,509,209	—	15,125,840

VILLAGE OF MELROSE PARK, ILLINOIS

Motor Fuel Tax - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Intergovernmental				
Motor Fuel Tax Allotments	\$ 975,000	975,000	1,014,196	39,196
Grants	2,134,628	2,134,628	578,528	(1,556,100)
Interest Income	2,000	2,000	3,430	1,430
Total Revenues	3,111,628	3,111,628	1,596,154	(1,515,474)
Expenditures				
Highways and Streets				
Contractual Services	2,851,000	2,851,000	418,193	(2,432,807)
Utilities	300,000	300,000	268,173	(31,827)
Debt Service				
Principal Retirement	84,014	84,014	84,014	—
Interest and Fiscal Charges	4,744	4,744	4,744	—
Total Expenditures	3,239,758	3,239,758	775,124	(2,464,634)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(128,130)	(128,130)	821,030	949,160
Other Financing (Uses)				
Transfers Out	(64,520)	(64,520)	(64,520)	—
Net Change in Fund Balance	(192,650)	(192,650)	756,510	949,160
Fund Balance - Beginning			2,654,441	
Fund Balance - Ending			3,410,951	

VILLAGE OF MELROSE PARK, ILLINOIS**25th and North Avenue TIF - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended December 31, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Taxes				
Property Taxes	\$ 1,200,000	1,200,000	759,797	(440,203)
Expenditures				
Community Development				
Professional Services	4,800	4,800	—	(4,800)
Debt Service				
Principal Retirement	1,145,000	1,145,000	1,145,000	—
Interest and Fiscal Charges	175,880	175,880	175,754	(126)
Total Expenditures	1,325,680	1,325,680	1,320,754	(4,926)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(125,680)	(125,680)	(560,957)	(435,277)
Other Financing Sources				
Transfers In	—	—	392,754	392,754
Net Change in Fund Balance	(125,680)	(125,680)	(168,203)	(42,523)
Fund Balance - Beginning			34,151	
Fund Balance - Ending			(134,052)	

VILLAGE OF MELROSE PARK, ILLINOIS

Lake Street Corridor TIF - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Taxes				
Property Taxes	\$ 425,000	425,000	424,081	(919)
Interest Income	1,000	1,000	3,198	2,198
Total Revenues	426,000	426,000	427,279	1,279
Expenditures				
Community Development				
Professional Services	4,800	4,800	—	(4,800)
Contractual Services	75,000	75,000	—	(75,000)
Capital Outlay	75,000	75,000	—	(75,000)
Total Expenditures	154,800	154,800	—	(154,800)
Excess (Deficiency) of Revenues Over (Under) Expenditures	271,200	271,200	427,279	156,079
Other Financing (Uses)				
Transfers Out	(275,000)	(275,000)	(275,000)	—
Net Change in Fund Balance	(3,800)	(3,800)	152,279	156,079
Fund Balance - Beginning			1,898,904	
Fund Balance - Ending			2,051,183	

VILLAGE OF MELROSE PARK, ILLINOIS**Zenith Opus TIF - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended December 31, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Taxes				
Property Taxes	\$ 800,000	800,000	398,011	(401,989)
Interest Income	2,000	2,000	11,281	9,281
Total Revenues	802,000	802,000	409,292	(392,708)
Expenditures				
Community Development				
Professional Services	4,800	4,800	—	(4,800)
Debt Service				
Principal Retirement	893,489	893,489	893,489	—
Interest and Fiscal Charges	15,727	15,727	15,726	(1)
Total Expenditures	914,016	914,016	909,215	(4,801)
Net Change in Fund Balance	(112,016)	(112,016)	(499,923)	(387,907)
Fund Balance - Beginning			(31,884)	
Fund Balance - Ending			(531,807)	

