

# VILLAGE OF MONEE, ILLINOIS

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## ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED  
APRIL 30, 2021

# VILLAGE OF MONEE, ILLINOIS

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## **FINANCIAL SECTION**

This section includes:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Other Supplementary Information
- Supplemental Schedules

## **INDEPENDENT AUDITORS' REPORT**

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



## **INDEPENDENT AUDITOR'S REPORT**

February 16, 2023

The Honorable Village President  
Members of the Board of Trustees  
Village of Monee, Illinois

### **Opinions**

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 Monee, Illinois, as of and for the year ended April 30, 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Monee, Illinois, as of April 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

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

### **Responsibilities of Management for the Financial Statements**

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

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

## **Auditor’s Responsibilities for the Audit of the Financial Statements**

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

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

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

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

## **Required Supplementary Information**

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

### **Supplementary Information**

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

*Lauterbach & Amen, LLP*  
LAUTERBACH & AMEN, LLP

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## VILLAGE OF MONEE, ILLINOIS

### Management's Discussion and Analysis April 30, 2021

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Our discussion and analysis of the Village of Monee's financial performance provides an overview of the Village's financial activities for the fiscal year ended April 30, 2021.

#### FINANCIAL HIGHLIGHTS

- The Village's net position reflects an overall increase as a result of this year's operations. The net position of governmental activities had an increase of \$6,642,362, or 79.3 percent and business-type activities had an increase of \$1,405,625, or a 20.1 percent increase.
- During the year, Village-wide revenues totaled \$22,437,888, while expenses totaled \$14,389,901, resulting in an increase to net position of \$8,047,987.
- The Village's net position totaled \$23,429,732 on April 30, 2021, which includes \$17,942,015 net investment in capital assets, \$10,254,678 of restricted net position and deficit of \$4,766,961 of unrestricted net position that may be used to meet the ongoing obligations to citizens and creditors.
- The General Fund reported a surplus this year of \$3,230,049, resulting in ending fund balance of \$14,616,600.
- Beginning net position was restated due to an error in recording of long-term debt.

#### USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Village as a whole and present a longer-term view of the Village's finances. 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's operations in more detail than the government-wide statements by providing information about the Village's most significant funds.

#### Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the Village's finances, in a matter similar to a private-sector business.

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

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

# VILLAGE OF MONEE, ILLINOIS

## Management's Discussion and Analysis April 30, 2021

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### USING THIS ANNUAL REPORT – Continued

#### Government-Wide Financial Statements – Continued

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

#### Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

#### Governmental Funds

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

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

The Village maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Tax Increment Financing #3 Fund, Tax Increment Financing #4 Fund, Tax Increment Financing #5 Fund, Road and Bridge Fund, and Bond and Interest Fund all of which are considered to be major funds. Data from the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

# VILLAGE OF MONEE, ILLINOIS

## Management's Discussion and Analysis April 30, 2021

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### USING THIS ANNUAL REPORT – Continued

#### Fund Financial Statements – Continued

##### Governmental Funds – Continued

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

##### Proprietary Funds

The Village maintains one proprietary fund type, an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village utilizes enterprise funds to account water/sewer and garbage operations.

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

##### Fiduciary Funds

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

##### Notes to the Financial Statements

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

##### Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's I.M.R.F. and Police Pension employee pension obligation, other post-employment benefits, as well as budgetary compliance schedules for the General Fund and major special revenue funds. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on pensions.

**VILLAGE OF MONEE, ILLINOIS**

**Management’s Discussion and Analysis  
April 30, 2021**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of a government’s financial position. The following tables show that in the case of the Village, assets/deferred outflows exceeded liabilities/deferred inflows by \$23,429,732.

	Governmental		Net Position		Totals	
	Activities		Business-type			
	2021	2020	2021	2020	2021	2020
Current and Other Assets	\$ 24,692,073	21,685,504	768,245	1,250,371	25,460,318	22,935,875
Capital Assets	15,377,522	14,467,232	10,627,935	9,132,504	26,005,457	23,599,736
Total Assets	40,069,595	36,152,736	11,396,180	10,382,875	51,465,775	46,535,611
Deferred Outflows of Resources	2,302,833	2,540,550	-	-	2,302,833	2,540,550
Total Assets/Deferred Outflows	42,372,428	38,693,286	11,396,180	10,382,875	53,768,608	49,076,161
Long-Term Debt	22,005,071	21,000,732	2,678,416	2,872,098	24,683,487	23,872,830
Other Liabilities	1,282,193	953,242	309,312	507,950	1,591,505	1,461,192
Total Liabilities	23,287,264	21,953,974	2,987,728	3,380,048	26,274,992	25,334,022
Deferred Inflows of Resources	4,063,884	3,831,617	-	-	4,063,884	3,831,617
Total Liabilities and Deferred Inflows of Resources	27,351,148	25,785,591	2,987,728	3,380,048	30,338,876	29,165,639
Net Position						
Net Investment in Capital						
Assets	9,992,496	8,682,770	7,949,519	6,260,406	17,942,015	14,943,176
Restricted	10,254,678	11,442,092	-	-	10,254,678	11,442,092
Unrestricted (Deficit)	(5,225,894)	(7,217,167)	458,933	742,421	(4,766,961)	(6,474,746)
Total Net Position	15,021,280	12,907,695	8,408,452	7,002,827	23,429,732	19,910,522

A large portion of the Village’s net position, \$17,942,015, reflects its investment in capital assets (for example, land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$10,254,678, of the Village’s net position represents resources that are subject to external restrictions on how they may be used. The remaining deficit of \$4,766,961, represents unrestricted net position and may be used to meet the government’s ongoing obligations to citizens and creditors.

# VILLAGE OF MONEE, ILLINOIS

## Management's Discussion and Analysis April 30, 2021

### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Changes in Net Position					
	Governmental		Business-Type		Totals	
	Activities	Activities	Activities	Activities	2021	2020
	2021	2020	2021	2020	2021	2020
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 545,903	768,904	2,600,856	2,777,243	3,146,759	3,546,147
Operating Grants/Contributions	581,965	192,290	1,500,000	-	2,081,965	192,290
Capital Grants/Contributions	36,642	8,838	-	-	36,642	8,838
General Revenues						
Property Taxes	6,730,791	6,672,917	-	-	6,730,791	6,672,917
Other Taxes	9,121,506	8,319,721	-	-	9,121,506	8,319,721
Interest Income	18,348	208,882	-	-	18,348	208,882
Miscellaneous	1,301,055	1,179,585	822	686	1,301,877	1,180,271
Total Revenues	18,336,210	17,351,137	4,101,678	2,777,929	22,437,888	20,129,066
<b>Expenses</b>						
General Government	1,716,897	2,120,727	-	-	1,716,897	2,120,727
Public Safety	2,953,595	2,648,762	-	-	2,953,595	2,648,762
Health and Sanitation	839,782	302,731	-	-	839,782	302,731
Economic Development	4,390,983	6,213,653	-	-	4,390,983	6,213,653
Highways and Street	1,343,558	1,214,679	-	-	1,343,558	1,214,679
Culture and Recreation	132,928	191,850	-	-	132,928	191,850
Interest on Long-Term Debt	210,024	214,654	-	-	210,024	214,654
Water and Sewer			2,331,676	2,176,944	2,331,676	2,176,944
Garbage	-	-	470,458	437,035	470,458	437,035
Total Expenses	11,587,767	12,907,056	2,802,134	2,613,979	14,389,901	15,521,035
Change in Net Position						
Before Transfers	6,748,443	4,444,081	1,299,544	163,950	8,047,987	4,608,031
Transfers	(106,081)	-	106,081	-	-	-
Change in Net Position	6,642,362	4,444,081	1,405,625	163,950	8,047,987	4,608,031
Net Position - Beginning as Restated	8,378,918	8,463,614	7,002,827	6,838,877	15,381,745	15,302,491
Net Position - Ending	15,021,280	12,907,695	8,408,452	7,002,827	23,429,732	19,910,522

Net position of the Village's governmental activities increased by 79.3 percent (\$15,021,280 in 2021 compared to a restated \$8,378,918 in 2020). Unrestricted net position for governmental activities, the part of net position that can be used to finance day-to-day operations without constraints, totaled a deficit of \$5,225,894 at April 30, 2021.

Net position of business-type activities increased by 20.1 percent (\$8,408,452 in 2021 compared to \$7,002,827 in 2020).

**VILLAGE OF MONEE, ILLINOIS**

**Management’s Discussion and Analysis  
April 30, 2021**

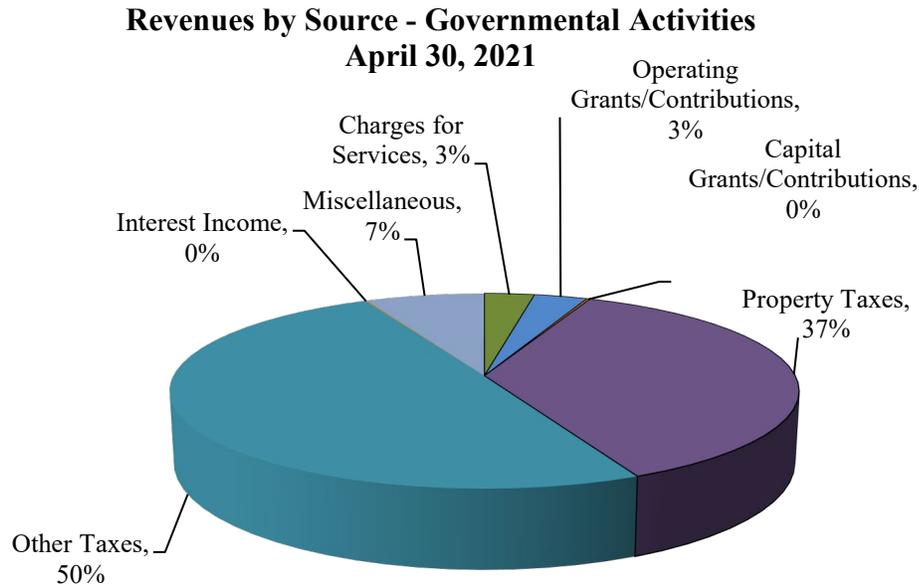
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**GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued**

**Governmental Activities**

Revenues for governmental activities totaled \$18,336,210, while the cost of all governmental functions totaled \$11,587,767, this results in a surplus of \$6,748,443 before transfers out of \$106,081. In 2020, revenues of \$17,351,137 exceeded expenses of \$12,907,056, resulting in a surplus of \$4,444,081. The increase in 2021 was due in large part to an increase in operating grants, other taxes, and miscellaneous income.

The following table graphically depicts the major revenue sources of the Village. It depicts very clearly the reliance of property taxes and service fees to fund governmental activities.



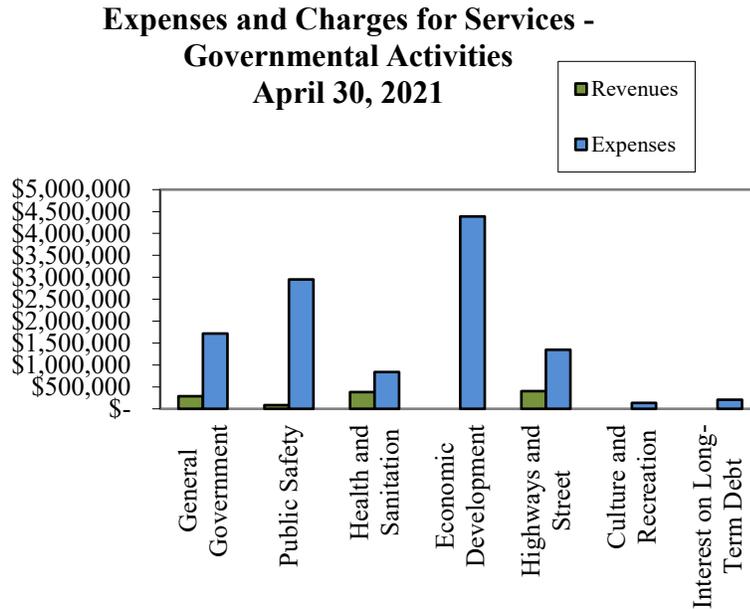
**VILLAGE OF MONEE, ILLINOIS**

**Management’s Discussion and Analysis  
April 30, 2021**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued**

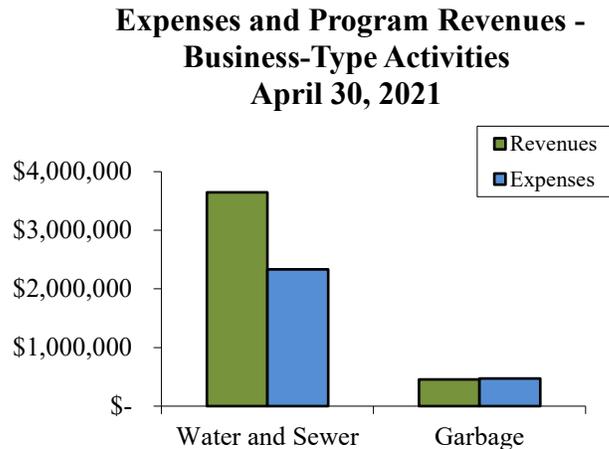
**Governmental Activities – Continued**

The ‘Expenses and Program Revenues’ Table identifies those governmental functions where program expenses greatly exceed the related charges for services. This chart reflects program expenses funded by user fees. Tax revenues are needed to fund the balance of expenses for general government, recreation and debt retirement expenditures.



**Business-Type Activities**

Business-Type activities posted total revenues of \$4,101,678, while the cost of all business-type activities totaled \$2,802,134, this results in a surplus of \$1,299,544 before transfers in of \$106,081. In 2020, revenues of \$2,777,929 exceeded expenses of \$2,613,979, resulting in a surplus of \$163,950. The increase in 2021 was due in part to an increase in operating contributions.



