



**VILLAGE OF INDIAN HEAD PARK, ILLINOIS**

ANNUAL FINANCIAL REPORT

For the Year Ended April 30, 2020



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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, 2020, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit 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, 2020, 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. 83, *Certain Asset Retirement Obligations*, which established standards for measuring and recognizing liabilities, deferred outflows of resources, and expenses for asset retirement obligations; and modified certain disclosures in the notes to financial statements. The Village also adopted GASB Statement No. 88, *Certain Disclosures Related to Debt*, which modified certain disclosures in the notes to the financial statements. Our opinion is not modified with respect to these matters.

## **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, 2019, 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 2019 basic financial statements for the year ended April 30, 2019, 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 2019 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 2019 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.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2020, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Village's internal control over financial reporting and compliance.

*Sikich LLP*

Naperville, Illinois  
September 25, 2020

**GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS**

# VILLAGE OF INDIAN HEAD PARK, ILLINOIS

## Management's Discussion and Analysis

April 30, 2020

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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, 2020. 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 aware of the impacts of the Covid-19 pandemic. Although it had minimal impact on the fiscal year just ended, the Village did anticipate its impact on the new fiscal year budget. Revenues and expenses were adjusted accordingly.
- The Village worked in conjunction with the Illinois Tollway Authority with regards to their expansion of I-294 in the Village. A series of land swaps for stormwater management purposes netted the Village just over \$500,000 in new revenue.
- The Village is embarked 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. It is anticipated that the Village will receive a grant in the amount of \$1.5 million in terms of loan forgiveness for this project. The total loan originally totaled \$1.9 million, the grant in the form of loan forgiveness brings the total amount to \$400,000.
- Awarded Grant Funding in the amount of about 1.7 million dollars for the replacement of Acacia Drive over the next three fiscal years. The Village will be responsible for about \$300,000 of this project. Engineering is underway. Construction is expected to start in the spring of 2021.
- 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, 180 accounts (about 19%) have signed up for this service.
- The Village collected \$3,287,675 in tax and other revenues in its governmental funds in the fiscal year ending April 30. Governmental fund functional expenditures were \$3,229,353, an increase of \$58,322. No new functions were added.
- The General Fund had an increase in fund balance of \$696,292 as opposed to the prior year's increase of 138,984.
- Charges for Service for proprietary funds for business-type activities were \$1,493,778, a decrease from last year's revenues of about \$51,919. This is due to the fact that the Village used about 4.65 million gallons of less water than in the prior fiscal year. Operating expenses were \$1,334,476 or about \$155,200 more than the prior year. The business-type activities net position increased by 1,820,618 as opposed to last year's (2019) increase of \$354,196 as opposed to the 2018 loss of \$170,000.

# VILLAGE OF INDIAN HEAD PARK, ILLINOIS

## Management's Discussion and Analysis April 30, 2020

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### 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 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 include waterworks and sewerage services. The Village provides water and sewerage services to approximately 85% of its residences and businesses.

# VILLAGE OF INDIAN HEAD PARK, ILLINOIS

## Management's Discussion and Analysis April 30, 2020

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### Using this Annual Report – Continued

#### 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.

#### 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 two major governmental funds and five 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, and the Capital Improvements 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.

# VILLAGE OF INDIAN HEAD PARK, ILLINOIS

## Management's Discussion and Analysis April 30, 2020

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### Using this Annual Report – Continued

#### 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.

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 18-41 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 42-53 of the Auditor's report.

# VILLAGE OF INDIAN HEAD PARK, ILLINOIS

## Management's Discussion and Analysis

April 30, 2020

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### 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 \$5,877,334. Last year this amount was \$3,412,948, an increase of about 72.2%.

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	
	2019-2020	2018-2019	2019-2020	2018-2019
<b>Current and Other Assets</b>	2,945,213	2,357,261	1,467,291	969,060
<b>Capital Assets</b>	4,015,208	4,138,512	2,678,473	1,064,524
<b>Deferred Outflows</b>	208,696	817,578	88,825	221,633
<b>Total Asset &amp; Deferred Outflows</b>	<b>7,169,117</b>	<b>7,313,351</b>	<b>4,234,588</b>	<b>2,255,217</b>
<b>Long-Term Debt Outstanding</b>	3,146,115	4,161,742	812,985	792,025
<b>Other Liabilities</b>	151,140	167,100	317,513	238,776
<b>Deferred Inflows</b>	1,002,510	758,955	96,078	37,022
<b>Total Liabilities &amp; Deferred Inflows</b>	<b>4,299,795</b>	<b>5,087,797</b>	<b>1,226,576</b>	<b>1,067,823</b>
<b>Net position</b>				
<b>Net Investment in Capital Assets</b>	2,020,946	1,940,573	2,260,494	831,207
<b>Restricted</b>	532,732	487,631	0	0
<b>Unrestricted</b>	315,644	202,650	747,518	356,187
<b>Total Net Position</b>	<b>2,869,322</b>	<b>2,225,554</b>	<b>3,008,012</b>	<b>1,187,394</b>

*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, 2020

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### Government-Wide Financial Analysis – Continued

*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 \$2,464,386 (\$154,142 last year) in the fiscal year ending April 30, 2020 to \$5,877,334. 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 \$315,644 as of April 30, 2020.

The Village of Indian Head Park's investment in capital assets net of related debt for all funds used to acquire capital assets reflects 72.84% of the Village of Indian Head Park's net position decrease of about 9% 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 \$5,877,334 at the end of the fiscal year, which was an increase of \$2,464,386 from the fiscal year ending April 30, 2019.

Resources of the Village of Indian Head Park, which are subject to external restrictions on how they may be used account for 9% (14.28% last year and 22.02% the fiscal year before that) of the Village's net position and total \$532,732.

#### Net Position Restricted for:

Streets and Highways	\$ 302,982
Recreational Programs	38,834
Debt Service	164,651
Liability Insurance	26,265
Total Restricted Net Position	\$ 532,732

# VILLAGE OF INDIAN HEAD PARK, ILLINOIS

## Management's Discussion and Analysis

April 30, 2020

### 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, 2020 was \$2,869,322, an increase of \$643,768 from the last fiscal year.

Net position of business-type activities for 2020 was \$3,008,012 compared to \$1,820,618 in 2019. 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 \$747,518 at the end of 2020.

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	
	2019-2020	2018-2019	2019-2020	2018-2019
<b>REVENUES</b>				
Charges for Services	\$ 542,840	\$562,122	\$1,493,778	\$1,545,697
Operating Grants and Contributions	140,558	96,690		
Capital Grants and Contributions			1,500,000	
Property Taxes	1,235,305	1,190,442		
Sales Taxes	199,698	197,214		
Local Use Taxes	135,510	113,584		
Telecommunication Taxes	154,726	153,055		
Utility and Other Taxes	244,192	255,098		
Intergovernmental	524,642	458,071		
Investment Income	9,815	6,936		
Other	681,290	93,314	17,436	28,758
<b>Total revenues</b>	<b>\$3,868,576</b>	<b>\$3,126,526</b>	<b>\$3,011,214</b>	<b>\$1,574,455</b>
<b>EXPENSES</b>				
General Government	\$709,879	\$720,628		
Public Safety	\$1,654,559	1,560,197		
Public Works	\$514,468	526,851		
Culture and Recreation	\$30,959	30,613		
Interest	\$73,078	85,830		
Water and Sewer			1,432,461	1,179,356
<b>Total expenses</b>	<b>\$2,982,943</b>	<b>\$2,924,119</b>	<b>\$1,432,461</b>	<b>\$1,179,356</b>
Transfers in (out)	(241,865)	40,903	241,865	(40,903)
<b>Change in net position</b>	<b>\$643,768</b>	<b>\$243,310</b>	<b>\$1,820,618</b>	<b>\$354,196</b>

# VILLAGE OF INDIAN HEAD PARK, ILLINOIS

## Management's Discussion and Analysis April 30, 2020

### Government-Wide Financial Analysis – Continued

#### Governmental Activities

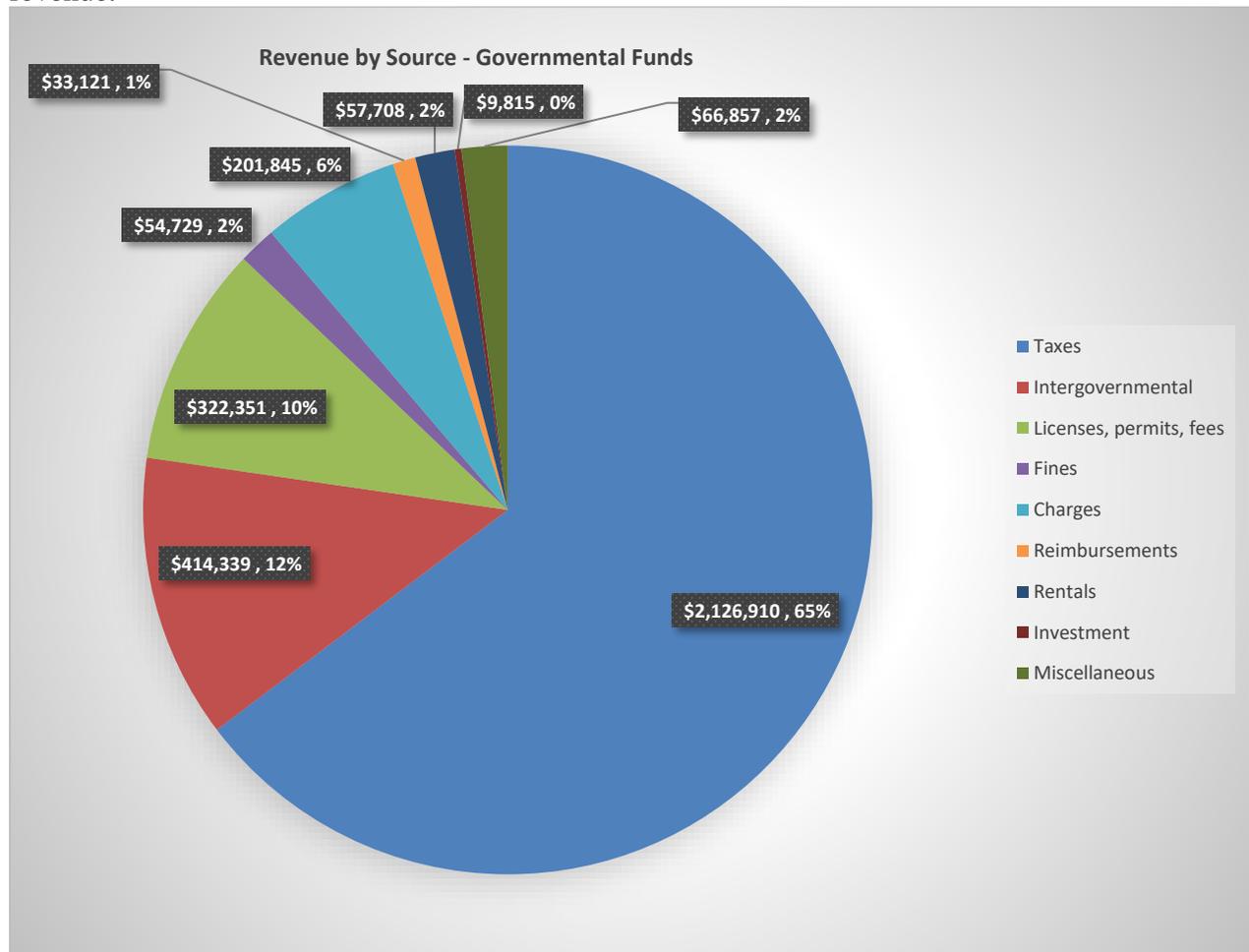
The 2019-2020 fiscal year revenues for governmental activities were \$3,868,756, while the cost of all governmental functions totaled \$2,982,943.

