



VILLAGE OF INDIAN HEAD PARK, ILLINOIS

ANNUAL FINANCIAL REPORT

For the Year Ended April 30, 2019



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1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

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INDEPENDENT AUDITOR'S REPORT

The Honorable President
Members of the Board of Trustees
Village of Indian Head Park, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Indian Head Park, Illinois (the Village) as of and for the year ended April 30, 2019, and the related notes to financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Indian Head Park, Illinois, as of April 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

The Village adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which established standards for measuring and recognizing liabilities, deferred inflows and outflows of resources and expenses; and modified certain disclosures in the notes to financial statements and the required supplementary information as discussed in Note 11 to the basic financial statements. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

The supplemental data has not been subjected to the auditing procedures applied in the audit of the basic financial statements. Accordingly, we do not express an opinion or provide any assurance on this information.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the Village's basic financial statements for the year ended April 30, 2018, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements as a whole. The combining and individual nonmajor fund financial statements and schedules, related to the 2018 basic financial statements for the year ended April 30, 2018, 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 2018 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2018 combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Sikich LLP

Naperville, Illinois
August 13, 2019

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

Management's Discussion and Analysis April 30, 2019

As the management of the Village of Indian Head Park, we offer readers of the Village's financial statements this discussion and analysis of the Village of Indian Head Park's financial performance. This narrative provides an overview and examination of the financial activities of the Village of Indian Head Park for the fiscal year ended April 30, 2019. Please read it in conjunction with the Village of Indian Head Park's financial statements, which begin on page 4 of the Auditor's report.

Financial Highlights

- The Village is embarking on the replacement/installation of about 2 miles of water main through a loan from the Illinois Environmental Protection Agency. This is part of the Village's Long Range Capital Improvement Plan. It is estimated that the cost of interest for the loan will be less than the cost of water main repair in the project area.
- In FY 2016-2017 the Village received a two-step upgrade in its bond rating from Standard and Poor's from AA- to AA+. This is due to improved financial and management practices. The Village continues to maintain this rating.
- Awarded Grant Funding in the amount of about one million dollars for the replacement of Acacia Drive over the next three fiscal years. The Village will be responsible for \$300,000 of this project. Engineering is underway.
- Improved fiscal control accountability by continued automation of accounts receivable.
- The Village implemented a direct debit method for water/sewer billing and outsourced water/sewer bill mailing. This allows for increased communications ability with those in the Village. To date, 133 accounts (about 14%) have signed up for this service.
- The Village collected \$3,076,694 in tax and other revenues in its governmental funds in the fiscal year ending April 30. Governmental program expenditures were \$3,126,104, a decrease of \$49,410. No new programs were added.
- The General Fund had an increase in fund balance of \$138,984 as opposed to the prior year's decrease of \$137,609.
- Charges for Service for proprietary funds for business-type activities were \$1,545,697, an increase over last year's revenues of about \$111,000 despite the Village using about 332,000 less gallons of water than in the prior fiscal year. Operating expenses were \$1,179,356 or about \$414,000 less than the prior year. The business-type activities net position increased by \$354,196 as opposed to last year's loss of \$170,000.

Using this Annual Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 4-6) provide information about the activities of the Village of Indian Head Park as a whole and present a current-term view of the Village of Indian Head Park's finances. Fund financial statements begin on page 7. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

Management's Discussion and Analysis April 30, 2019

Using this Annual Report – Continued

future spending. Fund financial statements also report the Village of Indian Head Park's operation in more detail than the government-wide statements by providing information about the Village of Indian Head Park's most significant funds. The remaining statements provide financial information about activities for which the Village of Indian Head Park acts solely as a trustee or agent for the benefit of those outside of the government.

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the Village of Indian Head Park's finances, in a manner similar to a private-sector business. The government-wide financial statements can be found on pages 4-6 of this report.

The Statement of Net Position reports information on all of the Village of Indian Head Park's assets and liabilities, 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 of Indian Head Park is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the Village of Indian Head Park's property tax base and the condition of the Village of Indian Head Park's roads and other infrastructure, is needed to assess the overall health of the Village of Indian Head Park.

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, such as uncollected taxes.

Both of the government-wide financial statements distinguish functions of the Village of Indian Head Park 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 of Indian Head Park include general government, public safety, highways and streets, capital outlay and debt service. The business-type activities of the Village includes waterworks and sewerage services. The Village provides water and sewerage services to approximately 85% of its residences and businesses.

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 of Indian Head Park, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village of Indian Head Park can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

Management's Discussion and Analysis April 30, 2019

Using this Annual Report – Continued

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 of Indian Head Park's near-term financing requirements.

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. This provides more insight into the long-term impact of Indian Head Park'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 of Indian Head Park maintains three major governmental funds and four individual non-major governmental fund. 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 Village's major funds – the General Fund, the Motor Fuel Tax Fund, and the Bond Debt Service Fund.

The Village of Indian Head Park adopts an annual budget for all governmental funds. All financial data presented in this report is based on the adopted budget. Compliance with the budget is demonstrated in a budgetary comparison statement for these funds. The basic governmental fund financial statements can be found starting on page 7 of this report. Effective May 1, 2017, the Village adopted the Budget Act. It is no longer operating under the Appropriations Act.

Proprietary Funds

The Village of Indian Head Park has one proprietary fund, which is an enterprise fund. The enterprise fund reports the same functions presented as business-type activities in the government-wide financial statements. The Village's waterworks and sewerage activities are accounted for as an enterprise fund.

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

Management's Discussion and Analysis April 30, 2019

Using this Annual Report – Continued

Proprietary Funds – (Continued)

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 Waterworks and Sewerage Fund, which are considered a major fund of the Village of Indian Head Park. The basic proprietary fund financial statements can be found on pages 13 – 17 of the Auditor's report.

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 of Indian Head Park's own programs. The accounting use for fiduciary funds is much like that used for proprietary funds.

The Village has no fiduciary 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. The notes to the financial statements can be found on pages 18-44 of the Auditor's report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village of Indian Head Park's participation in the I.M.R.F. pension plan and the budgetary schedule of revenues, expenditures, and changes in fund balance for the General Fund. Required supplementary information can be found on pages 45-50 of the Auditor's report.

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

Management's Discussion and Analysis

April 30, 2019

Government-Wide Financial Analysis

Net position over time may serve as a useful indicator of a government's financial position. For the fiscal year just ended, the assets and deferred outflows of the Village of Indian Head Park exceeded liabilities and deferred inflows by \$3,412,948. Last year this amount was \$3,258,806, an increase of about 4.75%.

The following table (Table 1) represents a condensed statement of net assets for Governmental Activities, Business-type Activities and the Government as a whole.

Table 1

	Governmental Activities		Business-Type Activities	
	2018-2019	2017-2018	2018-2019	2017-2018
Current and Other Assets	2,357,261	2,252,522	969,060	361,287
Capital Assets	4,138,512	4,395,162	1,064,524	871,485
Deferred Outflows	817,578	\$178,149	221,633	47,586
Total Asset & Deferred Outflows	\$7,313,351	\$6,825,833	\$2,255,217	\$1,280,358
Long-Term Debt Outstanding	4,161,742	3,230,731	792,025	220,395
Other Liabilities	167,100	141,483	238,776	168,375
Deferred Inflows	758,955	985,136	37,022	101,165
Total Liabilities & Deferred Inflows	\$5,087,797	\$4,357,350	\$1,067,823	\$489,935
Net position				
Net Investment in Capital Assets	1,940,573	1,836,682	831,207	871,485
Restricted	487,631	543,515	-	-
Unrestricted	(202,650)	88,186	356,187	(81,062)
Total Net Position	\$2,225,554	\$2,468,383	\$1,187,394	\$790,423

Normal Impacts - Statement of Net Position - There are six basic (normal) transactions that will affect the comparability of the Statement of Net Position summary presentation.

Net Results of Activities - which will increase or decrease current assets and unrestricted net position.

Borrowing for Capital- which will increase current assets and long-term debt.

Spending Borrowed Proceeds on New Capital -which will reduce current assets and increase capital assets. There is a second impact, an increase in invested capital assets and an increase in related net debt, which will not change the investment in capital assets, net of debt.

Spending of Non-borrowed Current Assets on New Capital -which will (a) reduce current assets and increase capital asset and (b) will reduce unrestricted net position and increase invested in capital assets, net of debt.

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

Management's Discussion and Analysis April 30, 2019

Principal Payment on Debt -which will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net position and increase net investment in capital assets.

Reduction of Capital Assets through Depreciation -which will reduce capital assets and investment in capital assets, net of debt.

Current Year Impacts -Net Assets

The Village of Indian Head Park's total net position increased by \$154,142 (\$-73,473 last year) in the fiscal year ending to \$3,412,948. The increase is due to budgeted projects not being implemented during the fiscal year. The Village is reporting unrestricted net position for governmental activities of -\$202,650 as of April 30, 2019. It should be noted that the decrease (negative balance) in the unrestricted net position is due to a decrease in the calculated rate of investment return by the Illinois Municipal Retirement Fund. Last year's total long term liabilities (see the Statement of Net Position on page 4 of the Auditor's report for that year) showed liabilities due in more than one year of \$2,916,511. This year's amount is \$3,833,232, an increase of over \$900,000.

The Village of Indian Head Park's investment in capital assets net of related debt for all funds used to acquire capital assets reflects 81.2% of the Village of Indian Head Park's net position decrease of about 2% from the prior fiscal year. Capital assets include land, buildings, machinery and equipment, roads and utility infrastructure. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Although the capital assets are reported net of related debt, it should be noted that the resources needed to repay the debt must be provided from other sources, since the capital assets cannot be used to liquidate the liabilities. The net position for the Village's governmental and business-type activities totaled \$3,412,948 at the end of the fiscal year, which was an increase of \$154,142 from the fiscal year ending April 30, 2018.

Resources of the Village of Indian Head Park, which are subject to external restrictions on how they may be used account for 14.28% (22.02% last fiscal year) of the Village's net position and total \$487,631.

Net Position Restricted for:

Maintenance of Roadways	\$ 252,295
Recreation	37,449
Debt Service	163,393
Other	34,494
Total Restricted Net Position	\$ 487,631

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

Management's Discussion and Analysis

April 30, 2019

Government-Wide Financial Analysis – Continued

Current Year Impacts -Net Assets – Continued

Net position of the Village of Indian Head Park's governmental activities for the fiscal year ending April 30, 2019 was \$2,225,554, a decrease of 242,829 from the last fiscal year.

Net position of business-type activities for 2019 was \$1,187,394 compared to \$790,423 in 2018. The Village of Indian Head Park generally can only use the net position of these activities to finance the continuing operations of the waterworks and sewerage operations. Unrestricted net position was \$356,187 at the end of 2019.

Please refer to the following chart for a depiction of revenues, expenses and change in net position for the Village of Indian Head Park's governmental and business-type activities.

	Governmental Activities		Business-Type Activities	
	2018-2019	2017-2018	2018-2019	2017-2018
REVENUES				
Taxes	1,909,393	1,889,833	-	-
Intergovernmental	458,071	458,159	-	-
Investment Income	6,936	1,992	-	-
Miscellaneous	93,314	75,976	28,758	16,176
Charges for Services	562,122	432,361	1,545,697	1,434,520
Operating Grants and Contributions	96,690	97,255	-	-
Capital Grants and Contributions	-	-	-	-
Transfers in (out)	40,903	27,258	(40,903)	(27,258)
Total revenues	3,167,429	2,982,834	1,533,552	1,423,438
EXPENSES				
Current				
General Government	720,628	647,819	-	-
Public Safety	1,560,197	1,625,349	-	-
Public Works	526,851	486,990	-	-
Culture and Recreation	30,613	30,338	-	-
Health and Human Services	-	1,000	-	-
Interest	85,830	94,727	-	-
Water and Sewer	-	-	1,179,356	1,593,522
Total expenses	2,924,119	2,886,223	1,179,356	1,593,522
Change in net position	243,310	96,611	354,196	(170,084)