VILLAGE OF MELROSE PARK, ILLINOIS**Chicago Avenue and Superior TIF - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended December 31, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Taxes				
Property Taxes	\$ —	—	134,883	134,883
Interest Income	1,500	1,500	6,254	4,754
Total Revenues	1,500	1,500	141,137	139,637
Expenditures				
Community Development				
Professional Services	4,800	4,800	—	(4,800)
Contractual Services	1,050	1,050	964,417	963,367
Total Expenditures	5,850	5,850	964,417	958,567
Net Change in Fund Balance	(4,350)	(4,350)	(823,280)	(818,930)
Fund Balance - Beginning			2,846,964	
Fund Balance - Ending			2,023,684	

VILLAGE OF MELROSE PARK, ILLINOIS**Ruby Street TIF - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended December 31, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Taxes				
Property Taxes	\$ 300,000	300,000	1,613,089	1,313,089
Interest Income	1,000	1,000	8,124	7,124
Total Revenues	301,000	301,000	1,621,213	1,320,213
Expenditures				
Community Development				
Professional Services	4,800	4,800	—	(4,800)
Contractual Services	300,000	300,000	—	(300,000)
Total Expenditures	304,800	304,800	—	(304,800)
Net Change in Fund Balance	<u>(3,800)</u>	<u>(3,800)</u>	1,621,213	<u>1,625,013</u>
Fund Balance - Beginning			<u>3,175,459</u>	
Fund Balance - Ending			<u>4,796,672</u>	

VILLAGE OF MELROSE PARK, ILLINOIS**Debt Service Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Taxes				
Property Taxes	\$ 301,165	301,165	299,708	(1,457)
Interest Income	600	600	13,960	13,360
Total Revenues	301,765	301,765	313,668	11,903
Expenditures				
Debt Service				
Principal Retirement	1,155,000	1,155,000	1,155,000	—
Interest and Fiscal Charges	596,362	596,362	596,362	—
Total Expenditures	1,751,362	1,751,362	1,751,362	—
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,449,597)	(1,449,597)	(1,437,694)	11,903
Other Financing Sources				
Transfers In	1,438,900	1,438,900	1,438,800	(100)
Net Change in Fund Balance	<u>(10,697)</u>	<u>(10,697)</u>	1,106	<u>11,803</u>
Fund Balance - Beginning			<u>3,508,103</u>	
Fund Balance - Ending			<u>3,509,209</u>	

VILLAGE OF MELROSE PARK, ILLINOIS

Water and Sewer - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual

For the Fiscal Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
Operating Revenues				
Charges for Services				
Water and Sewer Sales	\$ 25,000,000	25,000,000	25,396,144	396,144
Meter Sales	160,000	160,000	158,972	(1,028)
Revenue from Change in IMRF Plan	—	—	723,070	723,070
Revenue from Change in OPEB Plan	—	—	5,948,489	5,948,489
Total Operating Revenues	25,160,000	25,160,000	32,226,675	7,066,675
Operating Expenses				
Operations				
Administration	5,900,500	5,900,500	5,558,927	(341,573)
Water Transmission	17,201,800	17,201,800	15,159,156	(2,042,644)
Sewer	667,500	667,500	637,924	(29,576)
Water and Sewer Facilities	50,000	50,000	47,900	(2,100)
Depreciation	880,000	880,000	894,697	14,697
Total Operating Expenses	24,699,800	24,699,800	22,298,604	(2,401,196)
Operating Income	460,200	460,200	9,928,071	9,467,871
Nonoperating Revenues				
Interest Income	3,000	3,000	6,891	3,891
Grants	50,000	50,000	6,386	(43,614)
Disposal of Capital Assets	—	—	(5,041)	(5,041)
	53,000	53,000	8,236	(44,764)
Income before Capital Grants	513,200	513,200	9,936,307	9,423,107
Capital Grants	—	—	170,703	(170,703)
Change in Net Position	513,200	513,200	10,107,010	9,593,810
Net Position - Beginning			25,489,612	
Net Position - Ending			35,596,622	