The above graph compares program revenues to expenses for water and sewer and garbage operations.

# VILLAGE OF MONEE, ILLINOIS

## Management's Discussion and Analysis April 30, 2021

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### FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

#### Governmental Funds

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

The Village's governmental funds reported combining ending fund balances of \$21,708,572, which is \$2,169,740, or 11.1 percent, higher than last year's total of \$19,538,832. Of the \$21,708,572 total, \$11,336,169, or approximately 52.2 percent, of the fund balance constitutes unassigned fund balance.

The General Fund reported a surplus in fund balance for the year of \$3,230,049 an increase of 28.4 percent. Revenue increases were due primarily as a result in increased tax collections, while expenditures decreased primarily due to decreases in capital outlay expenditures, which occurred during the year. Budgeted revenues totaled \$9,191,465 while actual revenues totaled \$12,104,207.

The General Fund is the chief operating fund of the Village. At April 30, 2021, unassigned fund balance in the General Fund was \$13,346,463, which represents 91.3 percent of the total fund balance of the General Fund.

The Tax Increment Financing #3 Fund reported a deficit during the year of \$812,765 due to the early payoff of two notes payable.

The Tax Increment Financing #4 Fund reported a surplus during the year of \$6,693 due to not having any current agreements in place.

The Tax Increment Financing #5 Fund reported a deficit during the year of \$953,869 due to two payments for two years on a single note being issued.

The Road and Bridge Fund reported an increase in fund balance of \$317,834, resulting in an ending deficit fund balance of \$1,922,144. Road and Bridge received a budgeted transfer from the General Fund for Road projects that had not been completed/billed.

The Bond and Interest Fund reported a decrease in the fund balance by \$20,975. The Bond and Interest Fund ending balance is restricted for future debt service payments.

## VILLAGE OF MONEE, ILLINOIS

### Management's Discussion and Analysis April 30, 2021

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#### FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS – Continued

##### Proprietary Funds

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

The Village reports the Water and Sewer Fund as a major proprietary fund. The Water and Sewer Fund accounts for the operation of a water and sewer services to the residents of the Village.

The Village intends to run the fund at a small surplus. Water is sold to all municipal customers at a rate of \$4.02 per thousand gallons for water and a rate of \$7.40 for sewer. The spread between purchase and sale rates is intended to finance the operations of the utility system, including labor costs, supplies, and infrastructure maintenance. The surplus in the Water and Sewer Fund during the current fiscal year was \$1,419,315, while the previous fiscal year reported a surplus of \$144,507. Unrestricted net position in the Water and Sewer Fund totaled a surplus of \$186,367 at April 30, 2021.

##### GENERAL FUND BUDGETARY HIGHLIGHTS

The Village had no budget amendments to the General Fund during the year. General Fund actual revenues for the year totaled \$12,104,207, compared to budgeted revenues of \$9,191,465. Revenues for other taxes were significantly higher than budgeted by \$2,104,495.

The General Fund actual expenditures for the year were \$4,868,831 lower than budgeted (\$6,328,077 actual compared to \$11,196,908 budgeted). The general government, public safety, health and sanitation, highways and streets, culture and recreation, and capital outlay functions expenditures were \$144,697, \$148,051, \$644,018, \$41,159, \$150,884, and \$3,740,022 under budget respectively.

##### CAPITAL ASSETS AND DEBT ADMINISTRATION

###### Capital Assets

The Village's investment in capital assets for its governmental and business type activities as of April 30, 2021 was \$26,005,457 (net of accumulated depreciation). This investment in capital assets includes land and land improvements, infrastructure, buildings, and equipment.

**VILLAGE OF MONEE, ILLINOIS**

**Management’s Discussion and Analysis  
April 30, 2021**

**CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued**

**Capital Assets – Continued**

	Capital Assets - Net of Depreciation					
	Governmental Activities		Business-type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Land	\$ 3,029,147	2,555,610	-	-	3,029,147	2,555,610
Construction in Progress	373,893	-	2,614,864	2,675,899	2,988,757	2,675,899
Buildings	1,892,226	1,957,870	-	-	1,892,226	1,957,870
Land Improvements	6,884,098	7,052,773	-	-	6,884,098	7,052,773
Equipment	1,208,025	857,298	819,423	792,560	2,027,448	1,649,858
Infrastructure	1,990,133	2,043,681	7,193,648	5,664,045	9,183,781	7,707,726
Totals	15,377,522	14,467,232	10,627,935	9,132,504	26,005,457	23,599,736

This year’s major additions included:

Governmental Activities Additions	\$ 1,469,827
Business-Type Activities Additions	<u>1,881,908</u>
	<u><u>3,351,735</u></u>

The Village has invested in assets such as the addition of a new water tower, road improvements and land purchases for anticipated development. Additional information on the Village’s capital assets can be found in Note 3 of this report.

# VILLAGE OF MONEE, ILLINOIS

## Management's Discussion and Analysis April 30, 2021

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### CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

#### Debt Administration

At year-end, the Village had total outstanding debt of \$20,239,368 as compared to a restated \$23,860,454 the previous year, a decrease of 15.2 percent. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental Activities		Business-type Activities		Totals	
	2021	2020	2021	2020	2021	2020
General Obligation Bonds	\$ 5,365,000	5,725,000	-	-	5,365,000	5,725,000
TIF Notes Payable	12,175,926	15,203,894	-	-	12,175,926	15,203,894
Installment Contract	20,026	59,462	-	-	20,026	59,462
IEPA Loan Payable	-	-	2,678,416	2,872,098	2,678,416	2,872,098
	17,560,952	20,988,356	2,678,416	2,872,098	20,239,368	23,860,454

Additional information on the Village's long-term debt can be found in Note 3 of this report.

#### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Village's elected and appointed officials considered many factors when setting the fiscal-year 2022 budget, tax rates, and fees that will be charged for its governmental and business-type activities.

Government requirements, such as mandates regarding the minimum wage can have a major impact on the Budget. State Government may also impact local government units by the manner in which they disburse cash and potential laws regarding taxation. Other state legislation that impact the Village would include a potential freeze on Property Taxes.

As a result of the World Health Organization declaring the COVID-19 virus a public health emergency, the extent of the impact on the Village's operations and financial position are still to be determined.

#### REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Village'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 Business Manager, Village of Monee, 5130 W Court Street, Monee, Illinois 60449.

## **BASIC FINANCIAL STATEMENTS**

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

- Government-Wide Financial Statements
- Fund Financial Statements

Governmental Funds

Proprietary Funds

Fiduciary Funds

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

**VILLAGE OF MONEE, ILLINOIS**

**Statement of Net Position**

**April 30, 2021**

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**See Following Page**

**VILLAGE OF MONEE, ILLINOIS**

**Statement of Net Position  
April 30, 2021**

	Governmental Activities	Business-Type Activities	Totals
<b>ASSETS</b>			
Current Assets			
Cash and Investments	\$ 19,085,718	425,343	19,511,061
Receivables - Net of Allowances	4,194,624	921,607	5,116,231
Prepays/Inventories	33,726	39,956	73,682
Internal Balances	618,661	(618,661)	-
Total Current Assets	23,932,729	768,245	24,700,974
Noncurrent Assets			
Capital Assets			
Nondepreciable	3,403,040	2,614,864	6,017,904
Depreciable	15,368,628	12,665,462	28,034,090
Accumulated Depreciation	(3,394,146)	(4,652,391)	(8,046,537)
Total Capital Assets	15,377,522	10,627,935	26,005,457
Other Assets			
Net Pension Asset - IMRF	759,344	-	759,344
Total Noncurrent Assets	16,136,866	10,627,935	26,764,801
Total Assets	40,069,595	11,396,180	51,465,775
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Items - IMRF	125,485	-	125,485
Deferred Items - Police Pension	2,129,424	-	2,129,424
Deferred Items - RBP	47,924	-	47,924
Total Deferred Outflows of Resources	2,302,833	-	2,302,833
Total Assets and Deferred Outflows of Resources	42,372,428	11,396,180	53,768,608

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

	Governmental Activities	Business-Type Activities	Totals
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	\$ 541,541	185,741	727,282
Accrued Payroll	182,090	-	182,090
Retainage Payable	-	55,973	55,973
Other Payables	51,580	67,598	119,178
Accrued Interest Payable	83,999	-	83,999
Current Portion of Long-Term Debt	422,983	-	422,983
Total Current Liabilities	1,282,193	309,312	1,591,505
Noncurrent Liabilities			
Compensated Absences Payable	111,826	-	111,826
Net Pension Liability - Police Pension	4,583,803	-	4,583,803
Total OPEB Liability - RBP	143,516	-	143,516
General Obligation Bonds Payable	4,990,000	-	4,990,000
TIF Notes Payable	12,175,926	-	12,175,926
IEPA Loan Payable	-	2,678,416	2,678,416
Total Noncurrent Liabilities	22,005,071	2,678,416	24,683,487
Total Liabilities	23,287,264	2,987,728	26,274,992
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	1,362,665	-	1,362,665
Deferred Items - IMRF	651,443	-	651,443
Deferred Items - Police Pension	2,049,103	-	2,049,103
Deferred Items - RBP	673	-	673
Total Deferred Inflows of Resources	4,063,884	-	4,063,884
Total Liabilities and Deferred Inflows of Resources	27,351,148	2,987,728	30,338,876
<b>NET POSITION</b>			
Net Investment in Capital Assets	9,992,496	7,949,519	17,942,015
Restricted - Property Tax Levies			
Liability Insurance	704,664	-	704,664
IMRF	505,891	-	505,891
Public Safety	25,856	-	25,856
Civil Defense	273,108	-	273,108
Debt Service	499,408	-	499,408
Restricted - Street Improvement	1,423,168	-	1,423,168
Restricted - Economic Development	6,822,583	-	6,822,583
Unrestricted (Deficit)	(5,225,894)	458,933	(4,766,961)
Total Net Position	15,021,280	8,408,452	23,429,732

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

**VILLAGE OF MONEE, ILLINOIS**

**Statement of Activities  
For the Fiscal Year Ended April 30, 2021**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
<b>Governmental Activities</b>				
General Government	\$ 1,716,897	113,814	174,640	-
Public Safety	2,953,595	46,619	-	36,642
Health and Sanitation	839,782	385,470	-	-
Economic Development	4,390,983	-	-	-
Highways and Streets	1,343,558	-	407,325	-
Culture and Recreation	132,928	-	-	-
Interest on Long-Term Debt	210,024	-	-	-
<b>Total Governmental Activities</b>	<b>11,587,767</b>	<b>545,903</b>	<b>581,965</b>	<b>36,642</b>
<b>Business-Type Activities</b>				
Water and Sewer	2,331,676	2,144,910	1,500,000	-
Garbage	470,458	455,946	-	-
<b>Total Business-Type Activity</b>	<b>2,802,134</b>	<b>2,600,856</b>	<b>1,500,000</b>	<b>-</b>
<b>Total Primary Government</b>	<b>14,389,901</b>	<b>3,146,759</b>	<b>2,081,965</b>	<b>36,642</b>

General Revenues  
Taxes  
    Property Taxes  
    Other Taxes  
Interest  
Miscellaneous  
Transfers - Internal Activity

Change in Net Position  
Net Position - Beginning as Restated  
Net Position - Ending

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

Net (Expenses)/Revenues		
Governmental Activities	Business-Type Activities	Totals
(1,428,443)	-	(1,428,443)
(2,870,334)	-	(2,870,334)
(454,312)	-	(454,312)
(4,390,983)	-	(4,390,983)
(936,233)	-	(936,233)
(132,928)	-	(132,928)
(210,024)	-	(210,024)
(10,423,257)	-	(10,423,257)
-	1,313,234	1,313,234
-	(14,512)	(14,512)
-	1,298,722	1,298,722
(10,423,257)	1,298,722	(9,124,535)
6,730,791	-	6,730,791
9,121,506	-	9,121,506
18,348	822	19,170
1,301,055	-	1,301,055
(106,081)	106,081	-
17,065,619	106,903	17,172,522
6,642,362	1,405,625	8,047,987
8,378,918	7,002,827	15,381,745
15,021,280	8,408,452	23,429,732

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

**VILLAGE OF MONEE, ILLINOIS**

**Balance Sheet - Governmental Funds  
April 30, 2021**

		Special	
		Tax	Tax
		Increment	Increment
	General	Financing #3	Financing #4
<b>ASSETS</b>			
Cash and Investments	\$ 10,265,504	4,056,637	50,940
Receivables - Net of Allowances			
Property Taxes	1,525,278	-	-
Other Taxes	1,475,577	-	-
Accounts	-	-	-
Other	75,066	-	-
Due from other Funds	2,736,484	1,181	2,266
Inventories	23,604	-	-
Prepays	10,122	-	-
Total Assets	<u>16,111,635</u>	<u>4,057,818</u>	<u>53,206</u>
<b>LIABILITIES</b>			
Accounts Payable	340,884	-	-
Accrued Payroll	182,090	-	-
Checks Written in Excess of Cash	-	-	-
Other Payables	49,990	-	-
Due to Other Funds	89,536	-	-
Total Liabilities	<u>662,500</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	<u>832,535</u>	<u>-</u>	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>1,495,035</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>			
Nonspendable	33,726	-	-
Restricted	1,236,411	4,057,818	53,206
Unassigned	13,346,463	-	-
Total Fund Balances	<u>14,616,600</u>	<u>4,057,818</u>	<u>53,206</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>16,111,635</u>	<u>4,057,818</u>	<u>53,206</u>