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

Management's Discussion and Analysis April 30, 2019

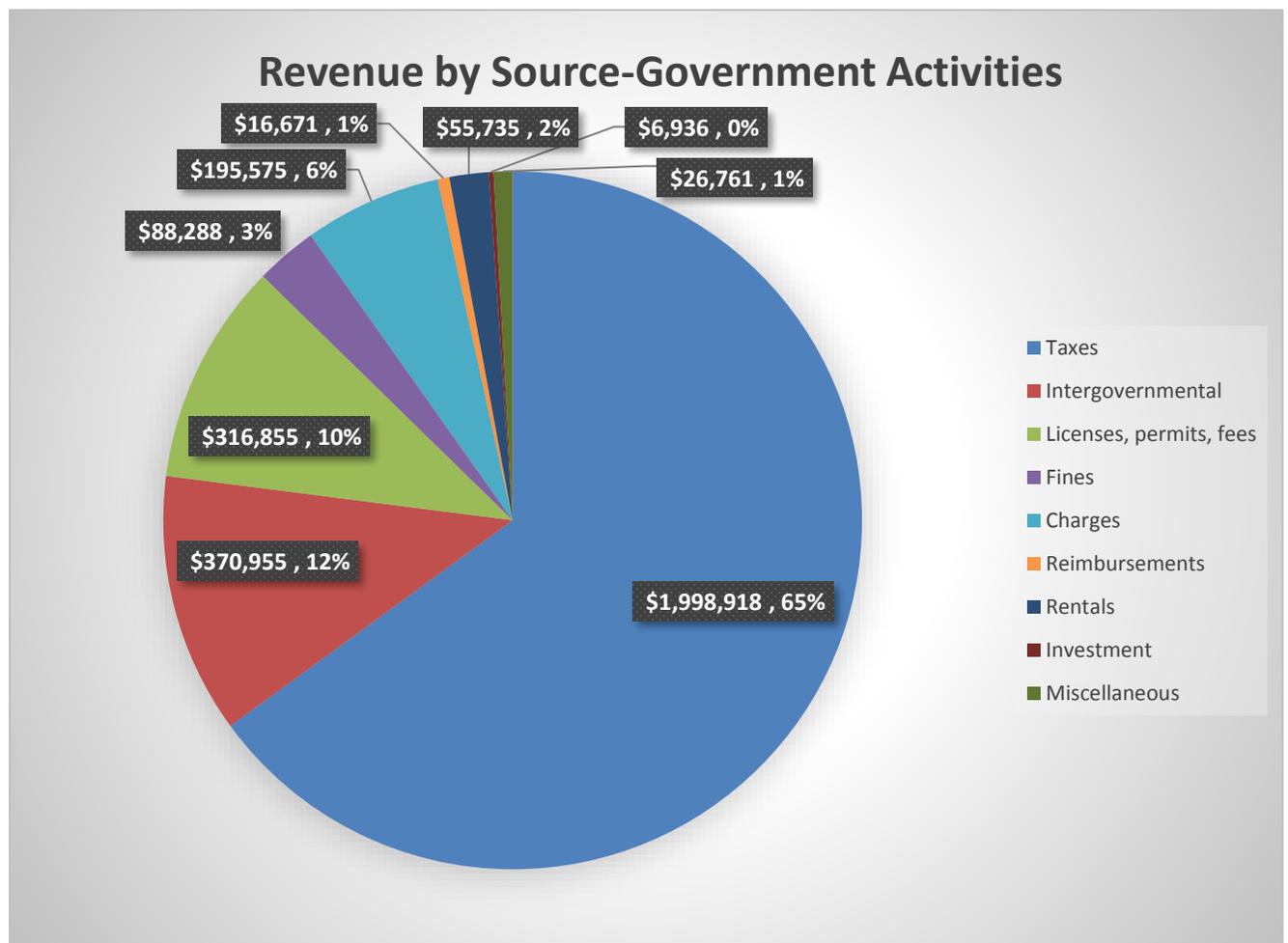
Government-Wide Financial Analysis – Continued

Governmental Activities

The 2018-2019 fiscal year revenues for governmental activities were \$3,176,429, while the cost of all governmental functions totaled \$2,982,834.

Governmental Funds Revenue Sources

The following chart depicts the major revenue sources of the Village of Indian Head Park. Sales taxes account for the largest share of governmental activities revenue. Utility taxes also contribute a large share of governmental revenue.



VILLAGE OF INDIAN HEAD PARK, ILLINOIS

Management's Discussion and Analysis April 30, 2019

Government-Wide Financial Analysis – Continued

Governmental Funds Expenditures



The 'Expenses and Program Revenues' chart displays the total program revenue in relation to the applicable functions. As is typical with governmental activities, these programs, especially public safety, are nearly fully supported by general revenues, rather than program revenues.

Since these expenses are heavily reliant on general revenues, which can be impacted by the economy, management is acutely mindful during the budget process to ensure the necessity of all spending. Also as in most cities, public safety represents the majority of expenses at 50% followed by general government at 23% and public works (non-water/sewer) operations at 13%.

Business-Type Activities

Revenues for business-type activities were \$1,533,552 and expenses were \$1,179,356.

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

Management's Discussion and Analysis April 30, 2019

Financial Analysis of the Government's Funds

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

Governmental Funds

Governmental Funds - The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year. For the fiscal year ended April 30, 2019, the Governmental Funds reported a combined ending fund balance of \$1,370,054 which is an increase of \$11,869 from the prior year.

General Fund - The General Fund is the chief operating fund of the Village. At the end of the current fiscal year, the Village of Indian Head Park had a total General Fund balance of \$773,779 of which \$636,853 is unassigned. It may be useful to compare both unassigned fund balance and total fund balance to total funds available as a measure of liquidity.

- As of the end of the current fiscal year, the General Fund had an ending fund balance of \$773,779, in contrast to last year's restated ending balance of \$594,795. An increase of \$138,984.
- Revenues in the General Fund revenues for the year just ended totaled \$2,498,672. 2018 revenues were \$2,360,426. An increase of \$138,246.
- The General Fund expenditures were \$2,489,006 as opposed to \$2,338,706 in 2018.
- Other factors that affected the General Fund also affected Governmental Activities and were discussed in the MD&A section on governmental activities.

Proprietary Funds -The Village of Indian Head Park'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 major proprietary funds, which account for all operations of the municipal water and sewer systems.

- Water is provided from the City of Countryside via the City of Chicago and the Village of McCook.
- The net position for the water and sewer fund was \$1,187,394 compared to the restated net position for 2018 of \$833,198, an increase of \$396,971.
- Other factors concerning the finances of these three funds have already been addressed in the Village of Indian Head Park's discussion of business-type activities.

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

Management's Discussion and Analysis April 30, 2019

General Fund Budgetary Highlights

There were only minor changes to the budget done in 2019 to provide for some minor contract changes. Other changes to the budget included carry-forwards from one budget year to the next to pay for items that had delayed delivery.

	Original and Final Budget	Actual
REVENUES		
Taxes	\$1,738,177	\$1,662,843
Intergovernmental	\$365,927	\$370,955
Licenses, permits and fees	\$316,700	\$316,855
Fines and forfeitures	\$120,000	\$88,288
Charges for services	\$10,000	\$9,825
Reimbursements	-	\$16,671
Investment income	-	\$6,474
Miscellaneous	\$10,000	\$26,761
	<hr/>	<hr/>
	\$2,560,804	\$2,498,672
 EXPENDITURES		
Current		
General government	\$930,013	\$704,999
Public safety	1,561,988	1,446,763
Public works	261,491	255,438
Debt service		
Principal	-	77,448
Interest	-	4,358
Total expenditures	\$2,753,492	\$2,489,006

Actual revenues in the general fund exceeded actual expenditures by \$9,666.

Capital Assets and Debt Administration

Capital Assets

The Village of Indian Head Park's investment in capital assets, net of accumulated depreciation, for all activities as of April 30, 2019 was \$5,203,036. Capital assets include land and improvements, buildings and improvements, machinery and equipment, roads, sidewalks, bridges and utility infrastructure.

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

Management's Discussion and Analysis April 30, 2019

Capital Assets and Debt Administration – Continued

Capital Assets – Continued

The additions to capital assets being depreciated in the current year relates to a vehicle purchase. Additional information on capital assets for the Village of Indian Head Park can be found in note 5 in the notes to financial statements of this report.

Debt Administration

At year-end, the Village of Indian Head Park had debt issued in the form of general obligation bonds and debt certificates. The Village pre-paid the balance due on its capital leases. The following is a summary of the governmental liabilities long term debt. In addition, there is also net pension liability reported in Water fund of \$413,264 (up \$250,576 from 2018), an other postemployment benefit liability of \$139,166 (down \$16,446 from 2018), an IEPA loan of \$233,317 (new during fiscal year 2019), and compensated absences of \$5,918 (up \$231 from 2018).

Debt Administration	Balances May 1,	Issuances	Retirements	Balances April 30	Current Portion
General obligation bonds	\$2,095,000	-	\$150,000	\$1,945,000	\$155,000
Debt certificates	\$419,000	-	\$133,000	\$286,000	\$140,000
Capital leases	\$77,448	-	\$77,448	-	-
Net Pension Liability - IMRF	\$608,713	\$938,954	-	\$1,547,667	-
OPEB Liability	\$378,771	-	\$40,030	\$338,741	\$24,643
Compensated Absences	\$30,570	\$19,878	\$6,114	\$44,334	\$8,867
Total	\$3,609,502	\$958,832	\$406,592	\$4,161,742	\$328,510

The Village of Indian Head Park follows a pay-as-we-go capital funding policy whenever practical. The issuance of debt is thoroughly evaluated to ensure pay back to bondholders through the life of the bonds and to ensure sufficient long-term value of the capital assets funded with debt.

The Village of Indian Head Park's is a NON-home rule community and is subject to a legal debt limit. Additional information on the Village of Indian Head Park's long-term debt can be found in Note 6 in the Notes to the Financial Statements of this report.

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

Management's Discussion and Analysis April 30, 2019

Economic Factors and Next Year's Budget and Rates

The Village's elected and appointed officials considered many factors when planning the 2019-20 budget, including tax rates, fees and utility rates for its governmental and business-type activities. In addition to reduced unemployment, indicators of economic recovery occurred in Indian Head Park in 2019 with new businesses locating in the retail sector and an increase in new construction. The per capita income of Indian Head Park continues to exceed the state average.

The economic forecast for all of these indicators was a consideration when adopting the 2019-20 budget.

Requests for Information

This financial report is designed to provide a general overview of the Village of Indian Head Park's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to Office of the Finance Manager, Village of Indian Head Park, 201 Acacia Drive, Indian Head Park, IL 60525.

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

STATEMENT OF NET POSITION

April 30, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 1,211,352	\$ 352,026	\$ 1,563,378
Receivables (net, where applicable, of allowance for uncollectibles)			
Property taxes	609,455	-	609,455
Accounts	-	548,260	548,260
Other taxes	141,266	-	141,266
Deposits	332,756	59,855	392,611
Prepaid insurance	62,432	8,919	71,351
Capital assets not being depreciated	868,988	233,317	1,102,305
Capital assets being depreciated (net of accumulated depreciation)	3,269,524	831,207	4,100,731
Total assets	6,495,773	2,033,584	8,529,357
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - IMRF	795,763	212,670	1,008,433
Deferred outflows - OPEB	21,815	8,963	30,778
Total deferred outflows of resources	817,578	221,633	1,039,211
Total assets and deferred outflows of resources	7,313,351	2,255,217	9,568,568
LIABILITIES			
Accounts payable	73,651	81,243	154,894
Accrued payroll	61,765	3,532	65,297
Deposits payable	-	154,001	154,001
Accrued interest payable	31,684	-	31,684
Long-term liabilities			
Due within one year	328,510	13,195	341,705
Due in more than one year	3,833,232	778,830	4,612,062
Total liabilities	4,328,842	1,030,801	5,359,643
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - IMRF	65,796	17,590	83,386
Deferred inflows - OPEB	47,299	19,432	66,731
Deferred revenue - property taxes	645,860	-	645,860
Total deferred inflows of resources	758,955	37,022	795,977
Total liabilities and deferred inflows of resources	5,087,797	1,067,823	6,155,620
NET POSITION			
Net investment in capital assets	1,940,573	831,207	2,771,780
Restricted for			
Liability insurance	11,951	-	11,951
Social security	22,543	-	22,543
Streets and highways	252,295	-	252,295
Debt service	163,393	-	163,393
Recreational programs	37,449	-	37,449
Unrestricted (deficit)	(202,650)	356,187	153,537
TOTAL NET POSITION	\$ 2,225,554	\$ 1,187,394	\$ 3,412,948

See accompanying notes to financial statements.

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2019

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 720,628	\$ 471,184	\$ -	\$ -
Public safety	1,560,197	90,938	-	-
Public works	526,851	-	96,690	-
Culture and recreation	30,613	-	-	-
Interest	85,830	-	-	-
Total governmental activities	2,924,119	562,122	96,690	-
Business-Type Activities				
Water and Sewer	1,179,356	1,545,697	-	-
Total business-type activities	1,179,356	1,545,697	-	-
TOTAL PRIMARY GOVERNMENT	\$ 4,103,475	\$ 2,107,819	\$ 96,690	\$ -

	Net (Expense) Revenue and Change in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	\$ (249,444)	\$ -	\$ (249,444)
	(1,469,259)	-	(1,469,259)
	(430,161)	-	(430,161)
	(30,613)	-	(30,613)
	(85,830)	-	(85,830)
	(2,265,307)	-	(2,265,307)
	-	366,341	366,341
	-	366,341	366,341
	(2,265,307)	366,341	(1,898,966)
General Revenues			
Taxes			
Property	1,190,442	-	1,190,442
Sales	197,214	-	197,214
Local use	113,584	-	113,584
Telecommunication	153,055	-	153,055
Utility	255,098	-	255,098
Intergovernmental - unrestricted			
Income tax	369,812	-	369,812
Personal property replacement tax	1,143	-	1,143
Non home rule sales tax	87,116	-	87,116
Investment income	6,936	-	6,936
Miscellaneous	93,314	28,758	122,072
Transfers in (out)	40,903	(40,903)	-
Total	2,508,617	(12,145)	2,496,472
CHANGE IN NET POSITION	243,310	354,196	597,506
NET POSITION, MAY 1	2,468,383	790,423	3,258,806
Prior period adjustment	(79,499)	198,387	118,888
Change in accounting principle	(406,640)	(155,612)	(562,252)
NET POSITION, MAY 1, RESTATED	1,982,244	833,198	2,815,442
NET POSITION, APRIL 30	\$ 2,225,554	\$ 1,187,394	\$ 3,412,948

See accompanying notes to financial statements.