#### Business-Type Activities

Revenues for business-type activities were \$3,011,214 and expenses were \$1,432,461.

### Financial Analysis of the Government's Funds

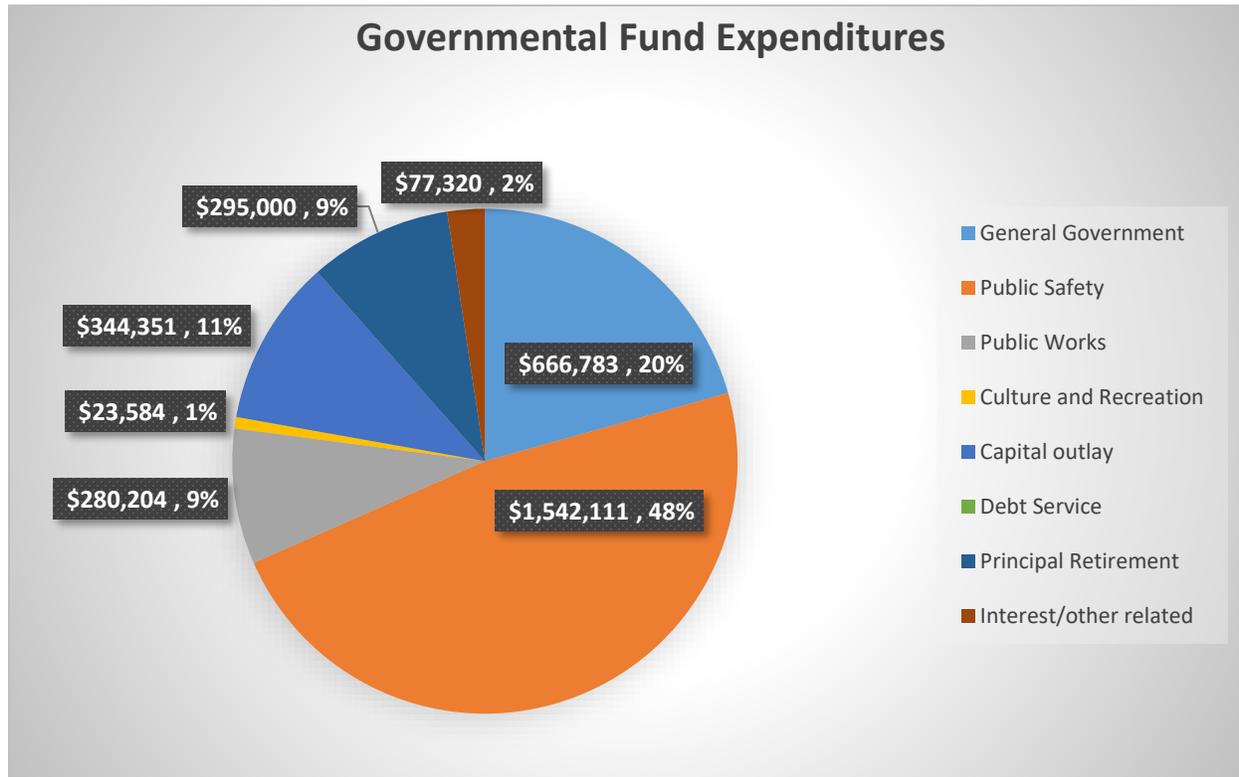
As noted earlier, the Village of Indian Head Park uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The following chart depicts the major revenue sources of the Village of Indian Head Park. Sales taxes account for the largest share of governmental activities revenue. Utility taxes also contribute a large share of governmental revenue.



# VILLAGE OF INDIAN HEAD PARK, ILLINOIS

## Management's Discussion and Analysis April 30, 2020

### Financial Analysis of the Government's Funds - Continued



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 47.7% followed by general government at 20.6% and public works (non-water/sewer) operations at 8.6%.

# VILLAGE OF INDIAN HEAD PARK, ILLINOIS

## Management's Discussion and Analysis April 30, 2020

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### Financial Analysis of the Government's Funds- Continued

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

**Governmental Funds** - The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. 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, 2020, the Governmental Funds reported a combined ending fund balance of \$1,938,376 which is an increase of \$568,322 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 \$1,430,071 of which \$1,345,544 was unassigned. It should be noted that last year these amounts were 773,779 of which \$636,853 was unassigned. It may be useful to compare both unassigned fund balance and total fund balance to total funds available as a measure of liquidity.

- Revenues in the General Fund revenues for the year just ended totaled \$2,657,247. 2019 revenues were \$2,498,672. An increase of \$158,575.
- The General Fund expenditures were \$2,408,918 as opposed to \$2,489,006 in 2019.
- Other factors that affected the General Fund also affected Governmental Activities and were discussed in the MD&A section on governmental activities.

### Capital Improvements Fund

The Village maintains a separate capital improvement (projects) funds created to account for the revenues and expenditures related to the Village's capital improvement program. The separate fund combined for a net decrease of \$124,949 for a total fund balance of \$1,546. The decrease was due to capital expenditures for the Village's road program. This was a planned loss that was funded in part through the sale of vehicle stickers and a transfer from the General Fund.

The Capital Fund is funded annually through a variety of mechanisms from the sale of vehicle stickers and General Fund transfers. A capital improvement fund is important because it gives the Village an opportunity to plan for large scale, long terms projects such as road reconstruction.

**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.

# VILLAGE OF INDIAN HEAD PARK, ILLINOIS

## Management's Discussion and Analysis April 30, 2020

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### Financial Analysis of the Government's Funds- Continued

- 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 \$3,008,012 compared to the net position for 2019 of \$1,187,394 an increase of \$1,820,618.
- 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.

### General Fund Budgetary Highlights-

There were only minor changes to the budget done in 2020 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.

	<b>Original and Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>		
Taxes	\$1,717,400	\$1,745,132
Intergovernmental	\$371,100	\$414,339
Licenses, permits and fees	\$283,100	\$322,351
Fines and forfeitures	\$85,750	\$54,729
Charges for services	\$9,500	\$11,195
Reimbursements	\$0	\$33,121
Investment income	\$0	\$9,523
Miscellaneous	\$10,000	\$66,857
Total Revenues	\$2,476,850	\$2,657,247
<b>EXPENDITURES</b>		
Current		
General government	\$714,205	\$666,783
Public safety	1,493,970	1,461,931
Public works	326,711	280,204
Total expenditures	\$2,534,886	\$2,408,918

Actual revenues in the general fund exceeded actual expenditures by \$248,329.

# VILLAGE OF INDIAN HEAD PARK, ILLINOIS

## Management's Discussion and Analysis

April 30, 2020

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### 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, 2020 was \$5,758,107. Capital assets include land and improvements, buildings and improvements, machinery and equipment, roads, sidewalks, bridges and utility infrastructure.

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 \$234,164 (down \$179,460 from 2019) and compensated absences of \$2,692 (down \$2,119 from 2019), OPEB liability of \$136,474 (down \$2,692 from 2019), IEPA loan of \$409,655 (up \$176,338 from 2019), and an Asset Retirement Obligation of \$30,000 (new in 2020).