VILLAGE OF MELROSE PARK, ILLINOIS

Water and Sewer - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual

For the Fiscal Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
Operations				
Administration				
Regular Wages	\$ 240,000	240,000	242,919	2,919
Benefits	250,000	250,000	269,863	19,863
Interdepartmental Charges	4,791,500	4,791,500	4,261,475	(530,025)
Professional Services	35,000	35,000	17,612	(17,388)
Repairs and Maintenance	351,500	351,500	353,477	1,977
Operating Supplies	21,000	21,000	19,344	(1,656)
Utilities	1,500	1,500	456	(1,044)
Risk Management	175,000	175,000	330,304	155,304
Miscellaneous	35,000	35,000	63,477	28,477
Total Administration	5,900,500	5,900,500	5,558,927	(341,573)
Water Transmission				
Cost of Sales and Services - Water				
Regular Wages	950,000	950,000	832,978	(117,022)
Overtime Wages	60,000	60,000	66,663	6,663
Benefits	404,000	404,000	376,598	(27,402)
Professional Services	100,000	100,000	56,649	(43,351)
Repairs and Maintenance	211,500	211,500	395,112	183,612
Purchased Water	14,500,000	14,500,000	12,974,737	(1,525,263)
Utilities	375,000	375,000	309,795	(65,205)
Operating Supplies	10,000	10,000	25,632	15,632
Mains and Hydrants	100,000	100,000	92,342	(7,658)
Machinery and Equipment - Other	500	500	—	(500)
Auto Equipment	40,000	40,000	—	(40,000)
Capital Projects	450,000	450,000	—	(450,000)
Miscellaneous	800	800	28,650	27,850
Total Water Transmission	17,201,800	17,201,800	15,159,156	(2,042,644)

VILLAGE OF MELROSE PARK, ILLINOIS**Water and Sewer - Enterprise Fund****Schedule of Operating Expenses - Budget and Actual - Continued****For the Fiscal Year Ended December 31, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Operations - Continued				
Sewer				
Cost of Sales and Services - Sewer				
Regular Wages	\$ 260,000	260,000	290,536	30,536
Overtime Wages	30,000	30,000	33,804	3,804
Benefits	210,000	210,000	186,211	(23,789)
Professional Services	50,500	50,500	27,889	(22,611)
Repairs and Maintenance	105,500	105,500	78,860	(26,640)
Utilities	500	500	2,061	1,561
Commodities	10,500	10,500	17,600	7,100
Machinery and Equipment - Other	500	500	864	364
Miscellaneous	—	—	99	99
Total Sewer	667,500	667,500	637,924	(29,576)
Water and Sewer Facilities				
Repairs and Maintenance	15,000	15,000	31,094	16,094
Utilities	35,000	35,000	16,592	(18,408)
Miscellaneous	—	—	214	214
Total Water and Sewer Facilities	50,000	50,000	47,900	(2,100)
Total Operations	23,819,800	23,819,800	21,403,907	(2,415,893)
Depreciation	880,000	880,000	894,697	14,697
Total Operating Expenses	24,699,800	24,699,800	22,298,604	(2,401,196)

VILLAGE OF MELROSE PARK, ILLINOIS**Pension Trust Funds****Combining Statement of Fiduciary Net Position****December 31, 2022**

	Police Pension	Firefighters' Pension	Totals
ASSETS			
Cash and Cash Equivalents	\$ 5,601,050	4,162,262	9,763,312
Investments			
Illinois Police Officers' Pension Investment Fund	31,677,152	—	31,677,152
Illinois Firefighters' Pension Investment Fund	—	27,932,204	27,932,204
Due from Other Funds	1,001,795	1,219,461	2,221,256
Prepays	1,522	6,151	7,673
Total Assets	38,281,519	33,320,078	71,601,597
LIABILITIES			
Accounts Payable	4,791	3,625	8,416
NET POSITION			
Net Position Restricted for Pensions	38,276,728	33,316,453	71,593,181