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

April 30, 2019

	<u>General</u>	<u>Motor Fuel Tax</u>	<u>Bond Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and investments	\$ 549,930	\$ 246,740	\$ 162,999	\$ 251,683	\$ 1,211,352
Receivables					
Property taxes	486,290	-	109,920	13,245	609,455
Other taxes	132,835	8,431	-	-	141,266
Deposits	332,756	-	-	-	332,756
Prepaid insurance	62,432	-	-	-	62,432
TOTAL ASSETS	<u>\$ 1,564,243</u>	<u>\$ 255,171</u>	<u>\$ 272,919</u>	<u>\$ 264,928</u>	<u>\$ 2,357,261</u>

	General	Motor Fuel Tax	Bond Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 39,634	\$ 2,876	\$ -	\$ 31,141	\$ 73,651
Accrued payroll	61,765	-	-	-	61,765
Total liabilities	101,399	2,876	-	31,141	135,416
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - IRMA	205,931	-	-	-	205,931
Unavailable revenue - property taxes	523,134	-	109,526	13,200	645,860
Total deferred inflows of resources	729,065	-	109,526	13,200	851,791
Totals liabilities and deferred inflows of resources	830,464	2,876	109,526	44,341	987,207
FUND BALANCES					
Nonspendable					
Prepaid items	62,432	-	-	-	62,432
Restricted					
Liability insurance	11,951	-	-	-	11,951
Social security	22,543	-	-	-	22,543
Streets and highways	-	252,295	-	33,061	285,356
Debt service	-	-	163,393	-	163,393
Recreational programs	-	-	-	37,449	37,449
Unrestricted					
Assigned - capital projects	-	-	-	150,077	150,077
Unassigned	636,853	-	-	-	636,853
Total fund balances	733,779	252,295	163,393	220,587	1,370,054
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 1,564,243	\$ 255,171	\$ 272,919	\$ 264,928	\$ 2,357,261

See accompanying notes to financial statements.

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

**RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION**

April 30, 2019

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 1,370,054
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 governmental funds	4,138,512
Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements	205,931
Differences between expected and actual experiences, assumption changes and net difference between projected and actual earnings for other postemployment benefits are recognized as deferred outflows and inflows of resources on the statement of net position	(25,484)
Differences between expected and actual experiences, assumption changes, net difference between projected and actual earnings and contributions subsequent to the measurement date for the Illinois Municipal Retirement Fund are recognized as deferred outflows and inflows of resources on the statement of net position	729,967
Long-term liabilities applicable to the Village's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position	
Bonds payable	(1,945,000)
Debt certificates payable	(286,000)
Compensated absences payable	(44,334)
Net pension liability	(1,547,667)
OPEB liability	(338,741)
Accrued interest	(31,684)
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 2,225,554</u></u>

See accompanying notes to financial statements.

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended April 30, 2019

	General	Motor Fuel Tax	Bond Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 1,662,843	\$ 96,690	\$ 214,669	\$ 24,716	\$ 1,998,918
Intergovernmental	370,955	-	-	-	370,955
Licenses, permits and fees	316,855	-	-	-	316,855
Fines and forfeiture	88,288	-	-	-	88,288
Charges for services	9,825	-	-	185,750	195,575
Reimbursements	16,671	-	-	-	16,671
Rentals	-	-	-	55,735	55,735
Investment income	6,474	-	-	462	6,936
Miscellaneous	26,761	-	-	-	26,761
Total revenues	2,498,672	96,690	214,669	266,663	3,076,694
EXPENDITURES					
Current					
General government	704,999	-	-	-	704,999
Public safety	1,446,763	-	-	158,126	1,604,889
Public works	255,438	85,635	-	-	341,073
Culture and recreation	-	-	-	22,815	22,815
Debt service					
Principal retirement	77,448	-	150,000	133,000	360,448
Interest and fiscal charges	4,358	-	62,994	24,528	91,880
Total expenditures	2,489,006	85,635	212,994	338,469	3,126,104
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	9,666	11,055	1,675	(71,806)	(49,410)

	General	Motor Fuel Tax	Bond Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	\$ 99,875	\$ -	\$ -	\$ -	\$ 99,875
Transfers in	40,903	-	-	11,460	52,363
Transfers (out)	(11,460)	-	-	-	(11,460)
Total other financing sources (uses)	129,318	-	-	11,460	140,778
NET CHANGE IN FUND BALANCES	138,984	11,055	1,675	(60,346)	91,368
FUND BALANCES, MAY 1	674,294	241,240	161,718	280,933	1,358,185
Prior period adjustment	(79,499)	-	-	-	(79,499)
FUND BALANCE, MAY 1, RESTATED	594,795	241,240	161,718	280,933	1,278,686
FUND BALANCES, APRIL 30	<u>\$ 733,779</u>	<u>\$ 252,295</u>	<u>\$ 163,393</u>	<u>\$ 220,587</u>	<u>\$ 1,370,054</u>

See accompanying notes to financial statements.

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2019

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 91,368
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, they are capitalized and depreciated in the statement of activities Capital expenditures capitalized	95,690
Proceeds from the disposal of capital assets are recognized in governmental funds but the loss is recognized on the statement of activities	(122,320)
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds Depreciation of capital assets	(230,020)
Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements	49,832
The change in the OPEB liability and deferred inflows and outflows is reported only on the statement of activities	14,546
The change in the net pension liability and deferred inflows and outflows for the Illinois Municipal Retirement Fund is reported only on the statement of activities	(8,520)
The repayment of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities Bonds payable Debt certificates payable Capital leases Compensated absences payable Change in interest payable	150,000 133,000 77,448 (13,764) 6,050
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 243,310

See accompanying notes to financial statements.

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

April 30, 2019

	Business-Type Activities
	Water and Sewer
CURRENT ASSETS	
Cash and cash equivalents	\$ 352,026
Receivables	
Accounts	548,260
Deposits	59,855
Prepaid insurance	8,919
	<hr/>
Total current assets	969,060
	<hr/>
NONCURRENT ASSETS	
Capital assets	
Nondepreciable	233,317
Capital assets, net of depreciation	
Depreciable buildings, property and infrastructure	4,955,147
Accumulated depreciation	(4,123,940)
	<hr/>
Total capital assets	1,064,524
	<hr/>
Total noncurrent assets	1,064,524
	<hr/>
Total assets	2,033,584
	<hr/>
DEFERRED OUTFLOWS OF RESOURCES	
OPEB items	8,963
Pension items - IMRF	212,670
	<hr/>
Total deferred outflows of resources	221,633
	<hr/>
Total assets and deferred outflows of resources	2,255,217
	<hr/>

(This statement is continued on the following page.)

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

STATEMENT OF NET POSITION (Continued)
PROPRIETARY FUNDS

April 30, 2019

	Business-Type Activities
	Water and Sewer
CURRENT LIABILITIES	
Accounts payable	\$ 81,243
Accrued payroll	3,532
Deposits payable	154,001
OPEB liability, current	10,124
Compensated absences, current	3,071
	<hr/>
Total current liabilities	251,971
	<hr/>
LONG-TERM LIABILITIES	
Compensated absences, noncurrent	2,847
OPEB liability, noncurrent	129,042
IEPA loan payable	233,317
Net pension liability	413,624
	<hr/>
Total long-term liabilities	778,830
	<hr/>
Total liabilities	1,030,801
	<hr/>
DEFERRED INFLOWS OF RESOURCES	
OPEB items	19,432
Pension items - IMRF	17,590
	<hr/>
Total deferred outflows of resources	37,022
	<hr/>
Total liabilities and deferred inflows	1,067,823
	<hr/>
NET POSITION	
Net investment in capital assets	831,207
Unrestricted	356,187
	<hr/>
TOTAL NET POSITION	\$ 1,187,394
	<hr/> <hr/>

See accompanying notes to financial statements.

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS**

For the Year Ended April 30, 2019

	Business-Type Activities
	Water and Sewer
OPERATING REVENUES	
Charges for services	\$ 1,545,697
OPERATING EXPENSES	
Operating	1,108,854
Depreciation	70,502
Total operating expenses	1,179,356
OPERATING INCOME	366,341
NON-OPERATING REVENUES (EXPENSES)	
Miscellaneous	28,758
Transfers (out)	(40,903)
CHANGE IN NET POSITION	354,196
NET POSITION, MAY 1	790,423
Prior period adjustment	198,387
Change in accounting principle	(155,612)
NET POSITION, MAY 1, RESTATED	833,198
NET POSITION, APRIL 30	\$ 1,187,394

See accompanying notes to financial statements.

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended April 30, 2019

	Business-Type Activities
	Water and Sewer
CASH FLOWS FROM OPERATING ACTIVITIES	
Received from customers	\$ 1,456,242
Paid to suppliers for goods and services	(761,601)
Paid to employees for services	(327,952)
Miscellaneous revenue	28,758
	<hr/>
Net cash from operating activities	395,447
	<hr/>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
None	-
	<hr/>
Net cash from noncapital financing activities	-
	<hr/>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital assets purchased	(60,307)
Interfund transfers out	(40,903)
	<hr/>
Net cash from capital and related financing activities	(101,210)
	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES	
None	-
	<hr/>
Net cash from investing activities	-
	<hr/>
NET DECREASE IN CASH AND CASH EQUIVALENTS	294,237
CASH AND CASH EQUIVALENTS, MAY 1	57,789
	<hr/>
CASH AND CASH EQUIVALENTS, APRIL 30	\$ 352,026
	<hr/> <hr/>

(This statement is continued on the following page.)

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS

For the Year Ended April 30, 2019

	Business-Type Activities
	Water and Sewer
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income	\$ 366,341
Adjustments to reconcile operating income to net cash from operating activities	
Depreciation	70,502
Miscellaneous revenue	28,758
Changes in assets and liabilities	
Accounts receivable	(70,958)
Prepaid expenses	(377)
Deposits receivable	(13,732)
Accounts payable	19,680
Pension items - IMRF	2,277
OPEB items	(5,977)
Accrued payroll	3,467
Compensated absences	231
Deposits payable	(4,765)
NET CASH FROM OPERATING ACTIVITIES	\$ 395,447
NONCASH TRANSACTIONS	
Grant receivable	\$ 233,317
IEPA loan payable	(233,317)
TOTAL NONCASH TRANSACTIONS	\$ -

See accompanying notes to financial statements.

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Village of Indian Head Park, Illinois (the Village) are in accordance with accounting principles generally accepted in the United States of America, as applied to governmental units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant accounting policies of the Village.

a. Reporting Entity

The Village is a non-home rule municipality, under the 1970 Illinois Constitution, located in Cook County, Illinois. The Village was incorporated in 1959. The Village operates under a President-Board form of government. The Village Board of Trustees is comprised of the Village President and six trustees. The Village provides services to the community including; public safety (police protection), highways and streets, sanitation (water and sewer), health and social services, public improvements, planning and zoning and general administrative services.

The Village has defined its reporting entity in accordance with GASB Statement No. 14 and No. 61. Financial accountability is defined as the appointment of a voting majority of the component unit's board and either (1) the Village's ability to impose its will over the component unit or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the Village. The Village has no component units.

b. Fund Accounting

The Village uses funds to report its financial position and the changes in its financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into the following categories: governmental, proprietary and fiduciary.

VILLAGE OF INDIAN HEAD PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of restricted, committed or assigned funds (special revenue funds), the funds restricted, committed or assigned for the acquisition or construction of capital assets (capital projects funds) and the funds restricted, committed or assigned for the servicing of general long-term debt (debt service funds). The General Fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. The Village does not have any fiduciary funds.

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Village. The effect of material interfund activity has been eliminated from these statements. Interfund services provided and used are not eliminated on these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and standard revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

VILLAGE OF INDIAN HEAD PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements (Continued)

The Village reports the following major governmental funds:

The General Fund is the general operating fund of the Village and is used to account for all financial resources of the Village unless accounted for in another fund.

The Motor Fuel Tax Fund, a special revenue fund, is used to account for state shared motor fuel tax revenues that are legally restricted to maintenance and construction of streets, sidewalks, alleys and signals.

The Bond Debt Service Fund, a debt service fund, is used to account for and report financial resources that are restricted, committed or assigned to expenditure for the payment of long-term debt principal, interest and related costs.

In addition, the Village reports the following major enterprise fund:

The Water and Sewer Fund is used to account for the revenues and expenses related to the sale of water and sewer collection services to the Village's residents and other customers.

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues/expenses include all revenues/expenses directly related to providing enterprise fund services. Incidental revenues/expenses are reported as non-operating.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for sales taxes and telecommunication taxes which use a 90-day period. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

VILLAGE OF INDIAN HEAD PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation
(Continued)

Property taxes, sales and telecommunication taxes owed by the state at year end, franchise fees, licenses, court fines, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. Other fines and permit revenue are considered to be measurable and available only when cash is received by the Village.