Debt Administration	Balances May 1	Issuances	Retirements	Balances April 30	Current Portion
General obligation bonds	\$1,945,000	-	\$155,000	\$1,790,000	\$155,000
Debt certificates	\$286,000	-	\$140,000	\$146,000	\$140,000
Net Pension Liability - IMRF	\$1,547,667		\$671,503	\$876,164	-
OPEB Liability	\$338,741	-	\$6,553	\$323,188	\$24,643
Compensated Absences	\$44,334	\$49,850	\$92,391	\$1,793	\$8,867
Total	\$4,161,742	\$49,850	\$1,65,447	\$3,146,145	\$325,603

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, 2020**

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### **Economic Factors and Next Year's Budget and Rates**

The Village's elected and appointed officials considered many factors when planning the 2020-2021 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 2020 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 changed dramatically in March of 2020 when the potential impact of the COVID-19 pandemic became more apparent. The Village reduced expected revenue and deferred certain capital programs until the fiscal impacts of the pandemic could be assessed in greater detail. Fortunately, the expected revenue shortfall, in total, has been less than anticipated. All of these indicators were a consideration when adopting the 2020-2021 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, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 1,239,590	\$ 1,134,493	\$ 2,374,083
Receivables (net, where applicable, of allowance for uncollectibles)			
Property taxes	624,032	-	624,032
Accounts	-	256,623	256,623
Other taxes	133,240	-	133,240
Deposits	948,351	76,175	1,024,526
Prepaid insurance	58,262	8,323	66,585
Capital assets not being depreciated	868,988	-	868,988
Capital assets being depreciated (net of accumulated depreciation)	3,087,958	2,670,149	5,758,107
<b>Total assets</b>	<b>6,960,421</b>	<b>4,145,763</b>	<b>11,106,184</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension items - IMRF	182,922	48,888	231,810
OPEB items	25,774	10,589	36,363
Asset retirement obligation	-	29,348	29,348
<b>Total deferred outflows of resources</b>	<b>208,696</b>	<b>88,825</b>	<b>297,521</b>
<b>Total assets and deferred outflows of resources</b>	<b>7,169,117</b>	<b>4,234,588</b>	<b>11,403,705</b>
<b>LIABILITIES</b>			
Accounts payable	42,631	149,730	192,361
Accrued payroll	81,067	3,827	84,894
Deposits payable	-	163,956	163,956
Accrued interest payable	27,442	-	27,442
Long-term liabilities			
Due within one year	325,603	13,356	338,959
Due in more than one year	2,820,542	799,629	3,620,171
<b>Total liabilities</b>	<b>3,297,285</b>	<b>1,130,498</b>	<b>4,427,783</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension items - IMRF	297,853	79,608	377,461
OPEB items	40,088	16,470	56,558
Deferred revenue - property taxes	664,569	-	664,569
<b>Total deferred inflows of resources</b>	<b>1,002,510</b>	<b>96,078</b>	<b>1,098,588</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>4,299,795</b>	<b>1,226,576</b>	<b>5,526,371</b>
<b>NET POSITION</b>			
Net investment in capital assets	2,020,946	2,260,494	4,281,440
Restricted for			
Liability insurance	26,265	-	26,265
Streets and highways	302,982	-	302,982
Debt service	164,651	-	164,651
Recreational programs	38,834	-	38,834
Unrestricted	315,644	747,518	1,063,162
<b>TOTAL NET POSITION</b>	<b>\$ 2,869,322</b>	<b>\$ 3,008,012</b>	<b>\$ 5,877,334</b>

See accompanying notes to financial statements.

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2020

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT</b>				
Governmental Activities				
General government	\$ 709,879	\$ 484,117	\$ -	\$ -
Public safety	1,654,559	58,723	-	-
Public works	514,468	-	140,558	-
Culture and recreation	30,959	-	-	-
Interest	73,078	-	-	-
Total governmental activities	2,982,943	542,840	140,558	-
Business-Type Activities				
Water and Sewer	1,432,461	1,493,778	-	1,500,000
Total business-type activities	1,432,461	1,493,778	-	1,500,000
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 4,415,404</b>	<b>\$ 2,036,618</b>	<b>\$ 140,558</b>	<b>\$ 1,500,000</b>

	<b>Net (Expense) Revenue and Change in Net Position</b>		
	<b>Primary Government</b>		
	<b>Governmental</b>	<b>Business-Type</b>	
	<b>Activities</b>	<b>Activities</b>	<b>Total</b>
	\$ (225,762)	\$ -	\$ (225,762)
	(1,595,836)	-	(1,595,836)
	(373,910)	-	(373,910)
	(30,959)	-	(30,959)
	(73,078)	-	(73,078)
	(2,299,545)	-	(2,299,545)
	-	1,561,317	1,561,317
	-	1,561,317	1,561,317
	(2,299,545)	1,561,317	(738,228)
General Revenues			
Taxes			
Property	1,235,305	-	1,235,305
Sales	199,698	-	199,698
Local use	135,510	-	135,510
Telecommunication	154,726	-	154,726
Utility	243,389	-	243,389
Other	803	-	803
Intergovernmental - unrestricted			
Income tax	412,835	-	412,835
Personal property replacement tax	1,504	-	1,504
Non home rule sales tax	110,303	-	110,303
Investment income	9,815	-	9,815
Miscellaneous	171,290	17,436	188,726
Gain on sale of capital asset	510,000	-	510,000
Transfers in (out)	(241,865)	241,865	-
Total	2,943,313	259,301	3,202,614
CHANGE IN NET POSITION	643,768	1,820,618	2,464,386
NET POSITION, MAY 1	2,225,554	1,187,394	3,412,948
<b>NET POSITION, APRIL 30</b>	<b>\$ 2,869,322</b>	<b>\$ 3,008,012</b>	<b>\$ 5,877,334</b>

See accompanying notes to financial statements.

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

BALANCE SHEET  
GOVERNMENTAL FUNDS

April 30, 2020

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	<u>General</u>	<u>Capital Improvements</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and investments	\$ 729,497	\$ 14,772	\$ 495,321	\$ 1,239,590
Receivables				
Property taxes	504,686	-	119,346	624,032
Other taxes	121,943	-	11,297	133,240
Deposits	948,351	-	-	948,351
Prepaid insurance	58,262	-	-	58,262
<b>TOTAL ASSETS</b>	<u>\$ 2,362,739</u>	<u>\$ 14,772</u>	<u>\$ 625,964</u>	<u>\$ 3,003,475</u>

	<b>General</b>	<b>Capital Improvements</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 29,405	\$ 13,226	\$ -	\$ 42,631
Accrued payroll	81,067	-	-	81,067
Total liabilities	110,472	13,226	-	123,698
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - IRMA	276,832	-	-	276,832
Unavailable revenue - property taxes	545,364	-	119,205	664,569
Total deferred inflows of resources	822,196	-	119,205	941,401
Totals liabilities and deferred inflows of resources	932,668	13,226	119,205	1,065,099
<b>FUND BALANCES</b>				
Nonspendable				
Prepaid items	58,262	-	-	58,262
Restricted				
Liability insurance	26,265	-	-	26,265
Streets and highways	-	-	302,982	302,982
Debt service	-	-	164,651	164,651
Recreational programs	-	-	38,834	38,834
Unrestricted				
Assigned - capital projects	-	1,546	292	1,838
Unassigned	1,345,544	-	-	1,345,544
Total fund balances	1,430,071	1,546	506,759	1,938,376
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 2,362,739</b>	<b>\$ 14,772</b>	<b>\$ 625,964</b>	<b>\$ 3,003,475</b>

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, 2020

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<b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>	<b>\$ 1,938,376</b>
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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	3,956,946
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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	276,832
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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	(14,314)
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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	(114,931)
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Long-term liabilities applicable to the Village's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position	
Bonds payable	(1,790,000)
Debt certificates payable	(146,000)
Compensated absences payable	(1,793)
Net pension liability	(876,164)
OPEB liability	(332,188)
Accrued interest	(27,442)

<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ 2,869,322</b>
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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, 2020

	General	Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 1,745,132	\$ -	\$ 381,778	\$ 2,126,910
Intergovernmental	414,339	-	-	414,339
Licenses, permits and fees	322,351	-	-	322,351
Fines and forfeiture	54,729	-	-	54,729
Charges for services	11,195	190,650	-	201,845
Reimbursements	33,121	-	-	33,121
Rentals	-	-	57,708	57,708
Investment income	9,523	-	292	9,815
Miscellaneous	66,857	-	-	66,857
Total revenues	2,657,247	190,650	439,778	3,287,675
<b>EXPENDITURES</b>				
Current				
General government	666,783	-	-	666,783
Public safety	1,461,931	4,309	75,871	1,542,111
Public works	280,204	-	-	280,204
Culture and recreation	-	-	23,584	23,584
Capital outlay	-	344,351	-	344,351
Debt service				
Principal retirement	-	-	295,000	295,000
Interest and fiscal charges	-	-	77,320	77,320
Total expenditures	2,408,918	348,660	471,775	3,229,353
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	248,329	(158,010)	(31,997)	58,322

	<b>General</b>	<b>Capital Improvements</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	\$ 510,000	\$ -	\$ -	\$ 510,000
Transfers in	14,000	33,061	76,037	123,098
Transfers (out)	(76,037)	-	(47,061)	(123,098)
Total other financing sources (uses)	447,963	33,061	28,976	510,000
NET CHANGE IN FUND BALANCES	696,292	(124,949)	(3,021)	568,322
FUND BALANCES, MAY 1	733,779	126,495	509,780	1,370,054
<b>FUND BALANCES, APRIL 30</b>	<b>\$ 1,430,071</b>	<b>\$ 1,546</b>	<b>\$ 506,759</b>	<b>\$ 1,938,376</b>

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, 2020

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<b>NET CHANGE IN FUND BALANCES -</b>	
<b>TOTAL GOVERNMENTAL FUNDS</b>	\$ 568,322
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	40,216
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	(221,782)
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	70,901
The change in the OPEB liability and deferred inflows and outflows is reported only on the statement of activities	17,723
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	(173,395)
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	155,000
Debt certificates payable	140,000
Compensated absences payable	42,541
Change in interest payable	4,242
	<hr/>
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ 643,768</b>

See accompanying notes to financial statements.

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS

April 30, 2020

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	<b>Business-Type Activities</b>
	<b>Water and Sewer</b>
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 1,134,493
Receivables	
Accounts	256,623
Deposits	76,175
Prepaid insurance	8,323
	<hr/>
Total current assets	1,475,614
	<hr/>
<b>NONCURRENT ASSETS</b>	
Capital assets	
Capital assets, net of depreciation	
Depreciable buildings, property and infrastructure	6,184,821
Accumulated depreciation	(3,514,672)
	<hr/>
Total capital assets	2,670,149
	<hr/>
Total noncurrent assets	2,670,149
	<hr/>
Total assets	4,145,763
	<hr/>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
OPEB items	10,589
Pension items - IMRF	48,888
Asset retirement obligation	29,348
	<hr/>
Total deferred outflows of resources	88,825
	<hr/>
Total assets and deferred outflows of resources	4,234,588
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(This statement is continued on the following page.)