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

Revenue				
Tax Increment Financing #5	Road and Bridge	Bond and Interest	Nonmajor	Totals
2,624,906	-	324,204	1,763,527	19,085,718
-	335,496	570,713	65,050	2,496,537
-	27,303	-	-	1,502,880
-	100,899	-	19,242	120,141
-	-	-	-	75,066
-	25,811	-	14,327	2,780,069
-	-	-	-	23,604
-	-	-	-	10,122
<u>2,624,906</u>	<u>489,509</u>	<u>894,917</u>	<u>1,862,146</u>	<u>26,094,137</u>
240	122,237	-	11,222	474,583
-	-	-	-	182,090
-	-	-	1,590	1,590
-	-	-	-	49,990
-	2,106,302	-	32,528	2,228,366
240	2,228,539	-	45,340	2,936,619
-	183,114	311,510	35,506	1,362,665
240	2,411,653	311,510	80,846	4,299,284
-	-	-	-	33,726
2,624,666	-	583,407	1,783,169	10,338,677
-	(1,922,144)	-	(1,869)	11,422,450
<u>2,624,666</u>	<u>(1,922,144)</u>	<u>583,407</u>	<u>1,781,300</u>	<u>21,794,853</u>
<u>2,624,906</u>	<u>489,509</u>	<u>894,917</u>	<u>1,862,146</u>	<u>26,094,137</u>

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

**VILLAGE OF MONEE, ILLINOIS**

**Reconciliation of Total Governmental Fund Balance to  
Net Position - Governmental Activities**

**April 30, 2021**

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<b>Total Governmental Fund Balances</b>	<b>\$ 21,794,853</b>
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:	
Capital Assets used in Governmental Activities are not Financial Resources and therefore, are not Reported in the Funds.	15,377,522
A net pension asset is not considered to represent a financial resource and therefore is not reported in the funds Net Pension Asset - IMRF	759,344
Deferred outflows (inflows) of resources related to the pensions not reported in the funds. Deferred Items - IMRF	(525,958)
Deferred Items - Police Pension	80,321
Deferred Items - RBP	47,251
Long-Term Liabilities are not Due and Payable in the Current Period and therefore are not Reported in the Funds. Compensated Absences Payable	(139,783)
Net Pension Liability - Police Pension	(4,583,803)
Total OPEB Liability - RBP	(143,516)
General Obligation Bonds Payable	(5,365,000)
TIF Notes Payable	(12,175,926)
Installment Contract Payable	(20,026)
Accrued Interest Payable	(83,999)
<b>Net Position of Governmental Activities</b>	<b><u>15,021,280</u></b>

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

**VILLAGE OF MONEE, ILLINOIS**

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
For the Fiscal Year Ended April 30, 2021**

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**See Following Page**

**VILLAGE OF MONEE, ILLINOIS**

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
For the Fiscal Year Ended April 30, 2021**

	General	Tax Increment Financing #3	Special Tax Increment Financing #4
<b>Revenues</b>			
Taxes	\$ 10,597,745	2,252,036	6,674
Intergovernmental	174,640	-	-
Charges for Services	-	-	-
Licenses and Permits	385,470	-	-
Administrative Fees	-	-	-
Franchise Fees	106,352	-	-
Interest	2,359	2,239	19
Miscellaneous	837,641	-	-
Total Revenues	12,104,207	2,254,275	6,693
<b>Expenditures</b>			
General Government	1,917,379	-	-
Public Safety	2,374,170	-	-
Health and Sanitation	839,782	-	-
Economic Development	-	39,072	-
Highways and Streets	191,981	-	-
Culture and Recreation	104,787	-	-
Capital Outlay	899,978	-	-
Debt Service			
Principal Retirement	-	3,067,040	-
Interest and Fiscal Charges	-	-	-
Total Expenditures	6,328,077	3,106,112	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,776,130	(851,837)	6,693
<b>Other Financing Sources (Uses)</b>			
Debt Issuance	-	39,072	-
Transfers In	-	-	-
Transfers Out	(2,546,081)	-	-
	(2,546,081)	39,072	-
Net Change in Fund Balances	3,230,049	(812,765)	6,693
Fund Balances - Beginning	11,386,551	4,870,583	46,513
Fund Balances - Ending	14,616,600	4,057,818	53,206

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

Revenue				
Tax Increment Financing #5	Road and Bridge	Bond and Interest	Nonmajor	Totals
1,970,679	323,980	552,498	148,685	15,852,297
-	-	-	443,967	618,607
-	-	-	46,619	46,619
-	-	-	-	385,470
-	7,462	-	-	7,462
-	-	-	-	106,352
1,657	11,420	154	500	18,348
-	463,414	-	-	1,301,055
1,972,336	806,276	552,652	639,771	18,336,210
-	-	-	-	1,917,379
-	-	-	118,744	2,492,914
-	-	-	-	839,782
2,926,205	-	-	104	2,965,381
-	892,525	-	31,869	1,116,375
-	-	-	-	104,787
-	1,995,451	-	-	2,895,429
-	39,436	360,000	-	3,466,476
-	1,030	213,627	-	214,657
2,926,205	2,928,442	573,627	150,717	16,013,180
(953,869)	(2,122,166)	(20,975)	489,054	2,323,030
-	-	-	-	39,072
-	2,440,000	-	-	2,440,000
-	-	-	-	(2,546,081)
-	2,440,000	-	-	(67,009)
(953,869)	317,834	(20,975)	489,054	2,256,021
3,578,535	(2,239,978)	604,382	1,292,246	19,538,832
2,624,666	(1,922,144)	583,407	1,781,300	21,794,853

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

**VILLAGE OF MONEE, ILLINOIS**

**Reconciliation of the Statement of Revenues, Expenditures and Change in Fund Balances  
to the Statement of Activities - Governmental Activities**

**For the Fiscal Year Ended April 30, 2021**

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<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ 2,256,021</b>
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:	
Governmental Funds Report Capital Outlays as Expenditures. However, in the Statement of Activities the Cost of those Assets is Allocated over their Estimated Useful Lives and Reported as Depreciation Expense.	
Capital Outlays	1,469,827
Depreciation Expense	(559,537)
Other assets are not available to pay for current period expenses and therefore are not reported in the funds	
Net Pension Asset - IMRF	342,427
The net effect of deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Change in Deferred Items - IMRF	(30,866)
Change in Deferred Items - Police Pension	(410,374)
Change in Deferred Items - RBP	42,649
The Issuance of Long-Term Debt Provides Current Financial Resources to Governmental Funds, While the Repayment of the Principal on Long-Term Debt Consumes the Current Financial Resources of the Governmental Funds.	
Change in Compensated Absences Payable	(6,328)
Change in Net Pension Liability - Police Pension	164,753
Change in Total OPEB Liability - RBP	(58,247)
Issuance of Debt	(39,072)
Retirement of Debt - Net	3,466,476
Changes to Accrued Interest on Long-Term Debt in the Statement of Activities does not Require the use of Current Financial Resources and, therefore, are not Reported as Expenditures in the Governmental Funds.	4,633
<b>Change in Net Position of Governmental Activities</b>	<b>6,642,362</b>

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

**VILLAGE OF MONEE, ILLINOIS****Statement of Net Position - Proprietary Fund****April 30, 2021**

	Business-Type Activities		
	Water and Sewer	Nonmajor Garbage	Total
<b>ASSETS</b>			
Current Assets			
Cash and Investments	\$ 359,858	65,485	425,343
Accounts Receivables	754,482	167,125	921,607
Due from Other Funds	466	-	466
Prepays	-	39,956	39,956
Total Current Assets	1,114,806	272,566	1,387,372
Noncurrent Assets			
Capital Assets			
Nondepreciable	2,614,864	-	2,614,864
Depreciable	12,665,462	-	12,665,462
Accumulated Depreciation	(4,652,391)	-	(4,652,391)
Total Noncurrent Assets	10,627,935	-	10,627,935
Total Assets	11,742,741	272,566	12,015,307
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	185,741	-	185,741
Retainage Payable	55,973	-	55,973
Other Payables	67,598	-	67,598
Due to Other Funds	619,127	-	619,127
Total Liabilities	928,439	-	928,439
Noncurrent Liabilities			
IEPA Loan Payable	2,678,416	-	2,678,416
Total Liabilities	3,606,855	-	3,606,855
<b>NET POSITION</b>			
Net Investment in Capital Assets	7,949,519	-	7,949,519
Unrestricted	186,367	272,566	458,933
Total Net Position	8,135,886	272,566	8,408,452

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

**VILLAGE OF MONEE, ILLINOIS**

**Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund  
For the Fiscal Year Ended April 30, 2021**

	Business-Type Activities		
	Water and Sewer	Nonmajor Garbage	Total
Operating Revenues			
Charges for Services	\$ 1,853,773	455,946	2,309,719
Late Fees and Other Miscellaneous Income	291,137	-	291,137
Total Operating Revenues	<u>2,144,910</u>	<u>455,946</u>	<u>2,600,856</u>
Operating Expenses			
Operations			
Water	886,516	-	886,516
Sewer	1,058,683	-	1,058,683
Contracted Services	-	470,458	470,458
Depreciation	386,477	-	386,477
Total Operating Expenses	<u>2,331,676</u>	<u>470,458</u>	<u>2,802,134</u>
Operating (Loss)	<u>(186,766)</u>	<u>(14,512)</u>	<u>(201,278)</u>
Nonoperating Revenues			
Grants	1,500,000	-	1,500,000
Interest	-	822	822
	<u>1,500,000</u>	<u>822</u>	<u>1,500,822</u>
Income Before Transfers	1,313,234	(13,690)	1,299,544
Transfers In	<u>106,081</u>	-	<u>106,081</u>
Change in Net Position	1,419,315	(13,690)	1,405,625
Net Position - Beginning	<u>6,716,571</u>	<u>286,256</u>	<u>7,002,827</u>
Net Position - Ending	<u>8,135,886</u>	<u>272,566</u>	<u>8,408,452</u>

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

**VILLAGE OF MONEE, ILLINOIS**

**Statement of Cash Flows - Proprietary Fund  
For the Fiscal Year Ended April 30, 2021**

	Business-Type Activities		
	Water and Sewer	Nonmajor Garbage	Totals
Cash Flows from Operating Activities			
Receipts from Customers and Users	\$ 3,701,773	397,225	4,098,998
Payments to Suppliers	(1,731,175)	(585,049)	(2,316,224)
Payments to Employees	(221,603)	-	(221,603)
	<u>1,748,995</u>	<u>(187,824)</u>	<u>1,561,171</u>
Cash Flows from Capital and Related Financing Activities			
Purchase of Capital Assets	(1,881,908)	-	(1,881,908)
Debt Issuance	1,306,318	-	1,306,318
Debt Retirement	(1,500,000)	-	(1,500,000)
	<u>(2,075,590)</u>	<u>-</u>	<u>(2,075,590)</u>
Cash Flows from Noncapital Financing Activities			
Transfers In	106,081	-	106,081
Cash Flows from Investing Activities			
Interest Received	-	822	822
Net Change in Cash and Cash Equivalents	(220,514)	(187,002)	(407,516)
Cash and Cash Equivalents - Beginning	580,372	252,487	832,859
Cash and Cash Equivalents - Ending	<u>359,858</u>	<u>65,485</u>	<u>425,343</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating (Loss)	(186,766)	(14,512)	(201,278)
Adjustments to Reconcile Operating Income to Net Income to Net Cash Provided by (Used in) Operating Activities:			
Depreciation Expense	386,477	-	386,477
Other Income	1,500,000	-	1,500,000
(Increase) Decrease in Current Assets	56,863	(58,721)	(1,858)
Increase (Decrease) in Current Liabilities	(7,579)	(114,591)	(122,170)
Net Cash Provided by Operating Activities	<u>1,748,995</u>	<u>(187,824)</u>	<u>1,561,171</u>

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

**VILLAGE OF MONEE, ILLINOIS**

**Statement of Fiduciary Net Position  
April 30, 2021**

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	Pension Trust
	<u>Police Pension</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 229,409
Investments	
U.S. Treasury Obligations	231,374
U.S. Agency Obligations	1,056,016
Municipal Bonds	283,728
Corporate Bonds	286,079
Mutual Funds	1,686,523
Accrued Interest	11,002
Prepays	531
Due from Village	<u>66,958</u>
Total Assets	3,851,620
<b>LIABILITIES</b>	
Accounts Payable	<u>6,458</u>
<b>NET POSITION</b>	
Net Position Restricted for Pensions	<u><u>3,845,162</u></u>

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

VILLAGE OF MONEE, ILLINOIS

Statement of Changes in Fiduciary Net Position  
For the Fiscal Year Ended April 30, 2021

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	Pension Trust
	<u>Police Pension</u>
Additions	
Contributions - Employer	\$ 374,354
Contributions - Plan Members	128,464
Total Contributions	<u>502,818</u>
Investment Income	
Interest Earned	548,925
Net Change in Fair Value	82,894
	<u>631,819</u>
Less Investment Expenses	(10,416)
Net Investment Income	<u>621,403</u>
Total Additions	<u>1,124,221</u>
Deductions	
Benefits and Refunds	133,552
Administration	48,763
Total Deductions	<u>182,315</u>
Change in Fiduciary Net Position	941,906
Net Position Restricted for Pensions	
Beginning	<u>2,903,256</u>
Ending	<u><u>3,845,162</u></u>

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

# VILLAGE OF MONEE, ILLINOIS

## Notes to the Financial Statements April 30, 2021

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Monee, Illinois (the "Village"), located in Will County, is a home-rule municipality and was incorporated in 1874 under the provisions of the constitution and general statutes of the State of Illinois. The Village operates under the trustee-village form of government and provides a full range of services including public safety, roads, planning, water and sewer, garbage and general administrative services.