In applying the susceptible to accrual concept to intergovernmental revenues (i.e., federal and state grants), the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Village; therefore, revenues are recognized based upon the expenditures/expenses recorded. In the other, monies are virtually unrestricted as to purpose of expenditure/expense and are generally revocable only for failure to comply with prescribed eligibility requirements, such as equal employment opportunity. These resources are reflected as revenues at the time of receipt or earlier if they meet the availability criterion.

The Village reports deferred/unearned/unavailable revenue on its financial statements. Deferred/unearned/unavailable revenues arise when a potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Deferred/unearned/unavailable revenues also arise when resources are received by the Village before it has a legal claim to them or prior to the provision of services, as when grant monies are received prior to the incurrence of qualifying expenditures/expenses. In subsequent periods, when both revenue recognition criteria are met, or when the Village has a legal claim to the resources, the liability or deferred inflow of resources for deferred/unearned/unavailable revenue is removed from the financial statements and revenue is recognized.

e. Cash and Cash Equivalents

Cash and cash equivalents are defined as cash on hand and in interest-bearing and non-interest-bearing checking accounts along with any highly liquid investments with an initial maturity of three months or less.

f. Investments

Investments of the Village consist of money market accounts, certificates of deposit with various local financial institutions and pooled investments. Investments are stated at fair value, except for non-negotiable certificates, if any, with a maturity of less than one year at date of purchase which are stated at cost or amortized cost. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

VILLAGE OF INDIAN HEAD PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Investments (Continued)

The Village categorizes the fair value measurements within the fair value hierarchy established GAAP. 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; and Level 3 inputs are significant unobservable inputs. The Village does not have any investments subject to fair value measurement as of April 30, 2019.

g. Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered (interfund services). These receivables and payables are classified as “due from other funds” or “due to other funds” on the financial statements as are short-term interfund loans. Long-term interfund loans, if any, are classified as advances to/from other funds.

h. Prepaid Items/Expenses

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items/expenses using the consumption method.

i. Deferred Outflows/Inflows of Resources

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

j. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, storm sewers and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

VILLAGE OF INDIAN HEAD PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Capital Assets (Continued)

Donated capital assets are recorded at estimated acquisition value at the date of donation. The Village has reported its retroactive infrastructure assets in these financial statements for governmental activities. The costs of normal maintenance and repairs, including street overlays that do not add to the value or service capacity of the asset or materially extend asset lives, are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

	Years
Buildings	50
Land improvements	50
Machinery and equipment	8-12
Infrastructure	20-67
Water and distribution system	20-67
Well houses	20-67

k. Compensated Absences

Vested or accumulated vacation leave related to employees that have retired or terminated at year end but are not yet paid out is reported as an expenditure and a fund liability of the governmental fund (general fund) that will pay it. Vested and accumulated vacation leave of the proprietary funds and governmental activities is recorded as an expense and liability as the benefits accrue to employees. Sick leave does not vest and, therefore, is not recorded as a liability. These amounts are recorded as liabilities of the governmental activities.

l. Long-Term Obligations

In the government-wide financial statements and proprietary funds 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 financial statements. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses.

VILLAGE OF INDIAN HEAD PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Long-Term Obligations (Continued)

In the fund financial statements, governmental funds 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 expenditures.

m. Fund Balances/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities or from enabling legislation adopted by the Village. Committed fund balance is constrained by formal actions of the Village's Board of Trustees, which is considered the Village's highest level of decision-making authority. Formal actions include ordinances approved by the Board of Trustees. Assigned fund balance represents amounts constrained by the Village's intent to use them for a specific purpose. The Village Board of Trustees has the authority to assign fund balance. Any residual fund balance in the General Fund, including fund balance targets and any deficit fund balance of any other governmental fund is reported as unassigned.

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. Net investment in capital assets is the book value of the capital assets net of any debt outstanding that was issued to construct or acquire the capital assets.

The Village's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending, the Village considers committed funds to be expended first followed by assigned funds and then unassigned funds.

n. Interfund Transactions

Interfund services are accounted for as revenues, expenditures or expenses in the effected funds. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

VILLAGE OF INDIAN HEAD PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o. Accounting Estimates

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

2. CASH AND INVESTMENTS

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

Village Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Village's deposits may not be returned to it. To guard against custodial credit risk for deposits with financial institutions, the Village's investment policy requires that deposits with financial institutions in excess of FDIC be collateralized with collateral in an amount of 105% of the uninsured deposits with the collateral held by a third party acting as the agent of the Village.

Village Investments

Interest rate risk is the risk that change in interest rates will adversely affect the fair value of an investment. The Village limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed within a one-year period.

The Village limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government. The Illinois Funds is rated AAA by Standard and Poor's.

VILLAGE OF INDIAN HEAD PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. CASH AND INVESTMENTS (Continued)

Village Investments (Continued)

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Village will not be able to recover the value of its investments that are in possession of an outside party. The Illinois Funds are not subject to custodial credit risk. The Village limits its exposure to custodial credit risk by utilizing an independent, third party institution, selected by the Village, to act as custodian for its securities and collateral.

The Illinois Public Treasurers' Investment Pool, known as The Illinois Funds, operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and thus, reports all investments at amortized cost rather than fair value. The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Treasurer's Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

Concentration of credit risk is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village utilizes diversification of the investment portfolio to minimize risk of loss resulting from over concentration in a particular type of security, risk factor, issue or maturity.

3. RECEIVABLE - TAXES

Property taxes for 2018 attach as an enforceable lien on January 1, 2018, 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 ordinance). Tax bills are prepared by the County and issued on or about February 1, 2019 and July 1, 2019, and are payable in two installments, on or about March 1, 2019 and August 1, 2019. The County collects such taxes and remits them periodically. The second half of the 2017 levy and the first half of the 2018 levy are recognized as revenue in the 2019 fiscal year. The second half of the 2018 levy is intended to finance the 2020 fiscal year and, accordingly, is reported as unavailable revenue. The 2019 tax levy, which attached as an enforceable lien on property as of January 1, 2019, has not been recorded as a receivable as of April 30, 2019, as the tax has not yet been levied by the Village and will not be levied until December 2019 and, therefore, the levy is not measurable at April 30, 2019.

VILLAGE OF INDIAN HEAD PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. INDIVIDUAL FUND DISCLOSURES

a. Transfers between funds at April 30, 2019 consist of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Activities		
General	\$ 40,903	\$ 11,460
Capital Improvements	11,460	-
Business-Type Activities		
Water/Sewer Fund	-	40,903
TOTAL	<u>\$ 52,363</u>	<u>\$ 52,363</u>

Significant interfund transfers are as follows:

- \$11,460 transferred from the General Fund to the Capital Improvements Fund for certain capital expenditures.
- \$40,903 transferred from the Water/Sewer Fund for the General Fund for their share of capital lease debt service payments.

None of the transfers will be repaid.

5. CAPITAL ASSETS

The following is a summary of capital asset activity during the fiscal year:

	<u>Beginning Balances, Restated</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 868,988	\$ -	\$ -	\$ 868,988
Total capital assets not being depreciated	<u>868,988</u>	<u>-</u>	<u>-</u>	<u>868,988</u>
Capital assets being depreciated				
Land improvements	360,756	-	-	360,756
Buildings and improvements	2,024,237	-	-	2,024,237
Equipment	237,589	9,950	-	247,539
Infrastructure	2,672,509	25,393	-	2,697,902
Vehicles	523,139	60,347	175,137	408,349
Total capital assets being depreciated	<u>5,818,230</u>	<u>95,690</u>	<u>175,137</u>	<u>5,738,783</u>

VILLAGE OF INDIAN HEAD PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. CAPITAL ASSETS (Continued)

	Beginning Balances, Restated	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
(Continued)				
Less accumulated depreciation for				
Land improvements	\$ 295,395	\$ 10,944	\$ -	\$ 306,339
Buildings and improvements	958,426	42,936	-	1,001,362
Equipment	199,797	5,191	-	204,988
Infrastructure	538,902	133,235	-	672,137
Vehicles	299,536	37,714	52,817	284,433
Total accumulated depreciated	<u>2,292,056</u>	<u>230,020</u>	<u>52,817</u>	<u>2,469,259</u>
 Total capital assets being depreciated, net	 <u>3,526,174</u>	 <u>(134,330)</u>	 <u>122,320</u>	 <u>3,269,524</u>
 GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 4,395,162</u>	<u>\$ (134,330)</u>	<u>\$ 122,320</u>	<u>\$ 4,138,512</u>
 BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Construction in progress	\$ 198,387	\$ 34,930	\$ -	\$ 233,317
Total capital assets not being depreciated	<u>198,387</u>	<u>34,930</u>	<u>-</u>	<u>233,317</u>
 Capital assets being depreciated				
Well houses	481,000	-	-	481,000
Water and distribution system	2,907,300	-	-	2,907,300
Equipment	362,869	30,224	-	393,093
Infrastructure	1,173,754	-	-	1,173,754
Total capital assets being depreciated	<u>4,924,923</u>	<u>30,224</u>	<u>-</u>	<u>4,955,147</u>
 Less accumulated depreciation for				
Well houses	481,000	-	-	481,000
Water and distribution system	2,179,094	40,604	-	2,219,698
Equipment	333,619	12,379	-	345,998
Infrastructure	1,059,725	17,519	-	1,077,244
Total accumulated depreciation	<u>4,053,438</u>	<u>70,502</u>	<u>-</u>	<u>4,123,940</u>
 Total capital assets being depreciated, net	 <u>871,485</u>	 <u>(40,278)</u>	 <u>-</u>	 <u>831,207</u>
 BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 1,069,872</u>	<u>\$ (5,348)</u>	<u>\$ -</u>	<u>\$ 1,064,524</u>

VILLAGE OF INDIAN HEAD PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. CAPITAL ASSETS (Continued)

Depreciation expense was charged to the governmental activities functions/programs as follows:

GOVERNMENTAL ACTIVITIES

General government	\$ 23,379
Public safety	33,264
Public works	165,579
Culture and recreation	<u>7,798</u>

TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES \$ 230,020

6. LONG-TERM DEBT

a. General Obligation Bonds

The Village issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities, refunding prior issuances and providing working capital for the Village.

General obligation bonds are direct obligations and pledge the full faith and credit of the Village and are payable from governmental activities/funds and business-type activities/enterprise funds. General obligation bonds currently outstanding are as follows:

Governmental Activities

Issue	Fund Debt Retired by	Purpose	Balances May 1	Issuances	Retirements/ Refundings	Balances April 30	Current Portion
\$2,500,000 General Obligation Bonds, Series 2014, dated July 15, 2014, due in annual installments of \$115,000 to \$205,000 through December 1, 2029, interest at 2.00% to 3.50% payable each June 1 and December 1	Debt Service	Road Improvements	\$ 2,095,000	\$ -	\$ 150,000	\$ 1,945,000	\$ 155,000
TOTAL GOVERNMENTAL ACTIVITIES			<u>\$ 2,095,000</u>	<u>\$ -</u>	<u>\$ 150,000</u>	<u>\$ 1,945,000</u>	<u>\$ 155,000</u>

VILLAGE OF INDIAN HEAD PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

b. Debt Certificates

The Village issues debt certificates to provide funds for the repayment of prior obligations, for capital projects and to pay the cost of issuance. Debt certificates are direct obligations and pledge the full faith and credit of the Village.

Debt certificates currently outstanding are as follows:

Governmental Activities

Issue	Fund Debt Retired by	Purpose	Balances May 1	Issuances	Retirements/ Refundings	Balances April 30	Current Portion
\$1,050,000 Debt Certificate, Series 2009, dated August 19, 2009, due in annual installments of \$115,000 to \$146,000 through December 15, 2020, interest at 2.50% to 5.90% payable each June 5 and December 15	Debt Service	Road Improvements	\$ 419,000	\$ -	\$ 133,000	\$ 286,000	\$ 140,000
TOTAL GOVERNMENTAL ACTIVITIES			\$ 419,000	\$ -	\$ 133,000	\$ 286,000	\$ 140,000

c. Capital Leases

The Village acquired capital assets through lease/purchase agreements. The gross amount of these assets under capital leases is \$139,745, which are included in capital assets in the governmental and business-type activities. This capital lease was paid off in full during fiscal year 2019.