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

STATEMENT OF NET POSITION (Continued)  
PROPRIETARY FUNDS

April 30, 2020

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	<b>Business-Type Activities</b>
	<b>Water and Sewer</b>
<b>CURRENT LIABILITIES</b>	
Accounts payable	\$ 149,730
Accrued payroll	3,827
Deposits payable	163,956
OPEB liability, current	12,818
Compensated absences, current	538
	<hr/>
Total current liabilities	330,869
	<hr/>
<b>LONG-TERM LIABILITIES</b>	
Compensated absences, noncurrent	2,154
OPEB liability, noncurrent	123,656
Asset retirement obligation	30,000
IEPA loan payable	409,655
Net pension liability	234,164
	<hr/>
Total long-term liabilities	799,629
	<hr/>
Total liabilities	1,130,498
	<hr/>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
OPEB items	16,470
Pension items - IMRF	79,608
	<hr/>
Total deferred outflows of resources	96,078
	<hr/>
Total liabilities and deferred inflows	1,226,576
	<hr/>
<b>NET POSITION</b>	
Net investment in capital assets	2,260,494
Unrestricted	747,518
	<hr/>
<b>TOTAL NET POSITION</b>	<b>\$ 3,008,012</b>
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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, 2020

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	<b>Business-Type Activities</b>
	<b>Water and Sewer</b>
<b>OPERATING REVENUES</b>	
Charges for services	\$ 1,493,778
<b>OPERATING EXPENSES</b>	
Operating	1,223,006
Depreciation	111,470
Total operating expenses	1,334,476
<b>OPERATING INCOME</b>	159,302
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Loss on disposal of capital assets	(97,985)
Miscellaneous	17,436
Total non-operating revenues (expenses)	(80,549)
<b>INCOME BEFORE CAPITAL GRANTS AND CONTRIBUTIONS</b>	78,753
<b>CAPITAL GRANTS AND CONTRIBUTIONS</b>	1,741,865
<b>CHANGE IN NET POSITION</b>	1,820,618
<b>NET POSITION, MAY 1</b>	1,187,394
<b>NET POSITION, APRIL 30</b>	\$ 3,008,012

See accompanying notes to financial statements.

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

For the Year Ended April 30, 2020

	<b>Business-Type Activities</b>
	<b>Water and Sewer</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Received from customers	\$ 1,545,734
Paid to suppliers for goods and services	(773,296)
Paid to employees for services	(343,847)
Miscellaneous revenue	17,436
	<hr/>
Net cash from operating activities	446,027
	<hr/>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
None	-
	<hr/>
Net cash from noncapital financing activities	-
	<hr/>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Capital assets purchased	(1,573,215)
Capital grants received	1,909,655
	<hr/>
Net cash from capital and related financing activities	336,440
	<hr/>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
None	-
	<hr/>
Net cash from investing activities	-
	<hr/>
NET INCREASE IN CASH AND CASH EQUIVALENTS	782,467
CASH AND CASH EQUIVALENTS, MAY 1	352,026
	<hr/>
<b>CASH AND CASH EQUIVALENTS, APRIL 30</b>	<b>\$ 1,134,493</b>
	<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, 2020

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	<b>Business-Type Activities Water and Sewer</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Operating income	\$ 159,302
Adjustments to reconcile operating income to net cash from operating activities	
Depreciation	111,470
Miscellaneous revenue	17,436
Changes in assets and liabilities	
Accounts receivable	42,001
Prepaid expenses	596
Accounts payable	68,486
Pension items - IMRF	46,340
OPEB items	(7,280)
Asset retirement obligation	652
Accrued payroll	295
Compensated absences	(3,226)
Deposits payable	9,955
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 446,027</b>
<b>NONCASH TRANSACTIONS</b>	
Contributed asset from governmental activities	\$ 241,865
IEPA Loan forgiveness	1,500,000
<b>TOTAL NONCASH TRANSACTIONS</b>	<b>\$ 1,741,865</b>

See accompanying notes to financial statements.

# VILLAGE OF INDIAN HEAD PARK, ILLINOIS

## NOTES TO FINANCIAL STATEMENTS

April 30, 2020

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### 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)

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**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. 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)

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**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 Capital Improvements Fund accounts for the resources assigned for capital outlays, including acquisition or construction of capital facilities and other capital assets.

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 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)

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**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)

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**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, 2020.

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)

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**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:

	<u>Years</u>
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)

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**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)

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**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)

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**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 2019 attach as an enforceable lien on January 1, 2019, 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, 2020 and July 1, 2020, and are payable in two installments, on or about March 1, 2020 and August 1, 2020. The County collects such taxes and remits them periodically. The 2018 levy and part of the 2019 levy are recognized as revenue in the 2020 fiscal year. The uncollected portion of the 2019 levy is intended to finance the 2021 fiscal year and, accordingly, is reported as unavailable revenue. The 2020 tax levy, which attached as an enforceable lien on property as of January 1, 2020, has not been recorded as a receivable as of April 30, 2020, as the tax has not yet been levied by the Village and will not be levied until December 2020 and, therefore, the levy is not measurable at April 30, 2020.

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

**4. INDIVIDUAL FUND DISCLOSURES**

a. Transfers between funds at April 30, 2020 consist of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 14,000	\$ 76,037
Capital Improvements	33,061	-
Nonmajor Governmental	76,037	47,061
Governmental Activities	-	241,865
Business-Type Activities	241,865	-
	<u>\$ 364,963</u>	<u>\$ 364,963</u>
<b>TOTAL</b>	<b>\$ 364,963</b>	<b>\$ 364,963</b>

Significant interfund transfers are as follows:

- \$14,000 transferred from the Nonmajor Governmental (Motor Fuel Tax Fund) to the General Fund to reimburse for certain expenditures.
- \$33,061 transferred from the Nonmajor Governmental (Road Improvement Fund) to the Capital Improvements Fund to close out the activity of the Road Improvement Fund.
- \$76,037 transferred from the General Fund to the Nonmajor Governmental (Bond Fund) to cover cash deficits.
- \$241,865 transferred from Governmental Activities to Business-Type Activities to reflect a capital contribution.

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</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
<b>GOVERNMENTAL ACTIVITIES</b>				
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	247,539	-	-	247,539
Infrastructure	2,697,902	-	-	2,697,902
Vehicles	408,349	40,216	-	448,565
Total capital assets being depreciated	<u>5,738,783</u>	<u>40,216</u>	<u>-</u>	<u>5,778,999</u>

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

**5. CAPITAL ASSETS (Continued)**

	Beginning Balances	Increases	Decreases	Ending Balances
<b>GOVERNMENTAL ACTIVITIES</b>				
(Continued)				
Less accumulated depreciation for				
Land improvements	\$ 306,339	\$ 8,204	\$ -	\$ 314,543
Buildings and improvements	1,001,362	42,936	-	1,044,298
Equipment	204,988	5,191	-	210,179
Infrastructure	672,137	133,235	-	805,372
Vehicles	284,433	32,216	-	316,649
Total accumulated depreciated	<u>2,469,259</u>	<u>221,782</u>	<u>-</u>	<u>2,691,041</u>
 Total capital assets being depreciated, net	 <u>3,269,524</u>	 <u>(181,566)</u>	 <u>-</u>	 <u>3,087,958</u>
 <b>GOVERNMENTAL ACTIVITIES</b> <b>CAPITAL ASSETS, NET</b>	 <u>\$ 4,138,512</u>	 <u>\$ (181,566)</u>	 <u>\$ -</u>	 <u>\$ 3,956,946</u>
 <b>BUSINESS-TYPE ACTIVITIES</b>				
Capital assets not being depreciated				
Construction in progress	\$ 233,317	\$ 1,815,080	\$ 2,048,397	\$ -
Total capital assets not being depreciated	<u>233,317</u>	<u>1,815,080</u>	<u>2,048,397</u>	<u>-</u>
 Capital assets being depreciated				
Well houses	481,000	-	-	481,000
Water and distribution system	2,907,300	2,048,397	818,723	4,136,974
Equipment	393,093	-	-	393,093
Infrastructure	1,173,754	-	-	1,173,754
Total capital assets being depreciated	<u>4,955,147</u>	<u>2,048,397</u>	<u>818,723</u>	<u>6,184,821</u>
 Less accumulated depreciation for				
Well houses	481,000	-	-	481,000
Water and distribution system	2,219,698	81,572	720,738	1,580,532
Equipment	345,998	12,379	-	358,377
Infrastructure	1,077,244	17,519	-	1,094,763
Total accumulated depreciation	<u>4,123,940</u>	<u>111,470</u>	<u>720,738</u>	<u>3,514,672</u>
 Total capital assets being depreciated, net	 <u>831,207</u>	 <u>1,936,927</u>	 <u>97,985</u>	 <u>2,670,149</u>
 <b>BUSINESS-TYPE ACTIVITIES</b> <b>CAPITAL ASSETS, NET</b>	 <u>\$ 1,064,524</u>	 <u>\$ 3,752,007</u>	 <u>\$ 2,146,382</u>	 <u>\$ 2,670,149</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	\$ 29,050
Public safety	33,798
Public works	157,934
Culture and recreation	<u>1,000</u>

**TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES** \$ 221,782

**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	\$ 1,945,000	\$ -	\$ 155,000	\$ 1,790,000	\$ 155,000
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>			<u>\$ 1,945,000</u>	<u>\$ -</u>	<u>\$ 155,000</u>	<u>\$ 1,790,000</u>	<u>\$ 155,000</u>

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

**6. LONG-TERM DEBT (Continued)**

b. Debt Certificates (Direct Placement)

The Village issues debt certificates (direct placement) 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 (direct placement), 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	\$ 286,000	\$ -	\$ 140,000	\$ 146,000	\$ 146,000
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>			<b>\$ 286,000</b>	<b>\$ -</b>	<b>\$ 140,000</b>	<b>\$ 146,000</b>	<b>\$ 146,000</b>