VILLAGE OF MELROSE PARK, ILLINOIS

Pension Trust Funds

Combining Statement of Changes in Fiduciary Net Position

For the Fiscal Year Ended December 31, 2022

	Police Pension	Firefighters' Pension	Totals
Additions			
Contributions - Employer	\$ 5,050,771	6,252,127	11,302,898
Contributions - Plan Members	623,053	510,302	1,133,355
Total Contributions	5,673,824	6,762,429	12,436,253
Investment Income			
Interest Earned	(482,266)	228,442	(253,824)
Net Change in Fair Value	(3,693,008)	(5,133,269)	(8,826,277)
	(4,175,274)	(4,904,827)	(9,080,101)
Less Investment Expenses	(23,365)	(16,427)	(39,792)
Net Investment Income	(4,198,639)	(4,921,254)	(9,119,893)
Total Additions	1,475,185	1,841,175	3,316,360
Deductions			
Administration	67,700	50,942	118,642
Benefits and Refunds	4,685,145	5,636,027	10,321,172
Total Deductions	4,752,845	5,686,969	10,439,814
Change in Fiduciary Net Position	(3,277,660)	(3,845,794)	(7,123,454)
Net Position Restricted for Pensions			
Beginning	41,554,388	37,162,247	78,716,635
Ending	38,276,728	33,316,453	71,593,181

VILLAGE OF MELROSE PARK, ILLINOIS**Component Unit - Melrose Park Public Library****Statement of Net Position and Combining Balance Sheet - Governmental Funds****December 31, 2022**

	Library	Adjustments	Statement of Net Position
ASSETS			
Cash and Investments	\$ 54,483	—	54,483
Receivables - Net of Allowances			
Property Taxes	1,172,009	—	1,172,009
Accounts	20,000	—	20,000
Prepays	6,278	—	6,278
Due from Other Governments	30,158	—	30,158
Capital Assets			
Nondepreciable	—	333,332	333,332
Depreciable	—	1,181,368	1,181,368
Accumulated Depreciation	—	(874,938)	(874,938)
Total Assets	1,282,928	639,762	1,922,690
LIABILITIES			
Accounts Payable	16,857	—	16,857
Insurance Claims Payable	50,826	—	50,826
Due to Other Governments	570,112		570,112
Other Payables	959,136	—	959,136
Total Liabilities	1,596,931	—	1,596,931
FUND BALANCES/NET POSITION			
Investment in Capital Assets	—	639,762	639,762
Nonspendable	6,278	(6,278)	—
Unassigned	(320,281)	320,281	—
Unrestricted	—	(314,003)	(314,003)
Total Fund Balances/Net Position	(314,003)	639,762	325,759
Total Liabilities, Deferred Inflows of Resources and Fund Balances/Net Position	1,282,928	639,762	1,922,690

VILLAGE OF MELROSE PARK, ILLINOIS

Component Unit - Melrose Park Public Library

Statement of Activities and Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds

For the Fiscal Year Ended December 31, 2022

	Library	Adjustments	Statement of Activities
Revenues			
Taxes			
Property Taxes	\$ 932,974	—	932,974
Intergovernmental	48,799	—	48,799
Miscellaneous	37,396	—	37,396
Total Revenues	1,019,169	—	1,019,169
Expenditures			
Culture and Recreation	773,001	15,452	788,453
Net Change in Fund Balances/Net Position	246,168	(15,452)	230,716
Fund Balances/Net Position - Beginning	(560,171)	655,214	95,043
Fund Balances/Net Position - Ending	(314,003)	639,762	325,759

SUPPLEMENTAL SCHEDULES

VILLAGE OF MELROSE PARK, ILLINOIS

Long-Term Debt Requirements

General Obligation Tax Increment Bonds (Alternate Revenue Source) of 2003C

December 31, 2022

Date of Issue	June 15, 2003
Date of Maturity	December 15, 2023
Authorized Issue	\$5,320,000
Denomination of Bonds	\$5,000
Interest Rate	4.70% - 5.40%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15
Payable at	Amalgamated Bank of Chicago, IL