VILLAGE OF INDIAN HEAD PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

Fiscal Year	Governmental Activities			
	General Obligation Bonds		Debt Certificates	
	Principal	Interest	Principal	Interest
2020	\$ 155,000	\$ 59,518	\$ 140,000	\$ 16,524
2021	155,000	56,418	146,000	8,614
2022	160,000	51,768	-	-
2023	165,000	46,968	-	-
2024	170,000	42,018	-	-
2025	175,000	36,918	-	-
2026	180,000	31,668	-	-
2027	185,000	26,044	-	-
2028	195,000	20,262	-	-
2029	200,000	13,926	-	-
2030	205,000	7,176	-	-
TOTAL	\$ 1,945,000	\$ 392,684	\$ 286,000	\$ 25,138

d. Changes in Long-Term Liabilities

During the fiscal year, the following changes occurred in long-term liabilities for governmental activities:

	Balances May 1, Restated	Issuances	Retirements/ Refundings	Balances April 30	Current Portion
General obligation bonds	\$ 2,095,000	\$ -	\$ 150,000	\$ 1,945,000	\$ 155,000
Debt certificates	419,000	-	133,000	286,000	140,000
Capital leases	77,448	-	77,448	-	-
Net pension liability - IMRF	608,713	938,954	-	1,547,667	-
OPEB liability	378,771	-	40,030	338,741	24,643
Compensated absences	30,570	19,878	6,114	44,334	8,867
TOTAL	\$ 3,609,502	\$ 958,832	\$ 406,592	\$ 4,161,742	\$ 328,510

The compensated absences and net pension liability and other postemployment benefit liability are normally liquidated by the General Fund.

VILLAGE OF INDIAN HEAD PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

During the fiscal year, the following changes occurred in long-term liabilities for business-type activities:

	Balances May 1, Restated	Issuances	Retirements/ Refundings	Balances April 30	Current Portion
Net pension liability - IMRF	\$ 162,688	\$ 250,936	\$ -	\$ 413,624	\$ -
OPEB liability	155,612	-	16,446	139,166	10,124
IEPA loan	-	233,317	-	233,317	-
Compensated absences	5,687	3,183	2,952	5,918	3,071
TOTAL	\$ 323,987	\$ 487,436	\$ 19,398	\$ 792,025	\$ 13,195

The IEPA loan was not fully disbursed as of April 30, 2019. Therefore, the annual installment amount is not available at the time of report issuance.

e. Legal Debt Margin

2018 assessed valuation (latest information available)	<u>\$ 148,142,238</u>
Legal debt limit - 8.625% of assessed valuation	<u>\$ 12,777,268</u>
Amount of debt applicable to debt limit	
General obligation bonds	1,945,000
Debt certificates	<u>286,000</u>
Total	<u>2,231,000</u>
LEGAL DEBT MARGIN	<u>\$ 10,546,268</u>

7. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; employee health; and injuries to the Village's employees.

a. Intergovernmental Personnel Benefit Cooperative

The Village participates in the Intergovernmental Personnel Benefit Cooperative (IPBC). IPBC is a public entity risk pool established by certain units of local government in Illinois to administer some or all of the personnel benefit programs (primarily medical, dental and life insurance coverage) offered by these members to their officers and employees and to the officers and employees of certain other governmental, quasi governmental and nonprofit public service entities.

7. RISK MANAGEMENT (Continued)

a. Intergovernmental Personnel Benefit Cooperative (Continued)

IPBC maintains specific reinsurance coverage for claims in excess of \$50,000 per individual employee participant. The Village pays premiums to IPBC based upon current employee participation and its prior experience factor with the pool. Current year overages or underages for participation in the pool are adjusted into the subsequent years experience factor for premiums.

IPBC receives, processes and pays such claims as may come within the benefit program of each member. Management consists of a Board of Directors comprised of one appointed representative from each member. In addition, there are two officers: a Benefit Administrator and a Treasurer. The Village does not exercise any control over the activities of IPBC beyond its representation on the Board of Directors.

b. Intergovernmental Risk Management Agency

The Village participates in the Intergovernmental Risk Management Agency (IRMA). IRMA is an insurance pool whose members are Illinois municipalities. IRMA manages and funds first party property losses, third party liability claims, workers' compensation claims and public officials' liability claims of its member municipalities. The Village's payments to IRMA are displayed on the financial statements as expenditures/expenses in appropriate funds.

Each member assumes the first \$2,500 of each occurrence and IRMA has self-insurance retentions at various amounts above that level. There have been no significant changes from the prior year and settlements have not exceeded coverage in any of the prior three years.

Management consists of a Board of Directors comprised of one appointed representative from each member. In addition, there are two officers: a Risk Manager and a Treasurer. The Village does not exercise any control over the activities of IRMA beyond its representation on the Board of Directors.

Initial contributions are determined in advance of each membership year based on the individual member's eligible revenue as defined in the by-laws of IRMA and assessment factors based on past member experience and the funding need for the membership year. The Board of Directors may require that supplemental contributions be made by members to ensure adequate funds are available to meet the obligations applicable to the membership year. Members have a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member. The Village is not aware of any additional amounts owed to IRMA at April 30, 2019 for the current or prior claim years.

VILLAGE OF INDIAN HEAD PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. COMMITMENTS AND CONTINGENCIES

Litigation

The Village is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Village's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Village.

9. RETIREMENT FUND COMMITMENTS

The Village's defined benefit pension plan, Illinois Municipal Retirement Fund (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF is an agent multiple-employer pension plan that acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available report that includes financial statements and supplementary information for the plan as a whole but not by individual employer. That report may be obtained by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523 or at www.imrf.org.

Illinois Municipal Retirement Fund

Plan Administration

All employees 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.

Plan Membership

At December 31, 2018, IMRF membership consisted of:

Inactive employees or their beneficiaries	
currently receiving benefits	20
Inactive employees entitled to but not yet receiving benefits	20
Active employees	20
	<hr/>
TOTAL	60
	<hr/> <hr/>

VILLAGE OF INDIAN HEAD PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

Benefits Provided

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011 are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. Employees hired on or after January 1, 2011 are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Contributions

Participating members are required to contribute 4.50% of their annual covered salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rate for the year ended December 31, 2018 and 2019 was 13.65% and 12.96%, respectively of covered payroll.

Actuarial Assumptions

The Village's net pension liability was measured as of December 31, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2018
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	3.39% to 14.25%
Interest rate	7.25%
Cost of living adjustment	3.00%
Asset valuation method	Market value

VILLAGE OF INDIAN HEAD PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2017 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2017 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2017 Employee Mortality Table with adjustments to match current IMRF experience.

Discount Rate

The discount rate used to measure the total pension liability was 7.25% at December 31, 2018. The discount rate used to measure the total pension liability was 7.50% at December 31, 2017. 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 the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Village's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

VILLAGE OF INDIAN HEAD PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2018	\$ 8,280,887	\$ 7,509,486	\$ 771,401
Changes for the period			
Service cost	129,198	-	129,198
Interest	609,545	-	609,545
Difference between expected and actual experience	280,678	-	280,678
Changes in assumptions	223,465	-	223,465
Employer contributions	-	177,622	(177,622)
Employee contributions	-	58,696	(58,696)
Net investment income	-	(437,150)	437,150
Benefit payments and refunds	(436,452)	(436,452)	-
Administrative expense	-	-	-
Other (net transfer)	-	253,828	(253,828)
Net changes	806,434	(383,456)	1,189,890
BALANCES AT DECEMBER 31, 2018	\$ 9,087,321	\$ 7,126,030	\$ 1,961,291

Changes in assumptions related to the discount rate were made in the current measurement period.

VILLAGE OF INDIAN HEAD PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended April 30, 2019, the Village recognized pension expense of \$190,745. At April 30, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 260,765	\$ 2,015
Changes in assumption	146,356	81,371
Net difference between projected and actual earnings on pension plan investments	539,325	-
Contributions made between measurement date and fiscal year end	61,987	-
TOTAL	\$ 1,008,433	\$ 83,386

\$61,987 reported as deferred outflows of resources related to pensions resulting from the Village contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ending April 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

<u>Year Ending April 30,</u>	
2020	\$ 354,580
2021	232,768
2022	75,237
2023	200,475
Thereafter	-
TOTAL	\$ 863,060

VILLAGE OF INDIAN HEAD PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate Sensitivity

The following is a sensitivity 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 of 7.25% as well as what the Village’s net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability	\$ 2,970,470	\$ 1,961,291	\$ 1,129,908

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

a. Plan Description, Benefits Provided and Membership

The Village provides pre and post-Medicare postretirement healthcare benefits to all retirees who worked for the Village, were enrolled in one of the Village’s healthcare plans at the time of employment and receive a pension from the Village through one of the following plan:

- Illinois Municipal Retirement Fund

The eligibility and vesting requirements for pension benefits are:

- IMRF participants are eligible at age 55 with at least eight years of service, or if they are totally and permanently disabled

Spouses and dependents of retirees are eligible to continue healthcare coverage while the retiree is alive, if they were enrolled at the time of retirement.

In addition to providing pension benefits, the Village permits retired employees and former employees receiving disability pensions from any of the Village’s pension plans to continue their enrollment in the Village’s health care plans. The retired and former employees pay all health care premiums during their postemployment period. The Village is not obligated to pay any cost associated with their enrollment. Currently, two retired and former employees have elected to remain in the Village’s health care plans. In addition, there is one former employee that the Village pays 100% of the premium.

VILLAGE OF INDIAN HEAD PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

a. Plan Description, Benefits Provided and Membership (Continued)

At April 30, 2019, membership consisted of:

Actives employees	18
Inactive employees entitled to but not yet receiving benefits	-
Inactive employees currently receiving benefits	<u>5</u>
TOTAL	<u><u>23</u></u>

b. Total OPEB Liability

The Village's total OPEB liability of \$477,907 was measured as of April 30, 2019 and was determined by an actuarial valuation as of that date.

c. Actuarial Assumptions and Other Inputs

The total OPEB liability at April 30, 2019, as determined by an actuarial valuation as of May 1, 2018 actuarial valuation, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified. The total OPEB liability was rolled forward by the actuary using updating procedures to April 30, 2019, including updating the discount rate at April 30, 2019, as noted below.

Actuarial cost method	Entry-age normal
Actuarial value of assets	Market value
Inflation	3.00%
Salary increases	4.00%
Discount rate	3.21%
Healthcare cost trend rates	6.60% Initial 4.50% Ultimate

The discount rate was based on The Bond Buyer 20-Bond GO Index, which is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

VILLAGE OF INDIAN HEAD PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

d. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
BALANCES AT MAY 1, 2018	\$ 534,383
Changes for the period	
Service cost	1,207
Interest	18,767
Difference between expected and actual experience	(72,889)
Changes in assumptions	16,713
Benefit payments	(34,767)
Other changes	14,493
	<u>(56,476)</u>
BALANCES AT APRIL 30, 2019	\$ 477,907

There were changes in assumptions related to the discount rate.

e. Rate Sensitivity

The following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the Village calculated using the discount rate of 3.21% as well as what the Village total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.21%) or 1 percentage point higher (4.21%) than the current rate:

	1% Decrease (2.21%)	Current Discount Rate (3.21%)	1% Increase (4.21%)
Total OPEB liability	\$ 521,189	\$ 477,907	\$ 441,510

VILLAGE OF INDIAN HEAD PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

e. Rate Sensitivity (Continued)

The table below presents the total OPEB liability of the Village calculated using the healthcare rate of 4.50% to 6.60% as well as what the Village's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (3.50% to 5.60%) or 1 percentage point higher (5.50% to 7.60%) than the current rate:

	1% Decrease (3.50% to 5.60%)	Current Healthcare Rate (4.50% to 6.60%)	1% Increase (5.50% to 7.60%)
Total OPEB liability	\$ 441,688	\$ 477,907	\$ 520,079

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

For the year ended April 30, 2019, the Village recognized OPEB expense of \$14,244. At April 30, 2019, 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
Differences between expected and actual experience	\$ -	\$ 62,868
Changes in assumptions	30,778	3,863
TOTAL	\$ 30,778	\$ 66,731

VILLAGE OF INDIAN HEAD PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

- f. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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

Year Ending April 30,	
2020	\$ (5,730)
2021	(5,730)
2022	(5,730)
2023	(5,730)
2024	(5,730)
Thereafter	<u>(7,303)</u>
TOTAL	<u>\$ (35,953)</u>

11. CHANGE IN ACCOUNTING PRINCIPLE & PRIOR PERIOD ADJUSTMENTS

The Village adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, during the year ended April 30, 2019. The implementation of this guidance resulted in changes to the postemployment benefit related liability, revenue, expense, notes presented in the notes to financial statements and to the required supplementary information. With the implementation of GASB Statement No. 75, the Village is required to retroactively record the OPEB liability and write-off any previously recorded net OPEB assets.

The Village recorded three prior period adjustments during the year ended April 30, 2019. Net position of business-type activities was restated to adjust the Village's construction-in-progress in the amount of \$198,387, net position of governmental activities and fund balance in the General Fund has been restated to correct income tax reporting in the amount of \$52,241, and net position of governmental activities and fund balance in the General Fund has been restated to correct cash balances in the amount of \$27,258.