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

#### REPORTING ENTITY

The Village's financial reporting entity comprises the following:

Primary Government:	Village of Monee
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In determining the financial reporting entity, the Village complies with the provisions of GASB Statement No. 61, "The Financial Reporting Omnibus – an Amendment of GASB Statements No. 14 and No. 34," and includes all component units that have a significant operational or financial relationship with the Village.

#### Police Pension Employees Retirement System

The Village's sworn police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's President, one elected pension beneficiary and two elected police employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of the Village's contribution levels. Although it is legally separate from the Village, the PPERS is reported as if it were part of the primary Village because its sole purpose is to provide retirement benefits for the Village's police employees. The PPERS is reported as a pension trust fund.

## VILLAGE OF MONEE, ILLINOIS

### Notes to the Financial Statements April 30, 2021

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#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

##### **BASIS OF PRESENTATION**

##### **Government-Wide Statements**

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

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

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions and business-type activities (general government, culture and recreation, etc.). The functions are supported by general government revenues (property and personal property replacement taxes, certain intergovernmental revenues, interest income, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

The net costs (by function) are normally covered by general revenue (property and person property replacement taxes, certain intergovernmental revenues, interest income, etc.).

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

##### **Fund Financial Statements**

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

# VILLAGE OF MONEE, ILLINOIS

## Notes to the Financial Statements April 30, 2021

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### BASIS OF PRESENTATION – Continued

##### Fund Financial Statements – Continued

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

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

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

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

#### Governmental Funds

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

*General fund* is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is a major fund.

*Special revenue funds* are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Village maintains eight special revenue funds. The Tax Increment Financing #3, Tax Increment Financing #4, Tax Increment Financing #5, all major funds, are used to account for expenditures of incremental property taxes generated in the designated Tax Increment Financing areas. The Road and Bridge Fund, also a major fund, is used to account for the revenues derived from a specific annual property tax levy and expenditures for road and bridge maintenance and improvements.

# VILLAGE OF MONEE, ILLINOIS

## Notes to the Financial Statements April 30, 2021

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### BASIS OF PRESENTATION – Continued

#### Fund Financial Statements – Continued

#### Governmental Funds – Continued

*Debt service funds* are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. Bond and Interest Fund is treated as a major fund and records the Village's general obligation debt activity.

#### Proprietary Funds

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

*Enterprise funds* are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The Water and Sewer Fund, a major fund, is used to account for the provision of water and sewer services to the residents of the Village. The Garbage Fund, a nonmajor fund, accounts for revenues and expenses related to providing garbage services to the residents of the Village.

#### Fiduciary Funds

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

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

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

## VILLAGE OF MONEE, ILLINOIS

### Notes to the Financial Statements April 30, 2021

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#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

##### MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

##### Measurement Focus

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

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

All proprietary and pension trust funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows and liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary, pension trust, and agency fund equity is classified as net position.

##### Basis of Accounting

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

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

## VILLAGE OF MONEE, ILLINOIS

### Notes to the Financial Statements April 30, 2021

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#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

##### MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

###### Basis of Accounting – Continued

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

All proprietary funds and pension trust funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Village's enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

###### Cash and Investments

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

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

# VILLAGE OF MONEE, ILLINOIS

## Notes to the Financial Statements April 30, 2021

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

##### Receivables

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

##### Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

##### Prepays/Inventories

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements. Prepays/inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type prepaids/inventories are recorded as expenditures when consumed rather than when purchased.

##### Capital Assets

Capital assets purchased or acquired with an original cost of \$20,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expenses as incurred.

**VILLAGE OF MONEE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2021**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

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

**Capital Assets – Continued**

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

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

Buildings	10 - 50 Years
Land Improvements	20 Years
Equipment	5 - 10 Years
Infrastructure	15 - 50 Years

**Deferred Outflows/Inflows of Resources**

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

**Compensated Absences**

The Village accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as “terminal leave” prior to retirement.

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

# VILLAGE OF MONEE, ILLINOIS

## Notes to the Financial Statements April 30, 2021

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

##### Long-Term Obligations

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

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

##### Net Position

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

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

Restricted – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.

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

**VILLAGE OF MONEE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2021**

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**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**BUDGETARY INFORMATION**

Prior to June 30, the Finance Committee submits to the Village Board a proposed operating budget for the fiscal year commencing May 1. The operating budget includes proposed expenditures/expenses and the means to finance them. Public hearings are held on the tentative budget to obtain taxpayer comments.

Prior to July 31, the budget is legally enacted through passage of an appropriations ordinance. All actual expenditures/expenses contained herein have been compared to the annual operating budget. Appropriations lapse at the end of the fiscal year.

The Finance Director is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Village Board.

Budgets for the General Fund and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles. The Village budgets revenue, expenditures/expenses and transfers based on anticipated funds to be received. Budgets reflect gains or losses, by fund, for each fiscal year. The Village does not budget for the Police Pension Fund.

**EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS**

The following funds had an excess of actual expenditures over budget as of the date of this report:

Fund	Excess
Tax Increment Financing #3	\$ 641,112
Garbage	5,458

**DEFICIT FUND BALANCE**

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

Fund	Deficit
Road and Bridge	\$ 1,922,144
Tax Increment Financing #2	1,869

## VILLAGE OF MONEE, ILLINOIS

### Notes to the Financial Statements April 30, 2021

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#### NOTE 3 – DETAIL NOTES ON ALL FUNDS

##### DEPOSITS AND INVESTMENTS

The Village maintains a cash and investment pool that is available for use by all funds except the pension trust funds. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments." The deposits and investments of the pension trust funds are held separately from those of other funds. The Village's investment policy authorizes the Village to invest in all investments allowed by Illinois Compiled Statutes.

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

##### **Village Interest Rate Risk, Credit Risk, Concentration of Credit Risk, and Custodial Credit Risk**

At year-end, the carrying amount of the Village's deposits totaled \$19,511,061 and the bank balances totaled \$20,341,094.

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village limits its exposure to interest rate risk by attempting to coincide its investment maturities with projected cash flow needs. The Village's investment policy does not further limit interest rate risk.

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments in commercial paper, corporate bonds and mutual funds to the top two ratings issued by nationally recognized statistical rating organizations. The Village's investment policy does not further limit its investment choices. As of April 30, 2021, the Village did not hold any investments.

*Concentration of Credit Risk.* Concentration of credit risk is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village's investment policy states that the Village shall diversify its investments to avoid incurring unreasonable risks regarding specific security types and/or individual institutions., but no other concentration restrictions are outlined in the investment policy. At year-end, the Village does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

**VILLAGE OF MONEE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2021**

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**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**DEPOSITS AND INVESTMENTS – Continued**

**Village Interest Rate Risk, Credit Risk, Concentration of Credit Risk, and Custodial Credit Risk – Continued**

*Custodial Credit Risk.* In the case of deposits, this is the risk that in the event of a bank failure, the Village’s deposits may not be returned to it. At April 30, 2021, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance. Furthermore, the Village’s investment policy states that deposit amounts in excess of the federally insured amount must be collateralized to the extent of 125% of market value of the deposits.

For an investment, this is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At April 30, 2021, there were no investments subject to custodial credit risk.

**Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk**

*Deposits.* At year-end, the carrying amount of the Fund’s deposits totaled \$229,409 and the bank balances totaled \$100,314.

*Investments.* The Fund has the following investment fair values and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Treasury Obligations	\$ 231,374	15,150	101,412	114,812	-
U.S. Agency Obligations	1,056,016	15,255	307,215	707,887	25,659
Municipal Bonds	283,728	45,881	107,369	130,478	-
Corporate Bonds	286,079	-	113,629	172,450	-
	<u>1,857,197</u>	<u>76,286</u>	<u>629,625</u>	<u>1,125,627</u>	<u>25,659</u>

**VILLAGE OF MONEE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2021**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**DEPOSITS AND INVESTMENTS – Continued**

**Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk  
– Continued**

The Fund has the following recurring fair value measurements as of April 30, 2021:

Investments by Fair Value Level	Totals	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
U.S. Treasury Obligations	\$ 231,374	231,374	-	-
U.S. Agency Obligations	1,056,016	-	1,056,016	-
Municipal Bonds	283,728	-	283,728	-
Corporate Bonds	286,079	-	286,079	-
Equity Securities				
Mutual Funds	1,686,523	1,686,523	-	-
Total Investments Measured at Fair Value	3,543,720	1,917,897	1,625,823	-

Debt Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

*Interest Rate Risk.* The Fund's investment policy states that the investment portfolio will limit its exposure to interest rate risk by structuring the portfolio to provide liquidity for all reasonably anticipated operating requirements while providing a reasonable rate of return based on the current market.

*Credit Risk.* The Fund's investment policy limits its exposure to credit risk by primarily investing U.S. Treasury obligations and other obligations were not rated. The U.S. Agency obligations were rated Aaa by Moody's. The corporate bonds were rated Aaa – A3 by Moody's. The municipal bonds were rates Aaa – Aa3 by Moody's.

*Custodial Credit Risk.* The Fund's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance, at an amount not less than 110% of the market value of the funds secured, with the collateral held by an independent third party or the Federal Reserve Bank and evidenced by safekeeping receipts. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

## VILLAGE OF MONEE, ILLINOIS

### Notes to the Financial Statements April 30, 2021

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#### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

##### DEPOSITS AND INVESTMENTS – Continued

##### Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

*Custodial Credit Risk – Continued.* For an investment, the Fund limits its exposure by requiring all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment basis with the underlying investments held by an independent third-party custodian and evidenced by safekeeping receipts. At year-end, the Fund's investments in U.S. Government Agencies are all insured or registered with the Fund or its agent in the Fund's name.

*Concentration Risk.* The Fund's investment policy requires diversification of investment to avoid unreasonable risk. Maximum percentages are cash 20%, fixed income 100%, large cap domestic equities 70%, small cap domestic equities 20%, and international equities 10%. In addition to the securities and fair values listed above, the Fund also has \$1,686,523 invested in mutual funds. At year-end, the Fund does not have any investments over 5 percent of net position available for benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments). This is in compliance with the Fund's investment policy.

The Fund's investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	55.00%	1.30%
Domestic Equity	40.50%	5.70% - 7.50%
International Equity	4.50%	7.00%
Cash	0.00%	0.00%

Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in May 2021 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of April 30, 2021, are listed in the table above.

**VILLAGE OF MONEE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2021**

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**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**DEPOSITS AND INVESTMENTS – Continued**

**Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk  
– Continued**

**Rate of Return**

For the year ended April 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 20.10%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**PROPERTY TAXES**

Property taxes for 2020 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by March of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments on or about June 1 and September 1. The County collects such taxes and remits them periodically.

**INTERFUND BALANCES**

Interfund balances are advances in anticipation of receipts to cover temporary cash shortages and a result from the time lag between when transactions are recorded in the accounting system and payments between funds are made. Individual fund advances are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Road and Bridge	\$ 2,095,943
General	Nonmajor Governmental	21,414
General	Water and Sewer	619,127
Tax Increment Financing #3	General	1,181
Tax Increment Financing #4	General	1,987
Tax Increment Financing #4	Nonmajor Governmental	279
Road and Bridge	General	15,000
Road and Bridge	Nonmajor Governmental	10,811
Nonmajor Governmental	General	4,410
Nonmajor Governmental	Road and Bridge	9,917
Water and Sewer	Road and Bridge	442
Water and Sewer	Nonmajor Governmental	24
Police Pension	General	66,958
		<u>2,847,493</u>

**VILLAGE OF MONEE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2021**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**INTERFUND TRANSFERS**

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
Road and Bridge	General	\$ 2,440,000
Water and Sewer	General	106,081
		<u>2,546,081</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

**CAPITAL ASSETS**

**Governmental Activities**

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Nondepreciable Capital Assets</b>				
Land	\$ 2,555,610	473,537	-	3,029,147
Construction in Progress	-	373,893	-	373,893
	<u>2,555,610</u>	<u>847,430</u>	<u>-</u>	<u>3,403,040</u>
<b>Depreciable Capital Assets</b>				
Buildings	2,730,931	-	-	2,730,931
Land Improvements	8,080,734	-	-	8,080,734
Equipment	1,578,266	622,397	-	2,200,663
Infrastructure	2,356,300	-	-	2,356,300
	<u>14,746,231</u>	<u>622,397</u>	<u>-</u>	<u>15,368,628</u>
<b>Less Accumulated Depreciation</b>				
Buildings	773,061	65,644	-	838,705
Land Improvements	1,027,961	168,675	-	1,196,636
Equipment	720,968	271,670	-	992,638
Infrastructure	312,619	53,548	-	366,167
	<u>2,834,609</u>	<u>559,537</u>	<u>-</u>	<u>3,394,146</u>
Total Net Depreciable Capital Assets	<u>11,911,622</u>	<u>62,860</u>	<u>-</u>	<u>11,974,482</u>
Total Net Capital Assets	<u>14,467,232</u>	<u>910,290</u>	<u>-</u>	<u>15,377,522</u>

**VILLAGE OF MONEE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2021**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**CAPITAL ASSETS – Continued**

**Governmental Activities – Continued**

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 89,153
Public Safety	215,060
Highways and Streets	227,183
Culture and Recreation	<u>28,141</u>
	<u><u>559,537</u></u>

**Business-Type Activities**

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

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Construction in Progress	\$ 2,675,899	1,255,796	1,316,831	2,614,864
Depreciable Capital Assets				
Equipment	1,155,483	185,286	-	1,340,769
Infrastructure	9,567,036	1,757,657	-	11,324,693
	<u>10,722,519</u>	<u>1,942,943</u>	<u>-</u>	<u>12,665,462</u>
Less Accumulated Depreciation				
Equipment	362,923	158,423	-	521,346
Infrastructure	3,902,991	228,054	-	4,131,045
	<u>4,265,914</u>	<u>386,477</u>	<u>-</u>	<u>4,652,391</u>
Total Net Depreciable Capital Assets	<u>6,456,605</u>	<u>1,556,466</u>	<u>-</u>	<u>8,013,071</u>
Total Net Capital Assets	<u><u>9,132,504</u></u>	<u><u>2,812,262</u></u>	<u><u>1,316,831</u></u>	<u><u>10,627,935</u></u>

Depreciation expense of \$386,477 was charged to the Water and Sewer business-type activity.