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
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	-	-
<b>TOTAL</b>	<b>\$ 1,790,000</b>	<b>\$ 333,166</b>	<b>\$ 146,000</b>	<b>\$ 8,614</b>

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

**6. LONG-TERM DEBT (Continued)**

c. Changes in Long-Term Liabilities

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

	Balances May 1	Issuances	Retirements/ Refundings	Balances April 30	Current Portion
General obligation bonds	\$ 1,945,000	\$ -	\$ 155,000	\$ 1,790,000	\$ 155,000
Debt certificates (direct placement)	286,000	-	140,000	146,000	146,000
Net pension liability - IMRF	1,547,667	-	671,503	876,164	-
OPEB liability	338,741	-	6,553	332,188	24,244
Compensated absences	44,334	49,850	92,391	1,793	359
<b>TOTAL</b>	<b>\$ 4,161,742</b>	<b>\$ 49,850</b>	<b>\$ 1,065,447</b>	<b>\$ 3,146,145</b>	<b>\$ 325,603</b>

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

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

	Balances May 1	Issuances	Retirements/ Refundings	Balances April 30	Current Portion
Net pension liability - IMRF	\$ 413,624	\$ -	\$ 179,460	\$ 234,164	\$ -
OPEB liability	139,166	-	2,692	136,474	12,818
IEPA loan	233,317	176,338	-	409,655	-
Compensated absences	5,918	573	3,799	2,692	538
Asset retirement obligation	-	30,000	-	30,000	-
<b>TOTAL</b>	<b>\$ 792,025</b>	<b>\$ 206,911</b>	<b>\$ 185,951</b>	<b>\$ 812,985</b>	<b>\$ 13,356</b>

The IEPA loan was not fully disbursed as of April 30, 2020. Therefore, the annual installment amount is not available at the time of report issuance.

d. Legal Debt Margin

2019 assessed valuation (latest information available)	<u>\$ 146,721,960</u>
Legal debt limit - 8.625% of assessed valuation	<u>\$ 12,654,769</u>
Amount of debt applicable to debt limit	
General obligation bonds	1,790,000
Debt certificates	<u>146,000</u>
Total	<u>1,936,000</u>
<b>LEGAL DEBT MARGIN</b>	<u><u>\$ 10,718,769</u></u>

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

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**6. LONG-TERM DEBT (Continued)**

e. Asset Retirement Obligation

The Village has recognized an asset retirement obligation (ARO) and related deferred outflow of resources in connection with its obligation to seal and abandon various water wells at the end of their estimated useful lives in accordance with federal, state and/or local requirements. The ARO was measured using actual historical costs for similar abandonments, adjusted for inflation through the end of the year. The estimated remaining useful life of the water well is 46 years.

**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.

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.

**7. RISK MANAGEMENT (Continued)**

b. Intergovernmental Risk Management Agency (Continued)

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, 2020 for the current or prior claim years.

**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](http://www.imrf.org).

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

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**9. RETIREMENT FUND COMMITMENTS (Continued)**

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, 2019, IMRF membership consisted of:

Inactive employees or their beneficiaries	
currently receiving benefits	21
Inactive employees entitled to but not yet receiving benefits	20
Active employees	19
	<hr/>
TOTAL	60
	<hr/> <hr/>

*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.

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

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**9. RETIREMENT FUND COMMITMENTS (Continued)**

Illinois Municipal Retirement Fund (Continued)

*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 fiscal year ended April 30, 2020 was 13.65% of covered payroll.

*Actuarial Assumptions*

The Village's net pension liability was measured as of December 31, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2019
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	3.35% to 14.25%
Interest rate	7.25%
Cost of living adjustment	3.25%
Asset valuation method	Market value

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-2014 Employee Mortality Table with adjustments to match current IMRF experience.

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

**9. RETIREMENT FUND COMMITMENTS (Continued)**

Illinois Municipal Retirement Fund (Continued)

*Discount Rate*

The discount rate used to measure the total pension liability was 7.25% at December 31, 2019. 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.

*Changes in the Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2019	\$ 9,087,321	\$ 7,126,030	\$ 1,961,291
Changes for the period			
Service cost	147,943	-	147,943
Interest	645,880	-	645,880
Difference between expected and actual experience	(8,284)	-	(8,284)
Employer contributions	-	172,796	(172,796)
Employee contributions	-	60,697	(60,697)
Net investment income	-	1,400,798	(1,400,798)
Benefit payments and refunds	(505,218)	(505,218)	-
Administrative expense	-	-	-
Other (net transfer)	-	2,211	(2,211)
Net changes	280,321	1,131,284	(850,963)
BALANCES AT DECEMBER 31, 2019	\$ 9,367,642	\$ 8,257,314	\$ 1,110,328

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

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**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, 2020, the Village recognized pension expense of \$396,944. At April 30, 2020, 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
	<u>          </u>	<u>          </u>
Difference between expected and actual experience	\$ 96,364	\$ 5,385
Changes in assumption	69,047	20,892
Net difference between projected and actual earnings on pension plan investments	-	351,184
Contributions made between measurement date and fiscal year end	<u>66,399</u>	<u>-</u>
<b>TOTAL</b>	<u>\$ 231,810</u>	<u>\$ 377,461</u>

\$66,399 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, 2021. 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>	
2021	\$ 51,083
2022	(106,035)
2023	21,689
2024	(178,787)
Thereafter	<u>-</u>
<b>TOTAL</b>	<u>\$ (212,050)</u>

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

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**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	\$ 2,122,222	\$ 1,110,328	\$ 274,068

**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)**

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**10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)**

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

At April 30, 2019 (most recent data available), membership consisted of:

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

b. Total OPEB Liability

The Village's total OPEB liability of \$468,662 was measured as of April 30, 2020 and was determined by an actuarial valuation as of May 1, 2019.

c. Actuarial Assumptions and Other Inputs

The total OPEB liability at April 30, 2020, as determined by an actuarial valuation as of May 1, 2019 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, 2020, including updating the discount rate at April 30, 2020, as noted below.

Actuarial cost method	Entry-age normal
Actuarial value of assets	Market value
Inflation	3.00%
Salary increases	4.00%
Discount rate	2.85%
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)**

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**10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)**

d. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
BALANCES AT MAY 1, 2019	\$ 477,907
Changes for the period	
Service cost	1,322
Interest	14,746
Changes in assumptions	12,292
Benefit payments	(37,062)
Other changes	(543)
Net changes	<u>(9,245)</u>
BALANCES AT APRIL 30, 2020	<u>\$ 468,662</u>

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 2.85% 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 (1.85%) or 1 percentage point higher (3.85%) than the current rate:

	1% Decrease (1.85%)	Current Discount Rate (2.85%)	1% Increase (3.85%)
Total OPEB liability	\$ 510,083	\$ 468,662	\$ 433,875

**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	\$ 434,051	\$ 468,662	\$ 509,014

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

For the year ended April 30, 2020, the Village recognized OPEB expense of \$12,060. At April 30, 2020, 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	\$ -	\$ 52,847
Changes in assumptions	36,363	3,711
<b>TOTAL</b>	<b>\$ 36,363</b>	<b>\$ 56,558</b>

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

Year Ending April 30,	
2021	\$ (4,008)
2022	(4,008)
2023	(4,008)
2024	(4,008)
2025	(4,008)
Thereafter	(155)
<b>TOTAL</b>	<b>\$ (20,195)</b>

**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, 2020

	<u>Original and Final Budget</u>	<u>Actual</u>
<b>REVENUES</b>		
Taxes	\$ 1,717,400	\$ 1,745,132
Intergovernmental	371,100	414,339
Licenses, permits and fees	283,100	322,351
Fines and forfeitures	85,750	54,729
Charges for services	9,500	11,195
Reimbursements	-	33,121
Investment income	-	9,523
Miscellaneous	10,000	66,857
	<hr/>	<hr/>
Total revenues	2,476,850	2,657,247
<b>EXPENDITURES</b>		
Current		
General government	714,205	666,783
Public safety	1,493,970	1,461,931
Public works	326,711	280,204
	<hr/>	<hr/>
Total expenditures	2,534,886	2,408,918
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>		
	<hr/>	<hr/>
	(58,036)	248,329
<b>OTHER FINANCING SOURCES (USES)</b>		
Proceeds from sale of capital assets	-	510,000
Transfers in	14,000	14,000
Transfers (out)	-	(76,037)
	<hr/>	<hr/>
Total other financing sources (uses)	14,000	447,963
<b>NET CHANGE IN FUND BALANCE</b>		
	<hr/>	<hr/>
	\$ (44,036)	696,292
<b>FUND BALANCE, MAY 1</b>		
		<hr/>
		733,779
<b>FUND BALANCE, APRIL 30</b>		
		<hr/>
		\$ 1,430,071

(See independent auditor's report.)

**VILLAGE OF INDIAN HEAD PARK, ILLINOIS**

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

Last Five Fiscal Years

<b>FISCAL YEAR ENDED APRIL 30,</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Actuarially determined contribution	\$ 165,412	\$ 151,873	\$ 155,927	\$ 179,948	\$ 177,208
Contributions in relation to the actuarially determined contribution	165,412	151,873	155,927	179,948	177,208
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ -</b>				
Covered payroll	\$ 1,404,516	\$ 1,318,773	\$ 1,277,655	\$ 1,357,228	\$ 1,297,964
Contributions as a percentage of covered payroll	11.78%	11.52%	12.20%	13.26%	13.65%

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 24 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 3.35% to 14.25%.