VILLAGE OF INDIAN HEAD PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. CHANGE IN ACCOUNTING PRINCIPLE & PRIOR PERIOD ADJUSTMENTS

The beginning net position reported in the government-wide financial statements has been restated to reflect the new guidance as follows:

GOVERNMENTAL ACTIVITIES

BEGINNING NET POSITION, AS PREVIOUSLY REPORTED	\$ 2,468,383
Change in accounting principle	
To write-off the Village OPEB asset	(27,869)
To record the Village OPEB liability	(378,771)
Prior period adjustment	
To correct income tax reporting	(27,258)
To correct opening cash balances	(52,241)
Total	<u>(486,139)</u>
 BEGINNING NET POSITION, RESTATED	 <u>\$ 1,982,244</u>

BUSINESS-TYPE ACTIVITIES

BEGINNING NET POSITION, AS PREVIOUSLY REPORTED	\$ 790,423
Change in accounting principle	
To record the Village OPEB liability	(155,612)
Prior period adjustment	
To correct opening construction-in-progress	198,387
Total	<u>42,775</u>
 BEGINNING NET POSITION, RESTATED	 <u>\$ 833,198</u>

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended April 30, 2019

	Original and Final Budget	Actual
REVENUES		
Taxes	\$ 1,738,177	\$ 1,662,843
Intergovernmental	365,927	370,955
Licenses, permits and fees	316,700	316,855
Fines and forfeitures	120,000	88,288
Charges for services	10,000	9,825
Reimbursements	-	16,671
Investment income	-	6,474
Miscellaneous	10,000	26,761
	<hr/>	<hr/>
Total revenues	2,560,804	2,498,672
EXPENDITURES		
Current		
General government	930,013	704,999
Public safety	1,561,988	1,446,763
Public works	261,491	255,438
Debt service		
Principal	-	77,448
Interest	-	4,358
	<hr/>	<hr/>
Total expenditures	2,753,492	2,489,006
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<hr/>	<hr/>
	(192,688)	9,666
OTHER FINANCING SOURCES (USES)		
Proceeds from sale of capital assets	-	99,875
Transfers in	14,000	40,903
Transfers (out)	-	(11,460)
	<hr/>	<hr/>
Total other financing sources (uses)	14,000	129,318
NET CHANGE IN FUND BALANCE	<hr/>	<hr/>
	\$ (178,688)	138,984
FUND BALANCE, MAY 1		674,294
Prior period adjustment		<hr/>
		(79,499)
FUND BALANCE, MAY 1, RESTATED		<hr/>
		594,795
FUND BALANCE, APRIL 30		<hr/>
		\$ 733,779

(See independent auditor's report.)

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MOTOR FUEL TAX FUND**

For the Year Ended April 30, 2019

	Original and Final Budget	Actual
REVENUES		
Motor fuel tax	\$ 123,082	\$ 96,690
Total revenues	<u>123,082</u>	<u>96,690</u>
EXPENDITURES		
Highways and streets		
Professional services	2,500	-
Road maintenance	2,000	9,600
Drainage maintenance	3,000	-
Storm sewers maintenance	10,000	819
Salt	30,000	30,812
Snow removal	11,087	21,615
Tree maintenance	10,000	-
Utilities	20,600	21,993
Miscellaneous	200	796
Capital outlay		
Storm sewer	<u>10,000</u>	<u>-</u>
Total expenditures	<u>99,387</u>	<u>85,635</u>
NET CHANGE IN FUND BALANCE	<u>\$ 23,695</u>	11,055
FUND BALANCE, MAY 1		<u>241,240</u>
FUND BALANCE, APRIL 30		<u><u>\$ 252,295</u></u>

(See independent auditor's report.)

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND**

Last Four Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2016	2017	2018	2019
Actuarially determined contribution	\$ 165,412	\$ 151,873	\$ 155,927	\$ 179,948
Contributions in relation to the actuarially determined contribution	165,412	151,873	155,927	179,948
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 1,404,516	\$ 1,318,773	\$ 1,277,655	\$ 1,357,228
Contributions as a percentage of covered payroll	11.78%	11.52%	12.20%	13.26%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 25 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 3.75% to 14.50%.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Four Years

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018
TOTAL PENSION LIABILITY				
Service cost	\$ 150,833	\$ 148,700	\$ 144,853	\$ 129,198
Interest	516,423	538,198	590,230	609,545
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(187,363)	227,719	88,475	280,678
Changes of assumptions	9,464	(19,395)	(191,817)	223,465
Benefit payments, including refunds of member contributions	(234,785)	(141,141)	(296,317)	(436,452)
Net change in total pension liability	254,572	754,081	335,424	806,434
Total pension liability - beginning	6,936,810	7,191,382	7,945,463	8,280,887
TOTAL PENSION LIABILITY - ENDING	\$ 7,191,382	\$ 7,945,463	\$ 8,280,887	\$ 9,087,321
PLAN FIDUCIARY NET POSITION				
Contributions - employer	\$ 172,475	\$ 160,327	\$ 150,497	\$ 177,622
Contributions - member	64,283	59,137	58,941	58,696
Net investment income	31,353	397,971	1,111,060	(437,150)
Benefit payments, including refunds of member contributions	(234,785)	(141,141)	(296,317)	(436,452)
Administrative expense	(89,367)	(158,289)	(46,253)	253,828
Net change in plan fiduciary net position	(56,041)	318,005	977,928	(383,456)
Plan fiduciary net position - beginning	6,269,594	6,213,553	6,531,558	7,509,486
PLAN FIDUCIARY NET POSITION - ENDING	\$ 6,213,553	\$ 6,531,558	\$ 7,509,486	\$ 7,126,030
EMPLOYER'S NET PENSION LIABILITY	\$ 977,829	\$ 1,413,905	\$ 771,401	\$ 1,961,291
Plan fiduciary net position as a percentage of the total pension liability	86.40%	82.20%	90.68%	78.42%
Covered payroll	\$ 1,404,516	\$ 1,404,516	\$ 1,309,804	\$ 1,301,357
Employer's net pension liability as a percentage of covered payroll	69.62%	100.67%	58.89%	150.71%

Changes in assumptions were made related to retirement age and mortality in 2017 and the discount rate in 2015, 2016 and 2018.

The Village implemented GASB Statement No. 68 for the fiscal year end April 30, 2016.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

**SCHEDULE OF CHANGES IN THE EMPLOYER'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

Last Fiscal Year

MEASUREMENT DATE APRIL 30,	2019
TOTAL OPEB LIABILITY	
Service cost	\$ 1,207
Interest	18,767
Differences between expected and actual experience	(72,889)
Changes of assumptions	16,713
Benefit payments	(34,767)
Other changes	<u>14,493</u>
Net change in total OPEB liability	(56,476)
Total OPEB liability - beginning	<u>534,383</u>
TOTAL OPEB LIABILITY - ENDING	<u><u>\$ 477,907</u></u>
Covered payroll	\$ 1,099,728
Employer's total OPEB liability as a percentage of covered payroll	43.46%

For the 2019, the following changes in assumptions were made related to the discount rate.

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

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2019

BUDGETARY INFORMATION

Budgets are adopted on a basis consistent with GAAP for the general, special revenue, debt service, capital projects and enterprise funds. All annual budgets lapse at fiscal year end.

All departments of the Village submit requests for budgeted amounts to the Village Administrator so that a budget may be prepared. The budget is prepared by fund, department and division and includes information on the past year, current year estimates and requested budgeted amounts for the next fiscal year.

The proposed budget is presented to the governing body for review. The governing body holds public hearings and may add to, subtract from or change the budget, but may not change the form of the budget. The budget may be amended by the governing body through a budget amendment.

The Board of Trustees approves transfers between departments within a fund and transfers between funds. Expenditures may not legally exceed budgeted amounts at the department level. During the current fiscal year, no budget amendments were made.

The Village had two funds with expenditures greater than budget. The Bond Debt Service Fund had expenditures of \$212,994 with a budget of \$211,219. The Capital Improvements Fund had expenditures of \$158,126 with a budget of \$155,000.

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

MAJOR GOVERNMENTAL FUNDS

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

SCHEDULE OF DETAILED REVENUES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended April 30, 2019
(with comparative actual)

	2019		2018
	Original and Final Budget	Actual	Actual
TAXES			
Property taxes	\$ 1,050,000	\$ 951,057	\$ 952,612
Sales taxes	200,000	197,214	194,208
Non home rule tax	90,000	87,116	89,745
Local use taxes	100,177	113,584	100,190
Utility taxes	138,000	160,817	153,202
Telecommunication	90,000	74,992	85,420
Other	70,000	78,063	62,121
Total taxes	1,738,177	1,662,843	1,637,498
INTERGOVERNMENTAL			
State income tax	364,902	369,812	367,307
Personal property	1,025	1,143	1,107
Total intergovernmental	365,927	370,955	368,414
LICENSES, PERMITS AND FEES			
Business licenses	115,000	114,778	67,675
Liquor licenses	10,000	20,300	9,500
Alarm licenses	1,200	2,125	1,250
Building permit fees	82,500	85,371	54,595
Franchise fees	108,000	94,281	99,025
Total licenses, permits and fees	316,700	316,855	232,045
FINES AND FORFEITURES			
Court and traffic fines	120,000	88,288	67,725
Total fines and forfeitures	120,000	88,288	67,725
CHARGES FOR SERVICES			
Health inspections	2,200	2,600	1,700
Smoke signals advertisements	1,000	525	1,555
Elevator inspections	6,800	6,700	8,650
Total charges for services	10,000	9,825	11,905
REIMBURSEMENTS			
Miscellaneous reimbursements	-	16,671	12,005
Total reimbursements	-	16,671	12,005

(This schedule is continued on the following page.)

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

SCHEDULE OF DETAILED REVENUES - BUDGET AND ACTUAL
GENERAL FUND (Continued)

For the Year Ended April 30, 2019
(with comparative actual)

	2019		2018
	Original and Final Budget	Actual	Actual
INVESTMENT INCOME			
Investment income	\$ -	\$ 6,474	\$ 1,959
Total investment income	-	6,474	1,959
MISCELLANEOUS			
Heritage center donations	-	382	-
Contributions	-	5,000	-
Miscellaneous	10,000	21,379	28,875
Total miscellaneous	10,000	26,761	28,875
TOTAL REVENUES	\$ 2,560,804	\$ 2,498,672	\$ 2,360,426

(See independent auditor's report.)

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

**SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended April 30, 2019
(with comparative actual)

	2019		2018
	Original and Final Budget	Actual	Actual
CURRENT			
General government			
President and Village Board			
Meeting/conferences/training	\$ 3,000	\$ 165	\$ 580
Membership fees	9,000	4,122	4,722
Office equipment	4,000	1,494	468
Miscellaneous	250	-	-
Total President and Village Board	16,250	5,781	5,770
Administration			
Salaries	229,361	225,378	210,613
Overtime	2,000	5,304	1,953
IMRF contributions	27,988	27,887	24,479
Medical/other benefits	43,042	36,954	44,274
Social Security/Medicare	16,734	15,906	15,590
Equipment maintenance	1,500	1,781	1,379
Membership fees	4,000	1,650	1,629
Postage	1,500	1,623	1,369
Professional services - data processing	20,000	11,768	21,573
Professional services - IT consulting	10,000	5,646	7,323
Publications - legal notices	1,000	477	830
Office supplies	5,000	5,139	6,128
Periodicals	300	15	15
Computer software	16,000	13,073	14,981
Office equipment	4,500	699	2,958
Miscellaneous	10,500	5,732	7,712
Professional services - consulting	1,500	1,800	2,000
Website redesign	8,700	8,643	8,492
Codification of ordinances	4,000	3,239	2,199
Total administration	407,625	372,714	375,497
Liability insurance			
Insurance premium	51,500	49,944	35,645
IRMA deductible	7,500	5,010	6,094
Total liability insurance	59,000	54,954	41,739

(This schedule is continued on the following pages.)

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended April 30, 2019
(with comparative actual)

	2019		2018
	Original and Final Budget	Actual	Actual
CURRENT (Continued)			
General government (Continued)			
Buildings and grounds maintenance			
Maintenance services - garage	\$ 3,000	\$ 6,475	\$ 3,274
Maintenance services - village hall/police	65,000	63,217	61,574
Custodial services	16,000	16,513	10,778
Garage supplies	2,000	822	246
Maintenance/improve heritage	3,000	2,558	3,924
Landscape supplies	2,000	428	1,618
Kelli's Playground/Sacajawea Park	3,000	259	564
Maintenance supplies - village hall/police	3,000	1,631	2,903
Heritage center	500	883	676
Wolf and Plainfield Park	-	79	79
Capital projects undesignated	28,000	2,300	-
Economic development consultant	38,000	17,409	-
Capital improvements	123,688	34,896	-
Blackhawk Park improvements	12,000	672	7,728
Other equipment	5,000	6,967	1,414
Total buildings and grounds maintenance	304,188	155,109	94,778
Building department			
Professional services - health inspections	1,600	2,444	850
Professional services - building inspector	21,400	12,053	12,677
Professional services - electrical inspector	1,500	3,125	2,600
Professional services - elevator inspector	2,000	1,734	3,683
Professional services - engineering	-	272	-
Professional services - plan review	10,000	11,242	11,175
Professional services - plumbing inspector	1,500	2,125	2,450
Office supplies	-	(20)	25
Total building department	38,000	32,975	33,460
Fire and police commission			
Professional services - legal	1,000	-	490
Meeting/conference/training	1,000	85	185
Professional services - testing	3,000	-	3,150
Publication/legal notices	500	-	-
Total fire and police commission	5,500	85	3,825
Planning and zoning			
Office supplies	1,000	73	-
Publication/legal notices	250	275	83
Total planning and zoning	1,250	348	83

(This schedule is continued on the following pages.)