**VILLAGE OF MONEE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2021**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**LONG-TERM DEBT**

**General Obligation Bonds Payable**

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

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Refunding Bonds of 2010 - Due in annual installments of \$65,000 to \$245,000 plus interest at 0.85% to 3.40% through December 1, 2022.	Debt Service	\$ 240,000	-	80,000	160,000
General Obligation Bonds of 2015 - Due in annual installments of \$260,000 to \$475,000 plus interest at 2.00% to 4.00% through December 1, 2034.	Debt Service	5,485,000	-	280,000	5,205,000
		<u>5,725,000</u>	<u>-</u>	<u>360,000</u>	<u>5,365,000</u>

**Installment Contracts Payable**

The Village also issues installment contracts payable to provide funds for the purchase of capital assets. Installment contracts currently outstanding are as follows:

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
Installment Contract of 2016 - Due in semi-annual installments of \$20,233 including interest at 1.04% through July 29, 2021.	Road and Bridge	\$ 59,462	-	39,436	20,026

**VILLAGE OF MONEE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2021**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**LONG-TERM DEBT – Continued**

**Tax Increment Financing (TIF) Notes Payable**

The Village issues notes with builders to finance construction projects within the Tax Increment Financing Districts of the Village. These notes will only be paid if there are incremental real estate taxes (paid from the Tax Increment Financing funds) from which to pay them. Tax increment financing notes currently outstanding are as follows:

Issue	Fund Debt Retired By	Restated Beginning Balances	Issuances	Retirements	Ending Balances
Tax Increment Financing Notes Payable of 2001 - Due from incremental real estate taxes, when available, with an interest rate of 7.00%	Tax Increment Financing #3	\$ 1,982,451	-	1,567,960	414,491
Tax Increment Financing Notes Payable of 2004 - Due from incremental real estate taxes, when available, with an interest rate of 7.00%	Tax Increment Financing #3	2,443,748	39,072	111,455	2,371,365
Tax Increment Financing Notes Payable of 2005 - Due from incremental real estate taxes, when available, with an interest rate of 6.00%	Tax Increment Financing #3	925,937	-	657,972	267,965
Tax Increment Financing Notes Payable of 2007 - Due from incremental real estate taxes, when available, with an interest rate of 7.00%	Tax Increment Financing #3	854,990	-	-	854,990
Tax Increment Financing Notes Payable of 2017 - Due from incremental real estate taxes, when available. This is a non-interest bearing note.	Tax Increment Financing #3	4,982,055	-	729,653	4,252,402
Tax Increment Financing Notes Payable of 2020 - Due from incremental real estate taxes, when available. This is a non-interest bearing note.	Tax Increment Financing #3	4,014,713	-	-	4,014,713
		<u>15,203,894</u>	<u>39,072</u>	<u>3,067,040</u>	<u>12,175,926</u>

**VILLAGE OF MONEE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2021**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**LONG-TERM DEBT – Continued**

**IEPA Loan Payable**

The Village has entered into loan agreements with the IEPA to provide low interest financing for water and sewer improvements. Final repayment schedule for the IEPA Loan Payable of 2019 is not available at the time of the issuance of this report. IEPA loans currently outstanding are as follows:

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
Illinois Environmental Protection Agency (IEPA) (L17-1889) Loan of 2019 - Due in semi-annual installments plus interest at 1.38%.	Water and Sewer	\$ 2,872,098	1,306,318	1,500,000	2,678,416

**Long-Term Liability Activity**

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

Type of Debt	Restated Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
<b>Governmental Activities</b>					
Compensated Absences	\$ 133,455	12,656	6,328	139,783	27,957
Net Pension Liability - Police Pension	4,748,556	-	164,753	4,583,803	-
Total OPEB Liability - RBP	85,269	58,247	-	143,516	-
General Obligation Bonds	5,725,000	-	360,000	5,365,000	375,000
TIF Notes Payable	15,203,894	39,072	3,067,040	12,175,926	-
Installment Contracts	59,462	-	39,436	20,026	20,026
	<u>25,955,636</u>	<u>109,975</u>	<u>3,637,557</u>	<u>22,428,054</u>	<u>422,983</u>
<b>Business-Type Activities</b>					
IEPA Loan Payable	<u>2,872,098</u>	<u>1,306,318</u>	<u>1,500,000</u>	<u>2,678,416</u>	<u>-</u>

For the governmental activities, the compensated absences, the net pension liabilities/(asset), and the total OPEB liability are generally liquidated by the General Fund. Payments on the general obligation bonds are made by the Debt Service Fund. Payments on the TIF Notes Payable are made by the Tax Increment Financing #3 Fund. Payments on the installment contracts are made by the Road and Bridge Fund. For the business-type activities, the IEPA Loan payable payments are made by the Water and Sewer Fund.

For the business-type activities, the IEPA loan payable is liquidated by the Water and Sewer Fund.

**VILLAGE OF MONEE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2021**

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**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**LONG-TERM DEBT – Continued**

**Debt Service Requirements to Maturity**

Final repayment schedule for the IEPA Loan Payable of 2019 is not available at the time of the issuance of this report. The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year	Governmental Activities			
	General Obligation Bonds		Installment Contracts	
	Principal	Interest	Principal	Interest
2022	\$ 375,000	201,595	20,026	209
2023	375,000	189,750	-	-
2024	310,000	177,975	-	-
2025	320,000	168,675	-	-
2026	335,000	155,875	-	-
2027	345,000	142,475	-	-
2028	360,000	130,400	-	-
2029	370,000	117,800	-	-
2030	385,000	103,000	-	-
2031	405,000	87,600	-	-
2032	420,000	71,400	-	-
2033	435,000	54,600	-	-
2034	455,000	37,200	-	-
2035	475,000	19,000	-	-
Total	<u>5,365,000</u>	<u>1,657,345</u>	<u>20,026</u>	<u>209</u>

**VILLAGE OF MONEE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2021**

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**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**LONG-TERM DEBT – Continued**

**Legal Debt Margin**

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

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

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

**NET POSITION CLASSIFICATIONS**

Investment in capital assets – net of related debt, was comprised of the following as of April 30, 2021:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 15,377,522
Less Capital Related Debt:	
General Obligation Refunding Bonds of 2010	(160,000)
General Obligation Bonds of 2015	(5,205,000)
Installment Contract	<u>(20,026)</u>
Net Investment in Capital Assets	<u>9,992,496</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	10,627,935
Less Capital Related Debt:	
IEPA Loan of 2019	<u>(2,678,416)</u>
Net Investment in Capital Assets	<u>7,949,519</u>

# VILLAGE OF MONEE, ILLINOIS

## Notes to the Financial Statements April 30, 2021

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### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### NET POSITION RESTATEMENT

Beginning net position was restated due to an error in recording of long-term debt. The following is a summary of the net position as originally reported and as restated:

<u>Net Position</u>	<u>As Reported</u>	<u>As Restated</u>	<u>(Decrease)</u>
Governmental Activities	\$ 12,907,695	8,378,918	(4,528,777)

#### FUND BALANCE CLASSIFICATIONS

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

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

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

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

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

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

*Minimum Fund Balance Policy.* The Village's policy manual states that the General Fund should maintain a minimum unassigned fund balance equal to three months of budgeted operating expenditures. Fund balances in excess of said levels may be transferred to other funds at the discretion of the Board.

**VILLAGE OF MONEE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2021**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**FUND BALANCE CLASSIFICATIONS – Continued**

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

	Special Revenue							Totals
	General	Tax Increment Financing #3	Tax Increment Financing #4	Tax Increment Financing #5	Road and Bridge	Bond and Interest	Nonmajor	
Fund Balances								
Nonspendable								
Prepays/Inventories	\$ 33,726	-	-	-	-	-	-	33,726
Restricted								
Property Tax Levies								
Liability Insurance	704,664	-	-	-	-	-	-	704,664
IMRF	505,891	-	-	-	-	-	-	505,891
Public Safety	25,856	-	-	-	-	-	-	25,856
Civil Defense	-	-	-	-	-	-	273,108	273,108
Debt Service	-	-	-	-	-	583,407	-	583,407
Street Improvement	-	-	-	-	-	-	1,423,168	1,423,168
Economic Development	-	4,057,818	53,206	2,624,666	-	-	86,893	6,822,583
	1,236,411	4,057,818	53,206	2,624,666	-	583,407	1,783,169	10,338,677
Unassigned	13,346,463	-	-	-	(1,922,144)	-	(1,869)	11,422,450
Total Fund Balances	14,616,600	4,057,818	53,206	2,624,666	(1,922,144)	583,407	1,781,300	21,794,853

**NOTE 4 – OTHER INFORMATION**

**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, injuries to employees; and natural disasters.

The Village participates in the Southwest Agency for Risk Management (SWARM). SWARM is an organization of municipalities and special districts in Illinois, which have formed an association under the Illinois Intergovernmental Cooperation statute, to pool its risk management needs. The Agency administers a mix of self-insurance and commercial insurance coverages; property/casualty and workers' compensation claim administration/litigation management services; unemployment claim administration; extensive risk management/loss control consulting and training programs; and a risk information system and financial reporting service for its members.

## VILLAGE OF MONEE, ILLINOIS

### Notes to the Financial Statements April 30, 2021

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#### NOTE 4 – OTHER INFORMATION – Continued

##### RISK MANAGEMENT – Continued

The Village's payments to SWARM are displayed on the financial statements as expenditures/expenses in the appropriate funds. Each member assumes the first \$1,000 of each occurrence. Coverage limits in excess of this range from \$1,000,000 to \$10,000,000 based upon the type of coverage. The Village purchases commercial insurance to cover its employees for health and accident claims and does not provide post-employment healthcare benefits for retired employees. The Village has not had significant reductions in insurance coverage from the previous fiscal year nor did settlements exceed insurance coverage in any of the last three years.

##### Intergovernmental Personnel Benefit Cooperative (IPBC)

Risks for medical and death benefits for employees and retirees are provided for through the Village's participation in the Intergovernmental Personnel Benefit Cooperative (IPBC). IPBC acts as an administrative agency to receive, process and pay such claims as may come within the benefit program of each member. 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 subsequent years' experience factor for premiums. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

#### CONTINGENT LIABILITIES

##### 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.

##### Grants

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

## VILLAGE OF MONEE, ILLINOIS

### Notes to the Financial Statements April 30, 2021

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#### NOTE 4 – OTHER INFORMATION – Continued

##### CONTINGENT LIABILITIES – Continued

##### Financial Impact from COVID-19

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

##### JOINT VENTURE – LARAWAY COMMUNICATIONS CENTER

The Illinois General Assembly amended the Emergency Telephone System Act (PSAP) and mandated that Public Safety Answering Points in Counties with populations of at least 250,000 but less than 1,000,000 be consolidated to reduce the number of PSAPs by at least 50%. Therefore, as of December 2017, the Lincoln-Way Public Safety Communications Center closed and the Village became a member of the Laraway Communications Center (LCC). The LCC consists of fourteen municipalities, ten fire protection districts, one forest preserve district and one county sheriff (Will). The LCC is an intergovernmental association established by participating local governmental entities (agencies) and pursuant to legal authority conferred by the State of Illinois. The LCC provides equipment services and other items necessary and appropriate for the establishment, operations and ongoing maintenance of a combined public safety telecommunications system for the mutual benefit of the members of the LCC.

The LCC is governed by Board of Directors, which consists of one representative for each primary police or fire Agency member of LCC and signatory to the intergovernmental agreement and the by-laws. The Board, along with the Will County Board, shall have the authority to hire, fix the salary and job descriptions, and remove the employees of LCC with recommendation from the Executive Director. Per agreement between LCC and Will County, all payroll related matters will be handled through Will County including, but not limited to, payroll, IMRF, and benefit administration. Separate audited financial statements are available at 302 N Chicago Street, Joliet IL 60432.

In accordance with the intergovernmental agreement, the Village remitted \$165,438 to the Center for the year ended April 30, 2021, which is recorded in the Village's General Fund.

##### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS

The Village contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system administered by the IMRF and the Police Pension Plan which is a single-employer pension plan. A separate report is issued for the Police Pension Plan and may be obtained by writing to the Village at 5130 W Court Street, Monee, Illinois 60449. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at [www.imrf.org](http://www.imrf.org). The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

VILLAGE OF MONEE, ILLINOIS

Notes to the Financial Statements  
April 30, 2021

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS - Continued

The aggregate amount of pension expense recognized for the two pension plans is:

	Net Pension Liability/ (Asset)	Deferred Outflows	Deferred Inflows	Pension (Revenue)/ Expense
IMRF	\$ (759,344)	125,485	651,443	(254,882)
Police Pension	4,583,803	2,129,424	2,049,103	619,975
	3,824,459	2,254,909	2,700,546	365,093

Illinois Municipal Retirement Fund (IMRF)

Plan Descriptions

*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.