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 Five Years

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018	2019
<b>TOTAL PENSION LIABILITY</b>					
Service cost	\$ 150,833	\$ 148,700	\$ 144,853	\$ 129,198	\$ 147,943
Interest	516,423	538,198	590,230	609,545	645,880
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(187,363)	227,719	88,475	280,678	(8,284)
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)	(505,218)
Net change in total pension liability	254,572	754,081	335,424	806,434	280,321
Total pension liability - beginning	6,936,810	7,191,382	7,945,463	8,280,887	9,087,321
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 7,191,382</b>	<b>\$ 7,945,463</b>	<b>\$ 8,280,887</b>	<b>\$ 9,087,321</b>	<b>\$ 9,367,642</b>
<b>PLAN FIDUCIARY NET POSITION</b>					
Contributions - employer	\$ 172,475	\$ 160,327	\$ 150,497	\$ 177,622	\$ 172,796
Contributions - member	64,283	59,137	58,941	58,696	60,697
Net investment income	31,353	397,971	1,111,060	(437,150)	1,400,798
Benefit payments, including refunds of member contributions	(234,785)	(141,141)	(296,317)	(436,452)	(505,218)
Administrative expense	(89,367)	(158,289)	(46,253)	253,828	2,211
Net change in plan fiduciary net position	(56,041)	318,005	977,928	(383,456)	1,131,284
Plan fiduciary net position - beginning	6,269,594	6,213,553	6,531,558	7,509,486	7,126,030
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 6,213,553</b>	<b>\$ 6,531,558</b>	<b>\$ 7,509,486</b>	<b>\$ 7,126,030</b>	<b>\$ 8,257,314</b>
<b>EMPLOYER'S NET PENSION LIABILITY</b>					
Plan fiduciary net position as a percentage of the total pension liability	86.40%	82.20%	90.68%	78.42%	88.15%
Covered payroll	\$ 1,404,516	\$ 1,404,516	\$ 1,309,804	\$ 1,301,357	\$ 1,333,302
Employer's net pension liability as a percentage of covered payroll	69.62%	100.67%	58.89%	150.71%	83.28%

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 Two Fiscal Year

<b>MEASUREMENT DATE APRIL 30,</b>	<b>2019</b>	<b>2020</b>
<b>TOTAL OPEB LIABILITY</b>		
Service cost	\$ 1,207	\$ 1,322
Interest	18,767	14,746
Differences between expected and actual experience	(72,889)	-
Changes of assumptions	16,713	12,292
Benefit payments	(34,767)	(37,062)
Other changes	14,493	(543)
Net change in total OPEB liability	(56,476)	(9,245)
Total OPEB liability - beginning	534,383	477,907
<b>TOTAL OPEB LIABILITY - ENDING</b>	<b>\$ 477,907</b>	<b>\$ 468,662</b>
Covered payroll	\$ 1,099,728	\$ 1,102,420
Employer's total OPEB liability as a percentage of covered payroll	43.46%	42.51%

2020 and 2019: changes in assumptions related to the discount rate were made.

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, 2020

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#### **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 Fund had expenditures of \$157,327 with a budget of \$157,324. The Capital Improvements Fund had expenditures of \$348,660 with a budget of \$50,000.

**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, 2020  
(with comparative actual)

	2020		2019
	Original and Final Budget	Actual	Actual
<b>TAXES</b>			
Property taxes	\$ 1,009,400	\$ 994,085	\$ 951,057
Sales taxes	210,000	199,698	197,214
Non home rule tax	95,000	110,303	87,116
Local use taxes	110,000	135,510	113,584
Utility taxes	136,000	150,007	160,817
Telecommunication	75,000	68,353	74,992
Other	82,000	87,176	78,063
<b>Total taxes</b>	1,717,400	1,745,132	1,662,843
<b>INTERGOVERNMENTAL</b>			
State income tax	370,000	412,835	369,812
Personal property	1,100	1,504	1,143
<b>Total intergovernmental</b>	371,100	414,339	370,955
<b>LICENSES, PERMITS AND FEES</b>			
Business licenses	110,000	123,815	114,778
Liquor licenses	21,600	28,200	20,300
Alarm licenses	1,500	2,899	2,125
Building permit fees	50,000	74,055	85,371
Franchise fees	100,000	93,382	94,281
<b>Total licenses, permits and fees</b>	283,100	322,351	316,855
<b>FINES AND FORFEITURES</b>			
Court and traffic fines	85,750	54,729	88,288
<b>Total fines and forfeitures</b>	85,750	54,729	88,288
<b>CHARGES FOR SERVICES</b>			
Health inspections	1,700	2,200	2,600
Smoke signals advertisements	1,000	1,095	525
Elevator inspections	6,800	7,900	6,700
<b>Total charges for services</b>	9,500	11,195	9,825
<b>REIMBURSEMENTS</b>			
Miscellaneous reimbursements	-	33,121	16,671
<b>Total reimbursements</b>	-	33,121	16,671

(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, 2020  
(with comparative actual)

	2020		2019
	Original and Final Budget	Actual	Actual
<b>INVESTMENT INCOME</b>			
Investment income	\$ -	\$ 9,523	\$ 6,474
Total investment income	-	9,523	6,474
<b>MISCELLANEOUS</b>			
Heritage center donations	-	845	382
Contributions	-	1,815	5,000
Donations	-	30,000	-
Miscellaneous	10,000	34,197	21,379
Total miscellaneous	10,000	66,857	26,761
<b>TOTAL REVENUES</b>	<b>\$ 2,476,850</b>	<b>\$ 2,657,247</b>	<b>\$ 2,498,672</b>

(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, 2020  
(with comparative actual)

	2020		2019
	Original and Final Budget	Actual	Actual
<b>CURRENT</b>			
General government			
President and Village Board			
Meeting/conferences/training	\$ 5,000	\$ 371	\$ 165
Membership fees	11,000	5,272	4,122
Office equipment	7,000	14,560	1,494
Miscellaneous	250	-	-
Total President and Village Board	23,250	20,203	5,781
Administration			
Salaries	230,000	228,410	225,378
Overtime	2,700	2,881	5,304
IMRF contributions	28,828	27,534	27,887
Medical/other benefits	36,050	30,928	36,954
Social Security/Medicare	16,070	16,236	15,906
Equipment maintenance	2,500	1,513	1,781
Membership fees	4,000	2,017	1,650
Postage	1,500	1,045	1,623
Professional services - data processing	28,000	11,363	11,768
Professional services - IT consulting	12,000	5,573	5,646
Publications - legal notices	1,000	1,038	477
Telephone/communications	-	125	-
Office supplies	5,000	5,286	5,139
Periodicals	400	84	15
Computer software	15,500	19,514	13,073
Office equipment	12,000	13,933	699
Miscellaneous	10,500	9,483	5,732
Professional services - consulting	1,500	1,348	1,800
Website redesign	8,700	5,156	8,643
Codification of ordinances	2,000	3,132	3,239
Total administration	418,248	386,599	372,714
Liability insurance			
Insurance premium	60,000	43,655	49,944
IRMA deductible	7,500	21,752	5,010
Total liability insurance	67,500	65,407	54,954

(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, 2020  
(with comparative actual)

	2020		2019
	Original and Final Budget	Actual	Actual
<b>CURRENT (Continued)</b>			
General government (Continued)			
Buildings and grounds maintenance			
Maintenance services - garage	\$ 3,000	\$ 6,316	\$ 6,475
Maintenance services - village hall/police	11,000	12,547	63,217
Custodial services	17,000	17,207	16,513
Garage supplies	500	208	822
Maintenance/improve heritage	3,000	3,519	2,558
Landscape supplies	2,000	1,957	428
Kelli's Playground/Sacajawea Park	1,000	820	259
Maintenance supplies - village hall/police	3,000	3,922	1,631
Heritage center	600	955	883
Wolf and Plainfield Park	-	79	79
Capital projects undesignated	-	-	2,300
Economic development consultant	-	506	17,409
Capital improvements	-	-	34,896
Blackhawk Park improvements	4,000	995	672
Other equipment	6,000	4,413	6,967
Total buildings and grounds maintenance	51,100	53,444	155,109
Building department			
Professional services - health inspections	1,600	1,955	2,444
Professional services - building inspector	24,100	22,004	12,053
Professional services - electrical inspector	2,400	-	3,125
Professional services - elevator inspector	2,000	(798)	1,734
Professional services - engineering	2,800	3,307	272
Professional services - plan review	11,000	5,106	11,242
Professional services - plumbing inspector	1,500	-	2,125
Office supplies	-	-	(20)
Total building department	45,400	31,574	32,975
Fire and police commission			
Meeting/conference/training	1,000	653	85
Professional services - testing	3,500	4,220	-
Publication/legal notices	500	-	-
Total fire and police commission	5,000	4,873	85
Planning and zoning			
Office supplies	-	-	73
Publication/legal notices	250	12	275
Total planning and zoning	250	12	348

(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, 2020  
(with comparative actual)

	2020		2019
	Original and Final Budget	Actual	Actual
<b>CURRENT (Continued)</b>			
General government (Continued)			
Outside services			
Employee relations	\$ 3,000	\$ 2,882	\$ 1,999
Community relations	6,000	7,393	1,442
Adjudication	3,000	500	-
Professional services - legal	39,000	37,469	31,318
Professional services - prosecutor	11,000	10,200	9,350
Smoke signals	4,000	6,315	5,446
Telephone/communications	19,757	22,767	17,316
Unemployment insurance	2,500	2,496	1,658
Audit	15,200	14,649	14,504
Total outside services	103,457	104,671	83,033
Total general government	714,205	666,783	704,999
Public safety			
Salaries	1,270,000	812,865	756,213
Overtime	-	139,725	171,004
IMRF contributions	-	105,237	108,637
Medical/other benefits	-	69,024	60,543
Social Security/Medicare	-	70,352	69,873
PSEBA benefits	-	7,357	7,345
Central dispatch assessment	24,000	15,021	122,861
Vehicle/equipment maintenance	25,000	58,959	22,743
Safety equipment	3,000	4,492	2,905
Maintenance materials	2,000	872	1,976
Gas and oil	19,720	23,462	21,925
Meeting/conference/training	19,000	4,750	4,148
Membership fees	2,200	2,725	2,575
Clothing and uniforms	15,000	8,715	8,403
Vehicles/other equipment	45,000	53,475	30,423
Telephone/communications	17,800	22,014	16,587
Postage	500	160	375
IT consultant	9,000	6,473	4,389
Liability insurance	30,000	31,228	24,972
Office supplies	2,500	4,316	2,848
Animal control	250	-	-
Miscellaneous	1,500	3,829	2,481
Office equipment	4,000	13,394	153
CALEA consulting	3,500	3,486	3,384
Total public safety	1,493,970	1,461,931	1,446,763