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended April 30, 2019
(with comparative actual)

	2019		2018
	Original and Final Budget	Actual	Actual
CURRENT (Continued)			
General government (Continued)			
Outside services			
Employee relations	\$ 700	\$ 1,999	\$ 673
Community relations	6,000	1,442	3,088
Professional services - legal	39,000	31,318	34,609
Professional services - prosecutor	11,000	9,350	8,500
Smoke signals	4,000	5,446	4,814
Telephone/communications	22,000	17,316	15,992
Unemployment insurance	2,500	1,658	767
Audit	13,000	14,504	12,268
Total outside services	98,200	83,033	80,711
Total general government	930,013	704,999	635,863
Public safety			
Salaries	875,575	756,213	762,679
Overtime	68,600	171,004	144,754
IMRF contributions	105,956	108,637	87,943
Medical/other benefits	132,383	60,543	101,305
Social Security/Medicare	72,229	69,873	61,680
PSEBA benefits	7,464	7,345	7,230
Central dispatch assessment	122,776	122,861	121,722
Vehicle/equipment maintenance	17,600	22,743	23,718
Safety equipment	3,000	2,905	3,366
Maintenance materials	750	1,976	444
Gas and oil	19,720	21,925	19,355
Meeting/conference/training	22,000	4,148	8,626
Membership fees	2,200	2,575	3,475
Clothing and uniforms	13,000	8,403	16,148
Vehicles/other equipment	45,000	30,423	16,808
Telephone/communications	9,785	16,587	12,066
Postage	500	375	318
IT Consultant	8,000	4,389	6,894
Liability insurance	25,750	24,972	29,522
Office supplies	2,500	2,848	4,388
Animal control	250	-	-
Miscellaneous	500	2,481	7,333
Office equipment	4,000	153	873
CALEA consulting	2,450	3,384	3,192
Total public safety	1,561,988	1,446,763	1,443,839

(This schedule is continued on the following page.)

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended April 30, 2019
(with comparative actual)

	2019		2018
	Original and Final Budget	Actual	Actual
CURRENT (Continued)			
Public works			
Salaries	\$ 70,639	\$ 55,729	\$ 58,538
Overtime	7,064	30,609	41,522
IMRF contributions	9,642	9,387	9,306
Medical/other benefits	16,292	14,225	14,060
Social Security/Medicare	5,404	5,326	5,947
Meeting/conference/training	2,375	800	3,025
Membership fees	550	330	430
Clothing and uniforms	1,000	1,491	127
Office supplies	1,750	1,678	1,035
Postage	200	-	-
Telephone/communications	4,000	7,342	4,840
Professional services - engineering	25,000	26,372	19,788
Engineering - developer/property owner	1,500	-	-
Professional services - landscaping/leaf removal	2,500	2,486	1,323
Professional services - tree consultant	3,000	1,250	3,834
Liability insurance	7,725	7,492	7,965
Utility expense	8,600	5,496	1,953
Tree maintenance	8,500	7,377	-
Streets and parkways maintenance	4,000	5,454	2,635
Equipment/vehicle maintenance	15,000	13,152	25,619
Vehicles/other equipment	35,365	40,174	2,624
Materials to maintain vehicles/equipment	5,500	378	3,365
Streets and parkways materials	4,000	3,551	1,914
Equipment rental	3,000	988	2,133
Storm sewer materials	1,000	232	2,025
Tree program	500	421	2,792
Tools and hardware	1,000	2,629	1,803
Gas and oil	9,785	7,727	5,823
Safety equipment	1,750	968	1,084
Drainage materials	3,500	2,101	5,897
Office supplies	1,100	231	81
Miscellaneous	250	42	242
Total public works	261,491	255,438	231,730
DEBT SERVICE			
Debt service - principal	-	77,448	24,422
Debt service - interest	-	4,358	2,852
Total debt service	-	81,806	27,274
TOTAL EXPENDITURES	\$ 2,753,492	\$ 2,489,006	\$ 2,338,706

(See independent auditor's report.)

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
BOND DEBT SERVICE FUND**

For the Year Ended April 30, 2019
(with comparative actual)

	2019		2018
	Original and Final Budget	Actual	Actual
REVENUES			
Property taxes	\$ 210,418	\$ 214,669	\$ 217,879
Total revenues	210,418	214,669	217,879
EXPENDITURES			
Debt service			
Principal	145,000	150,000	145,000
Interest	66,219	62,994	65,894
Total expenditures	211,219	212,994	210,894
NET CHANGE IN FUND BALANCE	\$ (801)	1,675	6,985
FUND BALANCE, MAY 1		161,718	154,733
FUND BALANCE, APRIL 30		\$ 163,393	\$ 161,718

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2019

	Special Revenue		Capital Projects		Debt Service		Total
	911	Special Parks	Capital Improvements	Road Improvement Bond	Bond		
ASSETS							
Cash and investments	\$ -	\$ 37,404	\$ 157,636	\$ 33,061	\$ 23,582	\$	251,683
Receivables							
Property taxes	-	13,245	-	-	-		13,245
TOTAL ASSETS	\$ -	\$ 50,649	\$ 157,636	\$ 33,061	\$ 23,582	\$	264,928
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ 31,141	\$ -	\$ -	\$	31,141
Total liabilities	-	-	31,141	-	-		31,141
DEFERRED INFLOWS OF RESOURCES							
Deferred revenue - property taxes	-	13,200	-	-	-		13,200
Total deferred inflows of resources	-	13,200	-	-	-		13,200
Total liabilities and deferred inflows of resources	-	13,200	31,141	-	-		44,341
FUND BALANCES							
Restricted							
Streets and highways	-	-	-	33,061	-		33,061
Recreational programs	-	37,449	-	-	-		37,449
Unrestricted - assigned							
Capital projects	-	-	126,495	-	23,582		150,077
Total fund balances	-	37,449	126,495	33,061	23,582		220,587
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ -	\$ 50,649	\$ 157,636	\$ 33,061	\$ 23,582	\$	264,928

(See independent auditor's report.)

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended April 30, 2019

	Special Revenue		Capital Projects		Debt Service		Total
	911	Special Parks	Capital Improvements	Road Improvement Bond	Bond		
REVENUES							
Property taxes	\$ -	\$ 24,716	\$ -	\$ -	\$ -	\$ -	\$ 24,716
Charges for services	-	-	185,750	-	-	-	185,750
Investment income	-	-	-	93	369	-	462
Rentals	-	-	-	-	55,735	-	55,735
Total revenues	-	24,716	185,750	93	56,104	-	266,663
EXPENDITURES							
Current							
Public safety	-	-	158,126	-	-	-	158,126
Culture and recreation	-	22,815	-	-	-	-	22,815
Debt service							
Principal	-	-	-	-	133,000	-	133,000
Interest	-	-	-	-	24,528	-	24,528
Total expenditures	-	22,815	158,126	-	157,528	-	338,469
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	1,901	27,624	93	(101,424)	-	(71,806)
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	11,460	-	-	-	11,460
Total other financing sources (uses)	-	-	11,460	-	-	-	11,460
NET CHANGE IN FUND BALANCES	-	1,901	39,084	93	(101,424)	-	(60,346)
FUND BALANCES, MAY 1	-	35,548	87,411	32,968	125,006	-	280,933
FUND BALANCES, APRIL 30	\$ -	\$ 37,449	\$ 126,495	\$ 33,061	\$ 23,582	\$ -	\$ 220,587

(See independent auditor's report.)

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
911 FUND

For the Year Ended April 30, 2019
(with comparative actual)

	2019		2018
	Original and Final Budget	Actual	
REVENUES			
None	\$ -	\$ -	\$ -
Total revenues	-	-	-
EXPENDITURES			
Current			
Public safety			
Ameritech lines	4,500	-	2,250
Total expenditures	4,500	-	2,250
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,500)	-	(2,250)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	2,250
Total other financing sources (uses)	-	-	2,250
NET CHANGE IN FUND BALANCE	\$ (4,500)	-	-
FUND BALANCE, MAY 1		-	-
FUND BALANCE, APRIL 30		\$ -	\$ -

(See independent auditor's report.)

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL PARKS FUND**

For the Year Ended April 30, 2019
(with comparative actual)

	2019		2018
	Original and Final Budget	Actual	Actual
REVENUES			
Property taxes	\$ 25,000	\$ 24,716	\$ 25,176
Total revenues	25,000	24,716	25,176
EXPENDITURES			
Current			
Culture and recreation	25,000	22,815	21,344
Total expenditures	25,000	22,815	21,344
NET CHANGE IN FUND BALANCE	\$ -	1,901	3,832
FUND BALANCE, MAY 1		35,548	31,716
FUND BALANCE, APRIL 30		\$ 37,449	\$ 35,548

(See independent auditor's report.)

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL IMPROVEMENTS FUND**

For the Year Ended April 30, 2019
(with comparative actual)

	2019		2018
	Original and Final Budget	Actual	Actual
REVENUES			
Charges for services	\$ 200,600	\$ 185,750	\$ 156,180
Total revenues	200,600	185,750	156,180
EXPENDITURES			
Public safety			
Capital expenditures	152,000	153,724	212,867
Vehicle stickers	3,000	4,402	3,854
Total expenditures	155,000	158,126	216,721
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	45,600	27,624	(60,541)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	11,460	-
Total other financing sources (uses)	-	11,460	-
NET CHANGE IN FUND BALANCE	\$ 45,600	39,084	(60,541)
FUND BALANCE, MAY 1		87,411	147,952
FUND BALANCE, APRIL 30		\$ 126,495	\$ 87,411

(See independent auditor's report.)

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
ROAD IMPROVEMENT FUND**

For the Year Ended April 30, 2019
(with comparative actual)

	2019		2018
	Original and Final Budget	Actual	Actual
REVENUES			
Investment income	\$ -	\$ 93	\$ 5
Miscellaneous	253,000	-	-
Total revenues	253,000	93	5
EXPENDITURES			
None	-	-	-
Total expenditures	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	253,000	93	5
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	5,015
Total other financing sources (uses)	-	-	5,015
NET CHANGE IN FUND BALANCE	\$ 253,000	93	5,020
FUND BALANCE, MAY 1		32,968	27,948
FUND BALANCE, APRIL 30		\$ 33,061	\$ 32,968

(See independent auditor's report.)

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BOND FUND**

For the Year Ended April 30, 2019
(with comparative actual)

	2019		2018
	Original and Final Budget	Actual	Actual
REVENUES			
Rental income	\$ 51,655	\$ 55,735	\$ 63,831
Investment income	-	369	27
Total revenues	<u>51,655</u>	<u>56,104</u>	<u>63,858</u>
EXPENDITURES			
Debt service			
Principal	127,000	133,000	127,000
Interest and fiscal charges	31,173	24,528	31,176
Total expenditures	<u>158,173</u>	<u>157,528</u>	<u>158,176</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(106,518)</u>	<u>(101,424)</u>	<u>(94,318)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	193,322
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>193,322</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (106,518)</u></u>	(101,424)	99,004
FUND BALANCE, MAY 1		<u>125,006</u>	<u>26,002</u>
FUND BALANCE, APRIL 30		<u><u>\$ 23,582</u></u>	<u><u>\$ 125,006</u></u>

(See independent auditor's report.)

MAJOR ENTERPRISE FUNDS

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
WATER AND SEWER DIVISION ACCOUNTS

For the Year Ended April 30, 2019
(with comparative actual)

	Operating and Maintenance	Capital Improvement	Eliminations	Total
OPERATING REVENUES				
Water usage	\$ 1,315,858	\$ -	\$ -	\$ 1,315,858
Finance charges - water	12,552	-	-	12,552
Finance charges - sewer	2,250	-	-	2,250
Sewer charges	215,037	-	-	215,037
	<hr/>			
Total operating revenues	1,545,697	-	-	1,545,697
OPERATING EXPENSES				
Water				
Water purchases	488,992	-	-	488,992
Personnel services	139,848	-	-	139,848
Professional services	27,117	-	-	27,117
IMRF contributions	23,170	-	-	23,170
OPEB expense	(3,882)	-	-	(3,882)
Medical/other benefits	30,909	-	-	30,909
Social Security/Medicare	12,528	-	-	12,528
Maintenance	40,976	-	-	40,976
Materials	2,753	-	-	2,753
Electricity	6,500	-	-	6,500
Sewer				
Personnel services	90,442	-	-	90,442
Professional services	55,795	-	-	55,795
IMRF contributions	13,144	-	-	13,144
OPEB expense	(2,095)	-	-	(2,095)
Medical/other benefits	16,684	-	-	16,684
Social Security/Medicare	7,202	-	-	7,202
Water - administration				
Equipment and vehicle maintenance	320	-	-	320
Illinois American water	39,307	-	-	39,307
Health and life insurance	14,920	-	-	14,920
Meetings and conferences	1,824	-	-	1,824
Membership fees	-	-	-	-
Postage	2,663	-	-	2,663
Telephone and communications	9,005	-	-	9,005
Tools and hardware	465	-	-	465
Clothing and uniforms	965	-	-	965
Office supplies	488	-	-	488
Safety equipment	(16)	-	-	(16)
Software maintenance	716	-	-	716
Miscellaneous	(1,719)	-	-	(1,719)
Chemicals/lab equipment	60	-	-	60
Professional engineering	-	34,930	-	34,930
Construction	4,648	-	-	4,648

(This schedule is continued on the following page.)