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

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

VILLAGE OF MONEE, ILLINOIS

Notes to the Financial Statements  
April 30, 2021

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NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

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

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

*Plan Membership.* As of December 31, 2020, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	17
Inactive Plan Members Entitled to but not yet Receiving Benefits	8
Active Plan Members	<u>18</u>
Total	<u><u>43</u></u>

*Contributions.* As set by statute, the Village’s Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year-ended April 30, 2021, the Village’s contribution was 4.90% of covered payroll.

*Net Pension Liability.* The Village’s net pension liability was measured as of December 31, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**VILLAGE OF MONEE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2021**

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**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

**Illinois Municipal Retirement Fund (IMRF) – Continued**

**Plan Descriptions – Continued**

*Actuarial Assumptions.* The total pension liability was determined by an actuarial valuation performed, as of December 31, 2020, using the following actuarial methods and assumptions:

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

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

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

**VILLAGE OF MONEE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2021**

**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

**Illinois Municipal Retirement Fund (IMRF) – Continued**

**Plan Descriptions – Continued**

*Actuarial Assumptions – Continued.*

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	28.00%	1.30%
Domestic Equities	37.00%	5.00%
International Equities	18.00%	6.00%
Real Estate	9.00%	6.20%
Blended	7.00%	2.85% - 6.95%
Cash and Cash Equivalents	1.00%	0.70%

**Discount Rate**

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

**Discount Rate Sensitivity**

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

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension (Asset)	\$ (283,549)	(759,344)	(1,126,867)

**VILLAGE OF MONEE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2021**

**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

**Illinois Municipal Retirement Fund (IMRF) – Continued**

**Changes in the Net Pension Liability/(Asset)**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension (Asset) (A) - (B)
Balances at December 31, 2019	\$ 3,573,051	3,989,968	(416,917)
Changes for the Year:			
Service Cost	107,577	-	107,577
Interest on the Total Pension Liability	255,706	-	255,706
Difference Between Expected and Actual Experience of the Total Pension Liability	69,931	-	69,931
Change of Assumptions	(34,367)	-	(34,367)
Contributions - Employer	-	54,945	(54,945)
Contributions - Employees	-	49,351	(49,351)
Net Investment Income	-	580,213	(580,213)
Benefit Payments, including Refunds of Employee Contributions	(199,722)	(199,722)	-
Other (Net Transfer)	-	56,765	(56,765)
Net Changes	199,125	541,552	(342,427)
Balances at December 31, 2020	3,772,176	4,531,520	(759,344)

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

For the year ended April 30, 2021, the Village recognized pension revenue of \$254,882. At April 30, 2021, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**VILLAGE OF MONEE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2021**

**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

**Illinois Municipal Retirement Fund (IMRF) – Continued**

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

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 68,250	(221,208)	(152,958)
Change in Assumptions	38,622	(47,471)	(8,849)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(382,764)	(382,764)
Total Pension Expense to be Recognized in Future Periods	106,872	(651,443)	(544,571)
Pension Contributions Made Subsequent to the Measurement Date	18,613	-	18,613
Total Deferred Amounts Related to IMRF	<u>125,485</u>	<u>(651,443)</u>	<u>(525,958)</u>

\$18,613 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended April 30, 2022. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2022	\$ (191,829)
2023	(96,168)
2024	(206,228)
2025	(51,610)
2026	1,264
Thereafter	<u>-</u>
Total	<u>(544,571)</u>

**VILLAGE OF MONEE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2021**

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**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

**Police Pension Plan**

**Plan Descriptions**

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

*Plan Membership.* At April 30, 2021, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	2
Inactive Plan Members Entitled to but not yet Receiving Benefits	1
Active Plan Members	<u>15</u>
Total	<u><u>18</u></u>

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

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter.

## VILLAGE OF MONEE, ILLINOIS

### Notes to the Financial Statements April 30, 2021

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#### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

#### Police Pension Plan – Continued

#### Plan Descriptions – Continued

*Benefits Provided – Continued.* Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 48 consecutive months of service within the last 60 months of service in which the total salary was the highest by the number of months of service in that period. Police officer salary for the pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1<sup>st</sup> after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or ½ of the change in the Consumer Price Index for the proceeding calendar year.

*Contributions.* Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended April 30, 2021, the Village's contribution was 30.19% of covered payroll.

*Concentrations.* At year end, the Pension Plan has no investments (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments) in any one organization that represent 5 percent or more of net position available for benefits.

**VILLAGE OF MONEE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2021**

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**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

**Police Pension Plan – Continued**

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation performed, as of April 30, 2021, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	5.75%
Salary Increases	3.50% to 11.00%
Cost of Living Adjustments	3.00%
Inflation	2.50%

Mortality rates were based on the RP2014 mortality table with a blue collar adjustment, with generational improvement scale MP-2016 applied from 2013.

**Discount Rate**

The discount rate used to measure the total pension liability was 5.75%, the same as in the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund’s fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

**VILLAGE OF MONEE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2021**

**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

**Police Pension Plan – Continued**

**Discount Rate Sensitivity**

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

	1% Decrease 4.75%	Current Discount Rate 5.75%	1% Increase 6.75%
Net Pension Liability	\$ 6,162,944	4,583,803	3,333,527

**Changes in the Net Pension Liability**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2020	\$ 7,651,812	2,903,256	4,748,556
Changes for the Year:			
Service Cost	417,161	-	417,161
Interest on the Total Pension Liability	460,126	-	460,126
Changes of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience of the Total Pension Liability	33,418	-	33,418
Changes of Assumptions	-	-	-
Contributions - Employer	-	374,354	(374,354)
Contributions - Employees	-	128,464	(128,464)
Contributions - Other	-	-	-
Net Investment Income	-	621,403	(621,403)
Benefit Payments, including Refunds of Employee Contributions	(133,552)	(133,552)	-
Administrative Expense	-	(48,763)	48,763
Net Changes	777,153	941,906	(164,753)
Balances at April 30, 2021	8,428,965	3,845,162	4,583,803

**VILLAGE OF MONEE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2021**

**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

**Police Pension Plan – Continued**

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

For the fiscal year ended April 30, 2021 the Village recognized pension expense of \$619,975. At April 30, 2021, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 2,129,424	(7,326)	2,122,098
Change in Assumptions	-	(1,696,497)	(1,696,497)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(345,280)	(345,280)
Total Pension Expense to be Recognized in Future Periods	<u>2,129,424</u>	<u>(2,049,103)</u>	<u>80,321</u>

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

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2022	\$ (10,369)
2023	(26,205)
2024	(21,718)
2025	(23,072)
2026	65,979
Thereafter	<u>95,706</u>
Total	<u>80,321</u>

**VILLAGE OF MONEE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2021**

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**NOTE 4 – OTHER INFORMATION – Continued**

**OTHER POST-EMPLOYMENT BENEFITS**

**Plan Descriptions, Provisions and Funding Policies**

**General Information about the OPEB Plan**

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

*Benefits Provided.* The Village’s retiree medical plan provides continuation of employer subsidized comprehensive health coverage (for the retiree and their dependents, if any) upon the retirement from the Village after meeting the age and service requirements for retirement. Retirees pay 100% of the cost (blended) of coverage based on their age and service at retirement. The Village pays 100% of the cost of coverage for disabled Police Officers and Firefighters catastrophically injured in the line of duty.

*Plan Membership.* As of April 30, 2021, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	-
Inactive Plan Members Entitled to but not yet Receiving Benefits	-
Active Plan Members	<u>32</u>
Total	<u><u>32</u></u>

**Total OPEB Liability**

The Village’s total OPEB liability was measured as of April 30, 2021, and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and Other Inputs.* The total OPEB liability in the April 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

**VILLAGE OF MONEE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2021**

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**NOTE 4 – OTHER INFORMATION – Continued**

**OTHER POST-EMPLOYMENT BENEFITS – Continued**

**Total OPEB Liability – Continued**

*Actuarial Assumptions - Continued*

Inflation	3.00%
Salary Increases	4.00%
Discount Rate	1.83%
Healthcare Cost Trend Rates	Initial trend rate is based on the 2019 Segal Health Plan Cost Trend Survey. The grading period and ultimate trend rates fall within a generally accepted range.
Retirees' Share of Benefit-Related Costs	100% of benefit related costs

The discount rate was based on an index of 20-year general obligation bonds with an average AA credit rating.

Mortality rates were based on PubG.H-2010 General Mortality Table with Mortality Improvement using Scale MP-2020.

**Change in the Total OPEB Liability**

	<u>Total OPEB Liability</u>
Balance at April 30, 2020	<u>\$ 85,269</u>
Changes for the Year:	
Service Cost	8,276
Interest	2,430
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	29,957
Changes of Assumptions or Other Inputs	17,584
Benefit Payments	-
Other Changes	-
Net Changes	<u>58,247</u>
Balance at April 30, 2021	<u>143,516</u>

**VILLAGE OF MONEE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2021**

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**NOTE 4 – OTHER INFORMATION – Continued**

**OTHER POST-EMPLOYMENT BENEFITS – Continued**

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

The discount rate used to measure the total pension liability was 1.83%, while the prior valuation used 2.85%. The following presents the total OPEB liability, calculated using the discount rate, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher:

	1% Decrease (0.83%)	Current Discount Rate (1.83%)	1% Increase (2.83%)
Total OPEB Liability	\$ 130,107	143,516	158,333

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

The following presents the total OPEB liability, calculated using a Healthcare Trend Rate of 4.50%, with an ultimate rate of 4.50% as well as what the total OPEB liability would be if it were calculated using a Healthcare Trend Rate that is one percentage point lower or one percentage point higher:

	1% Decrease Varies	Healthcare Cost Trend Rates Varies	1% Increase Varies
Total OPEB Liability	\$ 164,312	143,516	125,769

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

For the year ended April 30, 2021, the Village recognized OPEB expense of \$15,598. At April 30, 2021, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

## VILLAGE OF MONEE, ILLINOIS

### Notes to the Financial Statements April 30, 2021

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#### NOTE 4 – OTHER INFORMATION – Continued

#### OTHER POST-EMPLOYMENT BENEFITS – Continued

#### OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - Continued

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 27,201	-	27,201
Change in Assumptions	20,723	(673)	20,050
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	-	-
Total Deferred Amounts Related to OPEB	<u>47,924</u>	<u>(673)</u>	<u>47,251</u>

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

Fiscal Year	Net Deferred Outflows of Resources
2022	\$ 4,893
2023	4,893
2024	4,893
2025	4,893
2026	4,893
Thereafter	<u>22,786</u>
Total	<u>47,251</u>

#### SUBSEQUENT EVENT

##### American Rescue Plan Act

On March 11, 2021, the American Rescue Plan Act of 2021 was signed into law. This act provides \$350 billion in funding for local governments. The Village has been allocated \$688,014 to be received in two installments. On September 10, 2021 the Village received their first installment of \$344,007. On September 14, 2022 the Village received their second installment of \$344,362.

## **REQUIRED SUPPLEMENTARY INFORMATION**

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

- Schedule of Employer Contributions
  - Illinois Municipal Retirement Fund
  - Police Pension Fund
  
- Schedule of Changes in the Employer's Net Pension Liability
  - Illinois Municipal Retirement Fund
  - Police Pension Fund
  
- Schedule of Investment Returns
  - Police Pension Fund
  
- Schedule of Changes in the Employer's Total OPEB Liability
  - Retiree Benefits Plan
  
- Budgetary Comparison Schedule
  - General Fund
  - Tax Increment Financing District #3 – Special Revenue Fund
  - Tax Increment Financing District #4 – Special Revenue Fund
  - Tax Increment Financing District #5 – Special Revenue Fund
  - Road and Bridge - Special Revenue Fund

Notes to the Required Supplementary Information

Budgetary Information – Budgets are adopted on a basis consistent with generally accepted accounting principles.

**VILLAGE OF MONEE, ILLINOIS**

**Illinois Municipal Retirement Fund**

**Required Supplementary Information**

**Schedule of Employer Contributions**

**April 30, 2021**

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Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ 54,334	\$ 54,334	\$ -	\$ 824,489	6.59%
2017	51,643	51,642	(1)	862,147	5.99%
2018	57,151	57,102	(49)	921,795	6.19%
2019	46,058	46,058	-	910,752	5.06%
2020	40,302	41,592	1,290	1,023,813	4.06%
2021	56,679	56,679	-	1,155,814	4.90%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	24 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.50%
Salary Increases	3.35% - 14.25%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	RP-2017 (base year 2015)

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

**VILLAGE OF MONEE, ILLINOIS**

**Police Pension Fund**

**Required Supplementary Information  
Schedule of Employer Contributions  
April 30, 2021**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ 396,506	\$ 218,539	\$ (177,967)	\$ 797,346	27.41%
2017	489,151	213,215	(275,936)	961,645	22.17%
2018	335,819	299,853	(35,966)	992,898	30.20%
2019	446,834	538,637	91,803	1,114,174	48.34%
2020	480,202	400,330	(79,872)	1,198,785	33.39%
2021	486,079	374,354	(111,725)	1,239,847	30.19%

Notes to the Required Supplementary Information:

Actuarial Valuation Date	April 30, 2021
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	14 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.50%
Salary Increases	3.50% - 11.00%
Investment Rate of Return	5.75%
Retirement Age	See the Notes to the Financial Statements
Mortality	RP-2014 Adjusted for Plan Status, Collar, and Illinois Public Pension Data

Note:

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

**VILLAGE OF MONEE, ILLINOIS**

**Illinois Municipal Retirement Fund**

**Required Supplementary Information**

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

**April 30, 2021**

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**See Following Page**

**VILLAGE OF MONEE, ILLINOIS**

**Illinois Municipal Retirement Fund**

**Required Supplementary Information**

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

**April 30, 2021**

	<u>12/31/2015</u>
Total Pension Liability	
Service Cost	\$ 73,290
Interest	247,846
Differences Between Expected and Actual Experience	64,421
Change of Assumptions	-
Benefit Payments, Including Refunds of Member Contributions	<u>(213,254)</u>
Net Change in Total Pension Liability	172,303
Total Pension Liability - Beginning	<u>3,374,600</u>
Total Pension Liability - Ending	<u><u>3,546,903</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	54,334
Contributions - Members	37,102
Net Investment Income	18,362
Benefit Payments, Including Refunds of Member Contributions	(213,254)
Other (Net Transfers)	<u>(12,886)</u>
Net Change in Plan Fiduciary Net Position	(116,342)
Plan Net Position - Beginning	<u>3,733,265</u>
Plan Net Position - Ending	<u><u>3,616,923</u></u>
Employer's Net Pension Liability/(Asset)	<u><u>(70,020)</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	101.97%
Covered Payroll	\$ 824,489
Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	(8.49%)

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

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2015 through 2018 and 2020. Changes in assumptions related to the demographics were made in 2017.