(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, 2020  
(with comparative actual)

	2020		2019
	Original and Final Budget	Actual	Actual
<b>CURRENT (Continued)</b>			
Public works			
Salaries	\$ 110,909	\$ 103,294	\$ 55,729
Overtime	20,000	11,859	30,609
IMRF contributions	9,836	9,986	9,387
Medical/other benefits	16,618	19,301	14,225
Social Security/Medicare	8,873	5,390	5,326
Meeting/conference/training	2,375	375	800
Membership fees	550	535	330
Clothing and uniforms	1,500	1,498	1,491
Office supplies	1,750	1,184	1,678
Postage	200	-	-
Telephone/communications	6,000	11,148	7,342
Professional services - engineering	25,000	4,271	26,372
Engineering - developer/property owner	1,500	-	-
Professional services - landscaping/leaf removal	2,500	3,980	2,486
Professional services - tree consultant	4,000	700	1,250
Liability insurance	8,000	8,369	7,492
Utility expense	7,000	3,960	5,496
Tree maintenance	15,000	15,346	7,377
Streets and parkways maintenance	4,500	5,660	5,454
Drainage maintenance	5,000	7,612	-
Street light maintenance	5,000	3,958	-
Equipment/vehicle maintenance	21,000	20,156	13,152
Vehicles/other equipment	10,000	9,049	40,174
Materials to maintain vehicles/equipment	5,500	3,598	378
Streets and parkways materials	4,000	2,437	3,551
Storm sewer maintenance	10,000	9,225	-
Equipment rental	1,000	150	988
Storm sewer materials	1,000	-	232
Tree program	500	-	421
Tools and hardware	1,000	960	2,629
Gas and oil	10,000	9,048	7,727
Safety equipment	1,750	4,009	968
Drainage materials	3,500	2,738	2,101
Office supplies	1,100	358	231
Miscellaneous	250	50	42
Total public works	326,711	280,204	255,438
<b>DEBT SERVICE</b>			
Debt service - principal	-	-	77,448
Debt service - interest	-	-	4,358
Total debt service	-	-	81,806
<b>TOTAL EXPENDITURES</b>	<b>\$ 2,534,886</b>	<b>\$ 2,408,918</b>	<b>\$ 2,489,006</b>

(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, 2020  
(with comparative actual)

	2020		2019
	Original and Final Budget	Actual	Actual
<b>REVENUES</b>			
Charges for services	\$ 200,500	\$ 190,650	\$ 185,750
Total revenues	200,500	190,650	185,750
<b>EXPENDITURES</b>			
Public safety			
Vehicle stickers	-	4,309	4,402
Capital outlay	50,000	344,351	153,724
Total expenditures	50,000	348,660	158,126
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	150,500	(158,010)	27,624
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	33,061	11,460
Total other financing sources (uses)	-	33,061	11,460
NET CHANGE IN FUND BALANCE	\$ 150,500	(124,949)	39,084
FUND BALANCE, MAY 1		126,495	87,411
<b>FUND BALANCE, APRIL 30</b>		\$ 1,546	\$ 126,495

(See independent auditor's report.)

**NONMAJOR GOVERNMENTAL FUNDS**

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2020

	Special Revenue		Capital Projects		Debt Service		Total
	Special Parks	Motor Fuel Tax	Road Improvement Bond	Bond	Bond Debt Service		
<b>ASSETS</b>							
Cash and investments	\$ 38,820	\$ 291,685	\$ -	\$ 292	\$ 164,524	\$	495,321
Receivables							
Property taxes	13,187	-	-	-	106,159		119,346
Other taxes	-	11,297	-	-	-		11,297
<b>TOTAL ASSETS</b>	<b>\$ 52,007</b>	<b>\$ 302,982</b>	<b>\$ -</b>	<b>\$ 292</b>	<b>\$ 270,683</b>	<b>\$</b>	<b>625,964</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
None	\$ -	\$ -	\$ -	\$ -	\$ -	\$	-
Total liabilities	-	-	-	-	-		-
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred revenue - property taxes	13,173		-	-	106,032		119,205
Total deferred inflows of resources	13,173	-	-	-	106,032		119,205
Total liabilities and deferred inflows of resources	13,173	-	-	-	106,032		119,205
<b>FUND BALANCES</b>							
Restricted							
Streets and highways	-	302,982	-	-	-		302,982
Recreational programs	38,834	-	-	-	-		38,834
Debt service	-	-	-	-	164,651		164,651
Unrestricted - assigned							
Capital projects	-	-	-	292	-		292
Total fund balances	38,834	302,982	-	292	164,651		506,759
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 52,007</b>	<b>\$ 302,982</b>	<b>\$ -</b>	<b>\$ 292</b>	<b>\$ 270,683</b>	<b>\$</b>	<b>625,964</b>

(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, 2020

	Special Revenue		Capital Projects		Debt Service		Total
	Special Parks	Motor Fuel Tax	Road Improvement Bond	Bond	Bond Debt Service		
<b>REVENUES</b>							
Property taxes	\$ 24,969	\$ 140,558	\$ -	\$ -	\$ 216,251	\$	381,778
Investment income	-	-	-	292	-		292
Rentals	-	-	-	57,708	-		57,708
Total revenues	24,969	140,558	-	58,000	216,251		439,778
<b>EXPENDITURES</b>							
Current							
Public safety	-	75,871	-	-	-		75,871
Culture and recreation	23,584	-	-	-	-		23,584
Debt service							
Principal	-	-	-	140,000	155,000		295,000
Interest	-	-	-	17,327	59,993		77,320
Total expenditures	23,584	75,871	-	157,327	214,993		471,775
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,385	64,687	-	(99,327)	1,258		(31,997)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	-	-	76,037	-		76,037
Transfers (out)	-	(14,000)	(33,061)	-	-		(47,061)
Total other financing sources (uses)	-	(14,000)	(33,061)	76,037	-		28,976
NET CHANGE IN FUND BALANCES	1,385	50,687	(33,061)	(23,290)	1,258		(3,021)
FUND BALANCES, MAY 1	37,449	252,295	33,061	23,582	163,393		509,780
<b>FUND BALANCES, APRIL 30</b>	\$ 38,834	\$ 302,982	\$ -	\$ 292	\$ 164,651	\$	506,759

(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, 2020  
(with comparative actual)

	<b>2020</b>		<b>2019</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>REVENUES</b>			
Property taxes	\$ 25,000	\$ 24,969	\$ 24,716
Total revenues	25,000	24,969	24,716
<b>EXPENDITURES</b>			
Current			
Culture and recreation	25,000	23,584	22,815
Total expenditures	25,000	23,584	22,815
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	1,385	1,901
FUND BALANCE, MAY 1		37,449	35,548
<b>FUND BALANCE, APRIL 30</b>		<u>\$ 38,834</u>	<u>\$ 37,449</u>

(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, 2020

	<b>Original and Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>		
Motor fuel tax	\$ 97,000	\$ 140,558
Total revenues	<u>97,000</u>	<u>140,558</u>
<b>EXPENDITURES</b>		
Highways and streets		
Professional services	2,500	750
Road maintenance	10,000	-
Parkway maintenance labor	10,000	-
Storm sewers maintenance	-	-
Salt	25,000	35,256
Snow removal	10,000	15,963
Utilities	20,600	23,902
Miscellaneous	-	-
Total expenditures	<u>78,100</u>	<u>75,871</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>18,900</u>	<u>64,687</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers (out)	<u>(14,000)</u>	<u>(14,000)</u>
Total other financing sources (uses)	<u>(14,000)</u>	<u>(14,000)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 4,900</u>	50,687
FUND BALANCE, MAY 1		<u>252,295</u>
<b>FUND BALANCE, APRIL 30</b>		<u>\$ 302,982</u>

(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, 2020  
(with comparative actual)

	<b>2020</b>		<b>2019</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>REVENUES</b>			
Investment income	\$ -	\$ -	\$ 93
Total revenues	-	-	93
<b>EXPENDITURES</b>			
None	-	-	-
Total expenditures	-	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	-	-	93
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (out)	-	(33,061)	-
Total other financing sources (uses)	-	(33,061)	-
<b>NET CHANGE IN FUND BALANCE</b>	\$ -	(33,061)	93
FUND BALANCE, MAY 1		33,061	32,968
<b>FUND BALANCE, APRIL 30</b>		\$ -	\$ 33,061

(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, 2020  
(with comparative actual)

	<b>2020</b>		<b>2019</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>REVENUES</b>			
Rental income	\$ 54,000	\$ 57,708	\$ 55,735
Investment income	-	292	369
Total revenues	<u>54,000</u>	<u>58,000</u>	<u>56,104</u>
<b>EXPENDITURES</b>			
Debt service			
Principal	140,000	140,000	133,000
Interest and fiscal charges	17,324	17,327	24,528
Total expenditures	<u>157,324</u>	<u>157,327</u>	<u>157,528</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(103,324)</u>	<u>(99,327)</u>	<u>(101,424)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	76,037	-
Total other financing sources (uses)	<u>-</u>	<u>76,037</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (103,324)</u></u>	<u>(23,290)</u>	<u>(101,424)</u>
FUND BALANCE, MAY 1		<u>23,582</u>	<u>125,006</u>
<b>FUND BALANCE, APRIL 30</b>		<u><u>\$ 292</u></u>	<u><u>\$ 23,582</u></u>

(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, 2020  
(with comparative actual)

	<b>2020</b>		<b>2019</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>REVENUES</b>			
Property taxes	\$ 216,518	\$ 216,251	\$ 214,669
Total revenues	216,518	216,251	214,669
<b>EXPENDITURES</b>			
Debt service			
Principal	155,000	155,000	150,000
Interest	60,318	59,993	62,994
Total expenditures	215,318	214,993	212,994
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 1,200</b>	<b>1,258</b>	<b>1,675</b>
<b>FUND BALANCE, MAY 1</b>		<b>163,393</b>	<b>161,718</b>
<b>FUND BALANCE, APRIL 30</b>		<b>\$ 164,651</b>	<b>\$ 163,393</b>

(See independent auditor's report.)