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
WATER AND SEWER DIVISION ACCOUNTS

For the Year Ended April 30, 2019
(with comparative actual)

	Operating and Maintenance	Capital Improvement	Eliminations	Total
OPERATING EXPENSES (Continued)				
Sewer - administration				
Meetings and conferences	\$ 824	\$ -	\$ -	\$ 824
Sewer system maintenance materials	12,077	-	-	12,077
Accounting	14,504	-	-	14,504
Illinois EPA fees	1,000	-	-	1,000
Professional services - televising	16,684	-	-	16,684
Equipment	35,208	-	-	35,208
Postage	62	-	-	62
Insurance premium	4,484	-	-	4,484
Construction	30,506	-	-	30,506
Total operating expenses	1,139,078	34,930	-	1,174,008
OPERATING INCOME (LOSS)	406,619	(34,930)	-	371,689
NON-OPERATING REVENUES (EXPENSES)				
Miscellaneous	28,758	-	-	28,758
Total non-operating revenues (expenses)	28,758	-	-	28,758
Transfers (out)	(40,903)	-	-	(40,903)
NET INCOME (LOSS)	394,474	(34,930)	-	359,544
ADJUSTMENTS TO GAAP BASIS				
Capital asset additions	30,224	34,930	-	65,154
Depreciation	(70,502)	-	-	(70,502)
Total adjustments to GAAP basis	(40,278)	34,930	-	(5,348)
CHANGE IN NET POSITION	354,196	-	-	354,196
NET POSITION, MAY 1	790,423	-	-	790,423
Prior period adjustment	198,387	-	-	198,387
Change in accounting principle	(155,612)	-	-	(155,612)
NET POSITION, MAY 1, RESTATED	833,198	-	-	833,198
NET POSITION, APRIL 30	\$ 1,187,394	\$ -	\$ -	\$ 1,187,394

(See independent auditor's report.)

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
WATER AND SEWER OPERATING FUND

For the Year Ended April 30, 2019
(with comparative actual)

	2019		2018
	Original and Final Budget	Actual	Actual
OPERATING REVENUES			
Water usage	\$ 1,371,634	\$ 1,315,858	\$ 1,215,456
Finance charges - water	-	12,552	12,871
Finance charges - sewer	-	2,250	2,289
Sewer charges	213,166	215,037	203,904
Total operating revenues	1,584,800	1,545,697	1,434,520
OPERATING EXPENSES			
Water			
Water purchases	511,680	488,992	479,534
Personnel services	108,747	139,848	169,629
Professional services	49,000	27,117	58,786
IMRF contributions	22,302	23,170	59,463
OPEB expense	-	(3,882)	-
Medical/other benefits	35,332	30,909	31,577
Social Security/Medicare	12,909	12,528	13,937
Maintenance	82,500	40,976	115,882
Materials	14,650	2,753	19,840
Equipment	16,000	-	4
Electricity	6,500	6,500	9,260
Sewer			
Personnel services	107,919	90,442	87,924
Professional services	45,000	55,795	56,109
IMRF contributions	12,660	13,144	33,392
OPEB expense	-	(2,095)	-
Medical/other benefits	19,040	16,684	17,516
Social Security/Medicare	7,505	7,202	7,990
Water - administration			
Equipment and vehicle maintenance	4,000	320	4,273
Pump maintenance	-	-	1,120
Illinois American water	60,000	39,307	22,110
Health and life insurance	14,300	14,920	8,035
Meetings and conferences	1,000	1,824	1,737
Membership fees	500	-	2,961
Postage	3,000	2,663	2,225
Telephone and communications	4,000	9,005	4,422
Tools and hardware	500	465	1,176
Clothing and uniforms	1,000	965	-
Gas and oil	3,500	-	1,312
Office supplies	1,250	488	1,370
Safety equipment	1,000	(16)	783
Software maintenance	899	716	3,549
Miscellaneous	200	(1,719)	1,207
Chemicals/lab equipment	500	60	864
Office equipment	1,000	-	-
Construction	169,353	4,648	177,078

(This schedule is continued on the following page.)

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
WATER AND SEWER OPERATING FUND (Continued)

For the Year Ended April 30, 2019
(with comparative actual)

	<u>2019</u>		<u>2018</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Actual</u>
OPERATING EXPENSES (Continued)			
Sewer - administration			
Meetings and conferences	\$ 250	\$ 824	\$ 18
Tools and hardware	300	-	323
Sewer system maintenance materials	76,000	12,077	83,017
Accounting	12,000	14,504	11,682
Illinois EPA fees	1,000	1,000	1,000
Professional services - televising	24,000	16,684	21,898
Gas and oil	300	-	-
Office supplies	200	-	-
Equipment	25,750	35,208	309
Postage	100	62	-
Insurance premium	4,575	4,484	2,575
Water meter program	-	-	(675)
Equipment/vehicle maintenance	750	-	-
Construction	51,500	30,506	11,587
	<hr/>	<hr/>	<hr/>
Total operating expenses	1,514,471	1,139,078	1,526,799
	<hr/>	<hr/>	<hr/>
OPERATING INCOME (LOSS)	70,329	406,619	(92,279)
	<hr/>	<hr/>	<hr/>
NON-OPERATING REVENUES (EXPENSES)			
Miscellaneous	6,000	28,758	16,176
	<hr/>	<hr/>	<hr/>
Total non-operating revenues (expenses)	6,000	28,758	16,176
	<hr/>	<hr/>	<hr/>
Transfers (out)	-	(40,903)	(27,258)
	<hr/>	<hr/>	<hr/>
NET INCOME (LOSS)	76,329	394,474	(103,361)
	<hr/>	<hr/>	<hr/>
ADJUSTMENTS TO GAAP BASIS			
Capital asset additions	-	30,224	-
Depreciation	(70,000)	(70,502)	(66,723)
	<hr/>	<hr/>	<hr/>
Total adjustments to GAAP basis	(70,000)	(40,278)	(66,723)
	<hr/>	<hr/>	<hr/>
CHANGE IN NET POSITION	\$ 6,329	354,196	(170,084)
	<hr/>	<hr/>	<hr/>
NET POSITION, MAY 1		790,423	960,507
		<hr/>	<hr/>
Prior period adjustment		198,387	-
Change in accounting principle		(155,612)	-
		<hr/>	<hr/>
NET POSITION, MAY 1, RESTATED		833,198	960,507
		<hr/>	<hr/>
NET POSITION, APRIL 30	\$ 1,187,394	\$ 790,423	
	<hr/>	<hr/>	

(See independent auditor's report.)

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

**SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
WATER AND SEWER CAPITAL FUND**

For the Year Ended April 30, 2019
(with comparative actual)

	2019		2018
	Original and Final Budget	Actual	Actual
OPERATING REVENUES			
None	\$ -	\$ -	\$ -
Total operating revenues	-	-	-
OPERATING EXPENSES			
Water			
Professional engineering	-	34,930	-
Total operating expenses	-	34,930	-
OPERATING INCOME (LOSS)	-	(34,930)	-
ADJUSTMENTS TO GAAP BASIS			
Capital asset additions	-	34,930	-
Total adjustments to GAAP basis	-	34,930	-
CHANGE IN NET POSITION	<u>\$ -</u>	-	-
NET POSITION, MAY 1		-	-
NET POSITION, APRIL 30		<u>\$ -</u>	<u>\$ -</u>

(See independent auditor's report.)

SUPPLEMENTARY INFORMATION

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

**ILLINOIS GRANT ACCOUNTABILITY AND TRANSPARENCY ACT
CONSOLIDATED YEAR END FINANCIAL REPORT**

For the Year Ended April 30, 2019

CSFA Number	Program Name	State	Federal	Other	Total
494-00-1488	Motor Fuel Tax Program	\$ 85,635	\$ -	\$ -	\$ 85,635
532-60-0379	USEPA Capitalization Grants for Drinking Water State Revolving Funds	34,930	-	-	34,930
	Other Grant Programs and Activities	11,561	-	-	11,561
	All Other Costs Not Allocated	-	-	4,173,334	4,173,334
	TOTALS	<u>\$ 132,126</u>	<u>\$ -</u>	<u>\$ 4,173,334</u>	<u>\$ 4,305,460</u>

(See independent auditor's report.)

SUPPLEMENTAL DATA

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

SEVEN YEAR SUMMARY OF EQUALIZED ASSESSED VALUATIONS,
TAX RATES AND EXTENSIONS

April 30, 2019

	2012	2013	2014	2015	2016	2017	2018
EQUALIZED							
ASSESSED VALUATION	\$ 133,658,087	\$ 124,584,548	\$ 123,631,035	\$ 123,631,035	\$ 125,433,381	\$ 155,155,702	\$ 148,142,238
TAX RATES							
General							
Corporate	0.4375	0.4375	0.3957	0.3947	0.4202	0.3499	0.3706
IMRF	0.0898	0.1215	0.1479	0.1601	0.1379	0.0712	0.0676
Social Security	0.0726	0.0931	0.1109	0.1200	0.0992	0.0563	0.0564
Audit	0.0207	0.0243	0.0296	0.0320	0.0212	0.0070	0.0073
Police protection	0.0000	0.0000	0.0000	0.0000	0.0000	0.0572	0.0790
Liability insurance	0.0428	0.0486	0.0592	0.0640	0.0679	0.0754	0.0814
Debt service	0.0000	0.0000	0.1803	0.1861	0.1761	0.1438	0.1520
Street and bridge	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Special parks	0.0231	0.0248	0.0200	0.0214	0.0205	0.0166	0.0179
TOTALS	0.6865	0.7498	0.9436	0.9783	0.9430	0.7774	0.8322
TAX EXTENSIONS							
General							
Corporate	\$ 584,754	\$ 545,057	\$ 489,250	\$ 475,155	\$ 527,109	\$ 542,922	\$ 549,036
IMRF	120,083	151,342	182,854	192,734	172,916	110,475	100,112
Social Security	96,991	116,029	137,136	144,460	124,430	87,396	83,581
Audit	27,713	30,269	36,571	38,522	26,583	10,822	10,753
Police protection	-	-	-	-	-	88,720	116,975
Liability insurance	57,272	60,537	73,141	77,045	85,167	116,925	120,609
Debt service	-	-	222,912	223,995	220,940	223,145	225,245
Special parks	30,900	30,900	24,720	25,750	25,750	25,750	26,523
TOTALS	\$ 917,713	\$ 934,134	\$ 1,166,584	\$ 1,177,661	\$ 1,182,895	\$ 1,206,155	\$ 1,232,834

(See independent auditor's report.)

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION LIMITED DEBT CERTIFICATES SERIES 2009

April 30, 2019

Date of Issue	August 19, 2009
Final Maturity	December 15, 2020
Authorized Issue	\$ 1,050,000
Actual Issue	\$ 1,050,000
Interest Rate	2.50% to 5.90%
Principal Maturity Date	December 15
Interest Dates	June 15 and December 15

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Tax Levy			June 15	Interest Due on		
	Principal	Interest	Total		Amount	December 15	Amount
2020	\$ 140,000	\$ 16,524	\$ 156,524	2019	\$ 8,262	2019	\$ 8,262
2021	146,000	8,614	154,614	2020	4,307	2020	4,307
	<u>\$ 286,000</u>	<u>\$ 25,138</u>	<u>\$ 311,138</u>		<u>\$ 12,569</u>		<u>\$ 12,569</u>

(See independent auditor's report.)

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS SERIES 2014

April 30, 2019

Date of Issue	July 15, 2014
Final Maturity	December 1, 2029
Authorized Issue	\$ 2,500,000
Actual Issue	\$ 2,500,000
Interest Rate	2.00% to 3.50%
Principal Maturity Date	December 1
Interest Dates	June 1 and December 1

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Tax Levy			Interest Due on			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2020	\$ 155,000	\$ 59,518	\$ 214,518	2019	\$ 29,759	2019	\$ 29,759
2021	155,000	56,418	211,418	2020	28,209	2020	28,209
2022	160,000	51,768	211,768	2021	25,884	2021	25,884
2023	165,000	46,968	211,968	2022	23,484	2022	23,484
2024	170,000	42,018	212,018	2023	21,009	2023	21,009
2025	175,000	36,918	211,918	2024	18,459	2024	18,459
2026	180,000	31,668	211,668	2025	15,834	2025	15,834
2027	185,000	26,044	211,044	2026	13,022	2026	13,022
2028	195,000	20,262	215,262	2027	10,131	2027	10,131
2029	200,000	13,926	213,926	2028	6,963	2028	6,963
2030	205,000	7,176	212,176	2029	3,588	2029	3,588
	<u>\$ 1,945,000</u>	<u>\$ 392,684</u>	<u>\$ 2,337,684</u>		<u>\$ 196,342</u>		<u>\$ 196,342</u>

(See independent auditor's report.)