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Beginning Principal Balance	Accretion	Principal Payment	Ending Principal Balance
2023	\$ 1,061,345	28,655	1,090,000	—

VILLAGE OF MELROSE PARK, ILLINOIS

Long-Term Debt Requirements

General Obligation Tax Increment Bonds (Alternate Revenue Source) of 2004A

December 31, 2022

Date of Issue	April 26, 2004
Date of Maturity	December 15, 2023
Authorized Issue	\$4,800,000
Denomination of Bonds	\$5,000
Interest Rates	6.75%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15
Payable at	Amalgamated Bank of Chicago, IL

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2023	\$ 470,000	31,725	501,725

VILLAGE OF MELROSE PARK, ILLINOIS

Long-Term Debt Requirements

General Obligation Tax Increment Bonds (Alternate Revenue Source) of 2011A

December 31, 2022

Date of Issue	December 22, 2011
Date of Maturity	December 15, 2023
Authorized Issue	\$3,710,000
Denomination of Bonds	\$5,000
Interest Rates	4.00% - 5.00%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15
Payable at	Amalgamated Bank of Chicago, IL

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2023	\$ 1,775,000	71,000	1,846,000

VILLAGE OF MELROSE PARK, ILLINOIS

Long-Term Debt Requirements General Obligation Bonds of 2012 December 31, 2022

Date of Issue	April 19, 2012
Date of Maturity	December 15, 2032
Authorized Issue	\$14,355,000
Denomination of Bonds	\$5,000
Interest Rates	3.50% - 5.00%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15
Payable at	Amalgamated Bank of Chicago, IL

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
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	1,020,000	40,800	1,060,800
	8,570,000	2,011,400	10,581,400

VILLAGE OF MELROSE PARK, ILLINOIS

Long-Term Debt Requirements General Obligation Bonds of 2015 December 31, 2022

Date of Issue	March 31, 2015
Date of Maturity	December 15, 2023
Authorized Issue	\$8,910,000
Denomination of Bonds	\$5,000
Interest Rates	2.00% - 4.00%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15
Payable at	Amalgamated Bank of Chicago, IL

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2023	\$ 505,000	15,150	520,150

VILLAGE OF MELROSE PARK, ILLINOIS

Long-Term Debt Requirements General Obligation Bonds of 2016 December 31, 2022

Date of Issue	September 29, 2016
Date of Maturity	December 15, 2026
Authorized Issue	\$3,660,000
Denomination of Bonds	\$5,000
Interest Rates	2.00% - 3.20%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15
Payable at	Amalgamated Bank of Chicago, IL

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2023	\$ 270,000	34,402	304,402
2024	280,000	26,977	306,977
2025	285,000	18,579	303,579
2026	300,000	9,600	309,600
	<u>1,135,000</u>	<u>89,558</u>	<u>1,224,558</u>

VILLAGE OF MELROSE PARK, ILLINOIS

Long-Term Debt Requirements

General Obligation Refunding Bonds of 2019

December 31, 2022

Date of Issue	July 1, 2019
Date of Maturity	May 15, 2024
Authorized Issue	\$2,908,750
Denomination of Bonds	\$5,000
Interest Rates	4.75%
Interest Dates	February 15, May 15, August 15, November 15
Principal Maturity Date	February 15, May 15, August 15, November 15
Payable at	Fifth Third Bank, N.A.

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2023	\$ 295,000	83,867	378,867
2024	1,581,250	36,679	1,617,929
	1,876,250	120,546	1,996,796

VILLAGE OF MELROSE PARK, ILLINOIS

Long-Term Debt Requirements General Obligation Bonds of 2020 December 31, 2022

Date of Issue	October 1, 2020
Date of Maturity	December 15, 2040
Authorized Issue	\$5,970,000
Denomination of Bonds	\$5,000
Interest Rates	2.00% - 5.00%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15
Payable at	Amalgamated Bank of Chicago, IL

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
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	390,000	8,775	398,775
	5,555,000	1,602,762	7,157,762