12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020
91,098	84,850	88,480	90,079	107,577
261,763	252,678	258,601	268,738	255,706
(260,929)	64,299	1,202	(353,608)	69,931
-	(111,449)	109,041	-	(34,367)
(204,555)	(215,337)	(211,096)	(187,707)	(199,722)
(112,623)	75,041	246,228	(182,498)	199,125
3,546,903	3,434,280	3,509,321	3,755,549	3,573,051
3,434,280	3,509,321	3,755,549	3,573,051	3,772,176
51,642	57,102	53,513	34,367	54,945
38,797	41,443	41,519	45,352	49,351
247,223	659,685	(255,842)	738,673	580,213
(204,555)	(215,337)	(211,096)	(187,707)	(199,722)
(208,493)	(49,923)	64,550	(367,868)	56,765
(75,386)	492,970	(307,356)	262,817	541,552
3,616,923	3,541,537	4,034,507	3,727,151	3,989,968
3,541,537	4,034,507	3,727,151	3,989,968	4,531,520
(107,257)	(525,186)	28,398	(416,917)	(759,344)
103.12%	114.97%	99.24%	111.67%	120.13%
862,147	921,795	922,646	1,007,824	1,096,700
(12.44%)	(56.97%)	3.08%	(41.37%)	(69.24%)

## VILLAGE OF MONEE, ILLINOIS

### Police Pension Fund

#### Required Supplementary Information

#### Schedule of Changes in the Employer's Net Pension Liability

April 30, 2021

	<u>2016</u>
Total Pension Liability	
Service Cost	\$ 263,494
Interest	181,396
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	-
Change of Assumptions	-
Benefit Payments, Including Refunds of Member Contributions	-
	<u>444,890</u>
Net Change in Total Pension Liability	444,890
Total Pension Liability - Beginning	<u>4,687,223</u>
Total Pension Liability - Ending	<u><u>5,132,113</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	218,539
Contributions - Members	98,039
Contributions - Other	-
Net Investment Income	32,252
Benefit Payments, Including Refunds of Member Contributions	-
Administrative Expense	(18,405)
	<u>330,425</u>
Net Change in Plan Fiduciary Net Position	330,425
Plan Net Position - Beginning	<u>912,536</u>
Plan Net Position - Ending	<u><u>1,242,961</u></u>
Employer's Net Pension Liability	<u><u>3,889,152</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	24.22%
Covered Payroll	\$ 797,346
Employer's Net Pension Liability as a Percentage of Covered Payroll	487.76%

Note:

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

2017	2018	2019	2020	2021
349,493	364,067	379,494	297,506	417,161
213,474	229,401	252,282	288,436	460,126
-	-	-	16,062	-
476,065	(822)	(8,947)	2,336,360	33,418
(602,454)	(149,442)	(78,917)	(1,514,126)	-
(25,667)	(83,590)	(98,506)	(120,470)	(133,552)
410,911	359,614	445,406	1,303,768	777,153
5,132,113	5,543,024	5,902,638	6,348,044	7,651,812
5,543,024	5,902,638	6,348,044	7,651,812	8,428,965
213,515	299,853	538,637	400,330	374,354
84,529	92,465	96,949	115,844	128,464
-	-	-	98	-
20,436	(453)	120,107	107,653	621,403
(25,667)	(83,590)	(98,506)	(120,470)	(133,552)
(21,999)	(21,856)	(24,209)	(33,371)	(48,763)
270,814	286,419	632,978	470,084	941,906
1,242,961	1,513,775	1,800,194	2,433,172	2,903,256
1,513,775	1,800,194	2,433,172	2,903,256	3,845,162
4,029,249	4,102,444	3,914,872	4,748,556	4,583,803
27.31%	30.50%	38.33%	37.94%	45.62%
961,645	992,898	1,114,174	1,198,785	1,239,847
419.00%	413.18%	351.37%	396.11%	369.71%

**VILLAGE OF MONEE, ILLINOIS**

**Police Pension Fund**

**Required Supplementary Information**

**Schedule of Investment Returns**

**April 30, 2021**

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Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2016	*
2017	*
2018	*
2019	5.53%
2020	4.12%
2021	20.10%

Note:

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

\*Detailed information not available

**VILLAGE OF MONEE, ILLINOIS**

**Retiree Benefits Plan**

**Required Supplementary Information**

**Schedule of Changes in the Employer's Total OPEB Liability**

**April 30, 2021**

	2019	2020	2021
Total OPEB Liability			
Service Cost	\$ 7,029	7,986	8,276
Interest	2,747	2,484	2,430
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	-	-	29,957
Change of Assumptions or Other Inputs	3,170	3,099	17,584
Benefit Payments	(10,766)	(10,646)	-
Other Changes	(542)	(355)	-
Net Change in Total OPEB Liability	1,638	2,568	58,247
Total OPEB Liability - Beginning	81,063	82,701	85,269
Total OPEB Liability - Ending	82,701	85,269	143,516
Covered-Employee Payroll	\$ 2,210,354	2,210,354	2,175,201
Total OPEB Liability as a Percentage of Covered-Employee Payroll	3.74%	3.86%	6.60%

Notes:

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

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

*Changes of Assumptions* . Changes in assumptions related to the discount rate were made in 2019 through 2021.

**VILLAGE OF MONEE, ILLINOIS**

**General Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes				
Property Taxes	\$ 1,432,803	1,432,803	1,476,239	43,436
Other Taxes	7,017,011	7,017,011	9,121,506	2,104,495
Intergovernmental				
Grants	-	-	174,640	174,640
Licenses and Permits	182,230	182,230	385,470	203,240
Franchise Fees	100,000	100,000	106,352	6,352
Interest	49,337	49,337	2,359	(46,978)
Miscellaneous	410,084	410,084	837,641	427,557
Total Revenues	<u>9,191,465</u>	<u>9,191,465</u>	<u>12,104,207</u>	<u>2,912,742</u>
<b>Expenditures</b>				
General Government	2,062,076	2,062,076	1,917,379	144,697
Public Safety	2,522,221	2,522,221	2,374,170	148,051
Health and Sanitation	1,483,800	1,483,800	839,782	644,018
Highways and Streets	233,140	233,140	191,981	41,159
Culture and Recreation	255,671	255,671	104,787	150,884
Capital Outlay	4,640,000	4,640,000	899,978	3,740,022
Total Expenditures	<u>11,196,908</u>	<u>11,196,908</u>	<u>6,328,077</u>	<u>4,868,831</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>				
	(2,005,443)	(2,005,443)	5,776,130	7,781,573
<b>Other Financing (Uses)</b>				
Transfers Out	(2,400,000)	(2,400,000)	(2,546,081)	71,867
<b>Net Change In Fund Balance</b>				
	<u>(4,405,443)</u>	<u>(4,405,443)</u>	3,230,049	<u>7,853,440</u>
<b>Fund Balance - Beginning</b>			<u>11,386,551</u>	
<b>Fund Balance - Ending</b>			<u>14,616,600</u>	

**VILLAGE OF MONEE, ILLINOIS**

**Tax Increment Financing #3 - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Property Taxes	\$ 2,400,000	2,400,000	2,252,036	(147,964)
Interest	65,000	65,000	2,239	(62,761)
Total Revenues	<u>2,465,000</u>	<u>2,465,000</u>	<u>2,254,275</u>	<u>(210,725)</u>
Expenditures				
Economic Development	850,000	850,000	39,072	810,928
Debt Service				
Principal Retirement	1,615,000	1,615,000	3,067,040	(1,452,040)
Total Expenditures	<u>2,465,000</u>	<u>2,465,000</u>	<u>3,106,112</u>	<u>(641,112)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(851,837)	(851,837)
Other Financing Sources				
Debt Issuance	-	-	39,072	39,072
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>(812,765)</u>	<u>(812,765)</u>
Fund Balance - Beginning			<u>4,870,583</u>	
Fund Balance - Ending			<u>4,057,818</u>	

**VILLAGE OF MONEE, ILLINOIS**

**Tax Increment Financing #4 - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2021**

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Property Taxes	\$ 10,000	10,000	6,674	(3,326)
Interest	-	-	19	19
Total Revenues	<u>10,000</u>	<u>10,000</u>	6,693	(3,307)
Expenditures				
Economic Development	<u>60,000</u>	<u>60,000</u>	-	60,000
Net Change in Fund Balance	<u>(50,000)</u>	<u>(50,000)</u>	6,693	<u>56,693</u>
Fund Balance - Beginning			<u>46,513</u>	
Fund Balance - Ending			<u><u>53,206</u></u>	

**VILLAGE OF MONEE, ILLINOIS**

**Tax Increment Financing #5 - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Property Taxes	\$ 2,000,000	2,000,000	1,970,679	(29,321)
Interest	25,000	25,000	1,657	(23,343)
Total Revenues	<u>2,025,000</u>	<u>2,025,000</u>	1,972,336	(52,664)
Expenditures				
Economic Development	<u>5,122,500</u>	<u>5,122,500</u>	2,926,205	2,196,295
Net Change in Fund Balance	<u>(3,097,500)</u>	<u>(3,097,500)</u>	(953,869)	<u>2,143,631</u>
Fund Balance - Beginning			<u>3,578,535</u>	
Fund Balance - Ending			<u><u>2,624,666</u></u>	

**VILLAGE OF MONEE, ILLINOIS**

**Road and Bridge - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Property Taxes	\$ 300,000	300,000	323,980	23,980
Administrative Fees	65,000	65,000	7,462	(57,538)
Interest	-	-	11,420	11,420
Miscellaneous	206,000	206,000	463,414	257,414
Total Revenues	<u>571,000</u>	<u>571,000</u>	<u>806,276</u>	<u>235,276</u>
Expenditures				
Highways and Streets	1,377,885	1,377,885	892,525	485,360
Capital Outlay	2,667,096	2,667,096	1,995,451	671,645
Debt Service				
Principal Retirement	-	-	39,436	(39,436)
Interest and Fiscal Charges	-	-	1,030	(1,030)
Total Expenditures	<u>4,044,981</u>	<u>4,044,981</u>	<u>2,928,442</u>	<u>1,116,539</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,473,981)	(3,473,981)	(2,122,166)	1,351,815
Other Financing Sources				
Transfers In	<u>2,440,000</u>	<u>2,440,000</u>	<u>2,440,000</u>	-
Net Change in Fund Balance	<u>(1,033,981)</u>	<u>(1,033,981)</u>	317,834	<u>1,351,815</u>
Fund Balance - Beginning			<u>(2,239,978)</u>	
Fund Balance - Ending			<u>(1,922,144)</u>	

## **OTHER SUPPLEMENTARY INFORMATION**

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

Such statements and schedules include:

- Budgetary Comparison Schedule – Major Governmental Fund
- Combining Statements – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Nonmajor Governmental Funds
- Budgetary Comparison Schedule – Enterprise Fund
- Budgetary Comparison Schedules – Nonmajor Enterprise Fund
- Consolidated Year-End Financial Report

## INDIVIDUAL FUND DESCRIPTIONS

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### GENERAL FUND

The General Fund, a major fund, accounts for all financial resources except those required to be accounted for in another fund.

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### SPECIAL REVENUE FUNDS

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

#### **Tax Increment Financing #2**

The Tax Increment Financing Fund is used to account for the revenues from property taxes along with expenditures related to the TIF #2 district.

#### **Tax Increment Financing #3**

The Tax Increment Financing Fund is used to account for the revenues from property taxes along with expenditures related to the TIF #3 district.

#### **Tax Increment Financing #4**

The Tax Increment Financing Fund is used to account for the revenues from property taxes along with expenditures related to the TIF #4 district.

#### **Tax Increment Financing #5**

The Tax Increment Financing Fund is used to account for the revenues from property taxes along with expenditures related to the TIF #5 district.

#### **Tax Increment Financing #6**

The Tax Increment Financing Fund is used to account for the revenues from property taxes along with expenditures related to the TIF #6 district.

#### **Road and Bridge Fund**

The Road and Bridge Fund is used to account for revenues derived from a specific annual property tax levy and expenditures of these monies for road and bridge maintenance and improvements throughout the Village.

#### **EMA Fund**

The EMA Fund is used to account for the support of the Monee Police Department and Public Works department in support roles. Financing is provided by a specific annual property tax levy.

## **INDIVIDUAL FUND DESCRIPTIONS**

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### **SPECIAL REVENUE FUNDS – CONTINUED**

#### **Motor Fuel Tax Fund**

The Motor Fuel Tax Fund is used to account for the maintenance and construction of streets and roads as approved by the Illinois Department of Transportation.

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#### **DEBT SERVICE FUND**

The Bond and Interest Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

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#### **ENTERPRISE FUNDS**

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

#### **Water and Sewer Fund**

The Water and Sewer Fund is used to account for revenues generated and costs incurred from the charges for the distribution of water and use of the sanitary sewer system by the residential and commercial users located within the Village's boundaries.