**MAJOR ENTERPRISE FUNDS**

**VILLAGE OF INDIAN HEAD PARK, ILLINOIS**

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

For the Year Ended April 30, 2020  
(with comparative actual)

	2020		2019
	Original and Final Budget	Actual	Actual
<b>OPERATING REVENUES</b>			
Water usage	\$ 1,384,250	\$ 1,266,865	\$ 1,315,858
Finance charges - water	-	10,375	12,552
Finance charges - sewer	-	1,783	2,250
Sewer charges	221,403	214,755	215,037
	<hr/>		
Total operating revenues	1,605,653	1,493,778	1,545,697
<b>OPERATING EXPENSES</b>			
Water			
Water purchases	495,000	459,173	488,992
Personnel services	156,105	134,220	139,848
Professional services	59,000	3,180	27,117
IMRF contributions	16,133	53,001	23,170
OPEB expense	-	(4,729)	(3,882)
Medical/other benefits	36,392	41,114	30,909
Social Security/Medicare	11,942	12,623	12,528
Maintenance	67,500	64,703	40,976
Materials	14,000	9,980	2,753
Electricity	6,500	7,310	6,500
Sewer			
Personnel services	124,657	87,181	90,442
Professional services	45,000	3,219	55,795
IMRF contributions	15,457	30,013	13,144
OPEB expense	-	(2,551)	(2,095)
Medical/other benefits	17,500	21,873	16,684
Social Security/Medicare	9,537	7,231	7,202
Water - administration			
Equipment and vehicle maintenance	4,500	4,469	320
Pump maintenance	2,500	-	-
Illinois American water	-	-	39,307
Health and life insurance	15,000	15,451	14,920
Meetings and conferences	1,800	1,108	1,824
Membership fees	500	-	-
Postage	3,000	2,893	2,663
Telephone and communications	6,000	14,537	9,005
Tools and hardware	500	406	465
Clothing and uniforms	1,000	971	965
Gas and oil	3,500	195	-
Office supplies	1,250	210	488
Safety equipment	1,000	1,351	(16)
Software maintenance	900	1,556	716
Miscellaneous	-	274	(1,719)
Chemicals/lab equipment	500	-	60
Office equipment	1,000	1,529	-
Asset retirement obligation amortization	-	652	-
Construction	1,971,749	172,446	4,648

(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 FUND (Continued)

For the Year Ended April 30, 2020  
(with comparative actual)

	2020		2019
	Original and Final Budget	Actual	Actual
<b>OPERATING EXPENSES (Continued)</b>			
Sewer - administration			
Meetings and conferences	\$ 750	\$ -	\$ 824
Tools and hardware	300	228	-
Sewer system maintenance materials	75,250	6,700	12,077
Accounting	13,000	14,649	14,504
Illinois EPA fees	1,000	1,000	1,000
Professional services - televising	25,000	26,832	16,684
Gas and oil	300	-	-
Office supplies	200	-	-
Equipment	14,205	1,588,379	70,138
Postage	100	-	62
Insurance premium	5,000	5,144	4,484
Construction	40,000	7,700	30,506
Total operating expenses	<u>3,264,527</u>	<u>2,796,221</u>	<u>1,174,008</u>
OPERATING INCOME (LOSS)	<u>(1,658,874)</u>	<u>(1,302,443)</u>	<u>371,689</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Loss on disposal of capital assets	-	(97,985)	-
Miscellaneous	15,000	17,436	28,758
Total non-operating revenues (expenses)	<u>15,000</u>	<u>(80,549)</u>	<u>28,758</u>
NET INCOME (LOSS) BEFORE CAPITAL GRANTS AND CONTRIBUTIONS AND TRANSFERS	<u>(1,643,874)</u>	<u>(1,382,992)</u>	<u>400,447</u>
<b>CAPITAL GRANTS AND CONTRIBUTIONS</b>	<u>-</u>	<u>1,741,865</u>	<u>-</u>
<b>TRANSFERS</b>			
Transfers (out)	<u>-</u>	<u>-</u>	<u>(40,903)</u>
<b>ADJUSTMENTS TO GAAP BASIS</b>			
Capital asset additions	-	1,573,215	65,154
Depreciation	-	(111,470)	(70,502)
Total adjustments to GAAP basis	<u>-</u>	<u>1,461,745</u>	<u>(5,348)</u>
CHANGE IN NET POSITION	<u>\$ (1,643,874)</u>	<u>1,820,618</u>	<u>354,196</u>
NET POSITION, MAY 1		1,187,394	790,423
Prior period adjustment		-	198,387
Change in accounting principle		-	(155,612)
NET POSITION, MAY 1, RESTATED		<u>1,187,394</u>	<u>833,198</u>
<b>NET POSITION, APRIL 30</b>		<u>\$ 3,008,012</u>	<u>\$ 1,187,394</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, 2020

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<b>CSFA Number</b>	<b>Program Name</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
494-00-1488	Motor Fuel Tax Program	\$ 89,871	\$ -	\$ -	\$ 89,871
532-60-0379	USEPA Capitalization Grants for Drinking Water State Revolving Funds	1,676,338	-	-	1,676,338
	Other Grant Programs and Activities	25,718	-	-	25,718
	All Other Costs Not Allocated	-	-	2,623,477	2,623,477
	<b>TOTALS</b>	<u>\$ 1,791,927</u>	<u>\$ -</u>	<u>\$ 2,623,477</u>	<u>\$ 4,415,404</u>

(See independent auditor's report.)

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

Members of the Board of Trustees  
Village of Indian Head Park  
Indian Head Park, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, 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, 2020, and the related notes to financial statements, which collectively comprise the Village's basic financial statements and have issued our report thereon dated September 25, 2020.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Sikich LLP*

Naperville, Illinois  
September 25, 2020

## **SUPPLEMENTAL DATA**

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

EIGHT-YEAR SUMMARY OF EQUALIZED ASSESSED VALUATIONS,  
TAX RATES AND EXTENSIONS

April 30, 2020

	2012	2013	2014	2015	2016	2017	2018	2019
<b>EQUALIZED ASSESSED VALUATION</b>	\$133,658,087	\$124,584,548	\$123,631,035	\$123,631,035	\$125,433,381	\$155,155,702	\$148,142,238	\$146,721,960
<b>TAX RATES</b>								
<b>General</b>								
Corporate	0.4375	0.4375	0.3957	0.3947	0.4202	0.3499	0.3706	0.3796
IMRF	0.0898	0.1215	0.1479	0.1601	0.1379	0.0712	0.0676	0.0840
Social Security	0.0726	0.0931	0.1109	0.1200	0.0992	0.0563	0.0564	0.0525
Audit	0.0207	0.0243	0.0296	0.0320	0.0212	0.0070	0.0073	0.0056
Police protection	0.0000	0.0000	0.0000	0.0000	0.0000	0.0572	0.0790	0.0826
Liability insurance	0.0428	0.0486	0.0592	0.0640	0.0679	0.0754	0.0814	0.0785
Debt service	0.0000	0.0000	0.1803	0.1861	0.1761	0.1438	0.1520	0.1513
Street and bridge	0.0000	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	0.0181
<b>TOTALS</b>	<b>0.6865</b>	<b>0.7498</b>	<b>0.9436</b>	<b>0.9783</b>	<b>0.9430</b>	<b>0.7774</b>	<b>0.8322</b>	<b>0.8522</b>
<b>TAX EXTENSIONS</b>								
<b>General</b>								
Corporate	\$ 584,754	\$ 545,057	\$ 489,250	\$ 475,155	\$ 527,109	\$ 542,922	\$ 549,036	\$ 556,919
IMRF	120,083	151,342	182,854	192,734	172,916	110,475	100,112	123,277
Social Security	96,991	116,029	137,136	144,460	124,430	87,396	83,581	77,004
Audit	27,713	30,269	36,571	38,522	26,583	10,822	10,753	8,175
Police protection	-	-	-	-	-	88,720	116,975	121,141
Liability insurance	57,272	60,537	73,141	77,045	85,167	116,925	120,609	115,116
Debt service	-	-	222,912	223,995	220,940	223,145	225,245	221,990
Special parks	30,900	30,900	24,720	25,750	25,750	25,750	26,523	26,523
<b>TOTALS</b>	<b>\$ 917,713</b>	<b>\$ 934,134</b>	<b>\$ 1,166,584</b>	<b>\$ 1,177,661</b>	<b>\$ 1,182,895</b>	<b>\$ 1,206,155</b>	<b>\$ 1,232,834</b>	<b>\$ 1,250,145</b>

(See independent auditor's report.)

**VILLAGE OF INDIAN HEAD PARK, ILLINOIS**

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

April 30, 2020

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
2021	\$ 146,000	\$ 8,614	\$ 154,614	2020	\$ 4,307	2020	\$ 4,307
	<u>\$ 146,000</u>	<u>\$ 8,614</u>	<u>\$ 154,614</u>		<u>\$ 4,307</u>		<u>\$ 4,307</u>

(See independent auditor's report.)

**VILLAGE OF INDIAN HEAD PARK, ILLINOIS**

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION BONDS SERIES 2014

April 30, 2020

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			June 1	Interest Due on		
	Principal	Interest	Total		Amount	December 1	Amount
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>\$ 1,790,000</u>	<u>\$ 333,166</u>	<u>\$ 2,123,166</u>		<u>\$ 166,583</u>		<u>\$ 166,583</u>

(See independent auditor's report.)