#### **Garbage Fund**

The Garbage Fund is used to account for the provision of refuse services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund including but not limited to: administration, operations, maintenance, and billing and collection.

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#### **TRUST FUNDS**

##### **PENSION TRUST FUNDS**

#### **Police Pension Fund**

The Police Pension Fund is used to account for the accumulation of resources to be used for retirement annuity payments to employees on the police force at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by law and by the Village at amounts determined by an annual actuarial study.

**VILLAGE OF MONEE, ILLINOIS**

**Bond and Interest Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Property Taxes	\$ 620,000	620,000	552,498	(67,502)
Interest	-	-	154	154
Total Revenues	<u>620,000</u>	<u>620,000</u>	<u>552,652</u>	<u>(67,348)</u>
Expenditures				
Debt Service				
Principal Retirement	400,000	400,000	360,000	40,000
Interest and Fiscal Charges	220,000	220,000	213,627	6,373
Total Expenditures	<u>620,000</u>	<u>620,000</u>	<u>573,627</u>	<u>46,373</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	(20,975)	<u>(20,975)</u>
Fund Balance - Beginning			<u>604,382</u>	
Fund Balance - Ending			<u>583,407</u>	

**VILLAGE OF MONEE, ILLINOIS**

**Nonmajor Governmental Funds - Special Revenue Funds**

**Combining Balance Sheet**

**April 30, 2021**

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	<u>EMA</u>
<b>ASSETS</b>	
Cash and Investments	\$ 272,958
Receivables - Net of Allowances	
Property Taxes	65,050
Accounts	2,283
Due from Other Funds	<u>4,410</u>
Total Assets	<u><u>344,701</u></u>
<b>LIABILITIES</b>	
Accounts Payable	3,838
Checks Written in Excess of Cash	-
Due to Other Funds	<u>32,249</u>
Total Liabilities	<u>36,087</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Taxes	<u>35,506</u>
Total Liabilities and Deferred Inflows of Resources	<u><u>71,593</u></u>
<b>FUND BALANCES</b>	
Restricted	273,108
Unassigned	-
Total Fund Balances	<u><u>273,108</u></u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u>344,701</u></u>

Tax Increment Financing #2	Tax Increment Financing #6	Motor Fuel Tax	Totals
-	86,893	1,403,676	1,763,527
-	-	-	65,050
-	-	16,959	19,242
-	-	9,917	14,327
-	86,893	1,430,552	1,862,146
-	-	7,384	11,222
1,590	-	-	1,590
279	-	-	32,528
1,869	-	7,384	45,340
-	-	-	35,506
1,869	-	7,384	80,846
-	86,893	1,423,168	1,783,169
(1,869)	-	-	(1,869)
(1,869)	86,893	1,423,168	1,781,300
-	86,893	1,430,552	1,862,146

**VILLAGE OF MONEE, ILLINOIS**

**Nonmajor Governmental Funds - Special Revenue Funds**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Year Ended April 30, 2021**

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	<u>EMA</u>
Revenues	
Taxes	\$ 63,115
Intergovernmental	36,642
Charges for Services	46,619
Interest	-
Total Revenues	<u>146,376</u>
Expenditures	
Public Safety	118,744
Economic Development	-
Highways and Streets	-
Total Expenditures	<u>118,744</u>
Net Change in Fund Balances	27,632
Fund Balances - Beginning	<u>245,476</u>
Fund Balances - Ending	<u><u>273,108</u></u>

Tax Increment Financing #2	Tax Increment Financing #6	Motor Fuel Tax	Totals
-	85,570	-	148,685
-	-	407,325	443,967
-	-	-	46,619
-	19	481	500
-	85,589	407,806	639,771
-	-	-	118,744
-	104	-	104
-	-	31,869	31,869
-	104	31,869	150,717
-	85,485	375,937	489,054
(1,869)	1,408	1,047,231	1,292,246
(1,869)	86,893	1,423,168	1,781,300

**VILLAGE OF MONEE, ILLINOIS**

**EMA - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Property Taxes	\$ 65,000	65,000	63,115	(1,885)
Intergovernmental				
Grants	-	-	36,642	36,642
Charges for Services	50,000	50,000	46,619	(3,381)
Total Revenues	<u>115,000</u>	<u>115,000</u>	146,376	31,376
Expenditures				
Public Safety	119,000	119,000	118,744	256
Net Change in Fund Balance	<u>(4,000)</u>	<u>(4,000)</u>	27,632	<u>31,120</u>
Fund Balance - Beginning			<u>245,476</u>	
Fund Balance - Ending			<u>273,108</u>	

**VILLAGE OF MONEE, ILLINOIS**

**Tax Increment Financing #6 - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2021**

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	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes				
Property Taxes	\$ 500,000	500,000	85,570	(414,430)
Interest	-	-	19	19
Total Revenues	<u>500,000</u>	<u>500,000</u>	85,589	(414,411)
Expenditures				
Economic Development	<u>1,000</u>	<u>1,000</u>	104	896
Net Change in Fund Balance	<u>499,000</u>	<u>499,000</u>	85,485	<u>(413,515)</u>
Fund Balance - Beginning			<u>1,408</u>	
Fund Balance - Ending			<u>86,893</u>	

**VILLAGE OF MONEE, ILLINOIS**

**Motor Fuel Tax - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2021**

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental				
Motor Fuel Taxes	\$ 160,000	160,000	237,688	77,688
Grants	-	-	169,637	169,637
Interest	10,000	10,000	481	(9,519)
Total Revenues	<u>170,000</u>	<u>170,000</u>	407,806	237,806
Expenditures				
Highways and Streets	<u>1,000,000</u>	<u>1,000,000</u>	31,869	968,131
Net Change in Fund Balance	<u>(830,000)</u>	<u>(830,000)</u>	375,937	<u>1,205,937</u>
Fund Balance - Beginning			<u>1,047,231</u>	
Fund Balance - Ending			<u>1,423,168</u>	

**VILLAGE OF MONEE, ILLINOIS**

**Water and Sewer - Enterprise Fund**

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual  
For the Fiscal Year Ended April 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Operating Revenues				
Charges for Services	\$ 1,734,000	1,734,000	1,853,773	119,773
Late Fees and Other Miscellaneous Income	2,789,258	2,789,258	291,137	(2,498,121)
Total Operating Revenues	<u>4,523,258</u>	<u>4,523,258</u>	<u>2,144,910</u>	<u>(2,378,348)</u>
Operating Expenses				
Operations				
Water	5,138,438	5,138,438	886,516	4,251,922
Sewer	1,065,000	1,065,000	1,058,683	6,317
Depreciation	-	-	386,477	(386,477)
Total Operating Expenses	<u>6,203,438</u>	<u>6,203,438</u>	<u>2,331,676</u>	<u>3,871,762</u>
Operating (Loss)	(1,680,180)	(1,680,180)	(186,766)	1,493,414
Nonoperating Revenues				
Grants	-	-	1,500,000	1,500,000
Income Before Transfers	(1,680,180)	(1,680,180)	1,313,234	2,993,414
Transfers In	-	-	106,081	106,081
Change in Net Position	<u>(1,680,180)</u>	<u>(1,680,180)</u>	1,419,315	<u>3,099,495</u>
Net Position - Beginning			<u>6,716,571</u>	
Net Position - Ending			<u>8,135,886</u>	

**VILLAGE OF MONEE, ILLINOIS**

**Garbage - Enterprise Fund**

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual  
For the Fiscal Year Ended April 30, 2021**

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Operating Revenues				
Charges for Services	\$ 465,000	465,000	455,946	(9,054)
Operating Expenses				
Contracted Services	465,000	465,000	470,458	(5,458)
Operating Income	-	-	(14,512)	(14,512)
Nonoperating Revenues				
Interest	-	-	822	822
Change in Net Position	<u>-</u>	<u>-</u>	(13,690)	<u>(13,690)</u>
Net Position - Beginning			<u>286,256</u>	
Net Position - Ending			<u>272,566</u>	

**VILLAGE OF MONEE, ILLINOIS**

**Consolidated Year-End Financial Report  
April 30, 2021**

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CSFA #	Program Name	State	Federal	Other	Totals
494-00-1488	Motor Fuel Tax Program	\$ 31,869	-	-	31,869
532-01-1510	IEPA Special State Projects	125,871	441,999	720,166	1,288,036
	Other Grant Programs and Activities	-	211,282	-	211,282
	All Other Costs Not Allocated	-	-	12,858,714	12,858,714
	Totals	157,740	653,281	13,578,880	14,389,901

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

February 16, 2023

The Honorable Village President  
Members of the Board of Trustees  
Village of Monee, 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 Monee, Illinois, as of and for the year ended April 30, 2021, and the related notes to the financial statements, which collectively comprise the Village’s basic financial statements, and have issued our report thereon dated February 16, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Village’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village’s internal control. 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 or significant deficiencies may exist that were not identified.

### **Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

*Lauterbach & Amen, LLP*  
LAUTERBACH & AMEN, LLP

## **SUPPLEMENTAL SCHEDULES**

**VILLAGE OF MONEE, ILLINOIS**

**Long-Term Debt Requirements**

**General Obligation Refunding Bonds of 2010**

**April 30, 2021**

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Date of Issue	November 11, 2010
Date of Maturity	December 1, 2022
Authorized Issue	\$2,050,000
Interest Rates	0.85% - 3.40%
Principal Maturity Date	December 1
Payable at	Amalgamated Bank of Chicago Chicago, IL

**CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year	Requirements		
	Principal	Interest	Totals
2022	\$ 85,000	5,920	90,920
2023	75,000	2,775	77,775
	160,000	8,695	168,695

**VILLAGE OF MONEE, ILLINOIS**

**Long-Term Debt Requirements**

**General Obligation Bonds of 2015**

**April 30, 2021**

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Date of Issue	April 6, 2015
Date of Maturity	December 1, 2034
Authorized Issue	\$6,555,000
Interest Rates	2.00% - 4.00%
Principal Maturity Date	December 1
Payable at	Amalgamated Bank of Chicago Chicago, IL

**CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year	Requirements		
	Principal	Interest	Totals
2022	\$ 290,000	195,675	485,675
2023	300,000	186,975	486,975
2024	310,000	177,975	487,975
2025	320,000	168,675	488,675
2026	335,000	155,875	490,875
2027	345,000	142,475	487,475
2028	360,000	130,400	490,400
2029	370,000	117,800	487,800
2030	385,000	103,000	488,000
2031	405,000	87,600	492,600
2032	420,000	71,400	491,400
2033	435,000	54,600	489,600
2034	455,000	37,200	492,200
2035	475,000	19,000	494,000
	<u>5,205,000</u>	<u>1,648,650</u>	<u>6,853,650</u>

**VILLAGE OF MONEE, ILLINOIS**

**Long-Term Debt Requirements**

**Installment Contract of 2016**

**April 30, 2021**

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Date of Issue	July 29, 2016
Date of Maturity	July 29, 2021
Authorized Issue	\$191,255
Interest Rates	1.04%
Principal Maturity Date	Semi-Annually
Payable at	PNC Equipment Finance

**CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year	Requirements		
	Principal	Interest	Totals
2022	\$ 20,026	209	20,235

**VILLAGE OF MONEE, ILLINOIS**

**Schedule of Tax Data - Last Ten Tax Levy Years  
April 30, 2021**

	2011	2012	2013	2014
Assessed Valuation	\$ 104,464,859	92,120,593	84,279,761	81,817,958
Tax Rates by Fund				
General	*	0.5555	0.6072	0.6255
Police Protection	*	0.0804	0.0879	0.0905
Civil Defence	*	0.0132	0.0144	0.0543
Audit	*	0.0326	0.0434	0.0447
Social Security	*	0.0543	0.0594	0.0612
IMRF	*	0.0815	0.1014	0.1241
Street - Bridge	*	0.1323	0.1446	0.1489
Workers Comp	*	0.2090	0.2374	0.2445
Unemployment Insurance	*	0.0074	0.0081	0.0084
Police Pension	*	0.1683	0.2279	0.2545
Bond and Interest	*	0.2018	0.2174	0.2263
Total Tax Rates	1.3543	1.5363	1.7491	1.8829
Total Tax Extensions	1,414,768	1,415,249	1,474,137	1,540,550
Total Collections	1,398,863	1,410,312	1,472,137	1,530,122
Percent Collected	98.88%	99.65%	99.86%	99.32%

\*Detailed information not available

2015	2016	2017	2018	2019	2020
82,267,794	87,798,909	104,626,315	108,404,666	111,213,932	115,132,643
0.6177	0.5788	0.5747	0.6319	0.6587	0.4265
0.0900	0.0843	0.0708	0.0683	0.0666	0.0643
0.0791	0.0741	0.0622	0.0600	0.0585	0.0565
0.0444	0.0359	0.0302	0.0291	0.0284	0.0309
0.0608	0.0570	0.0478	0.0462	0.0450	0.0435
0.1039	0.0973	0.0817	0.0788	0.0540	0.0522
0.2089	0.1957	0.1643	0.1585	0.1545	0.1493
0.2432	0.2108	0.1769	0.1707	0.1664	0.1607
0.0205	0.0192	0.0161	0.0155	0.0152	0.0146
0.2614	0.3471	0.3797	0.5275	0.3372	0.5321
0.8305	0.6519	0.5827	0.3665	0.5100	0.4957
2.5604	2.3521	2.1871	2.1530	2.0945	2.0263
2,106,385	2,065,118	2,288,282	2,333,952	2,329,376	2,332,933
2,091,232	2,050,693	2,275,611	2,315,283	2,325,283	1,059,559
99.28%	99.30%	99.45%	99.20%	99.82%	45.42%