

# VILLAGE OF DOLTON, ILLINOIS

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## ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED  
APRIL 30, 2020

# VILLAGE OF DOLTON, 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 AUDITORS' REPORT**

April 2, 2021

The Honorable Village Mayor  
Members of the Board of Trustees  
Village of Dolton, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Dolton, Illinois (Village), as of and for the year ended April 30, 2020, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Dolton, Illinois, as of April 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Dolton, 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.

The other supplementary information and supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 DOLTON, ILLINOIS

### Management's Discussion and Analysis

April 30, 2020

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Our discussion and analysis of the Village of Dolton, Illinois', (the Village) financial performance provides an overview of the Village's financial activities for the fiscal year ended April 30, 2020. Please read it in conjunction with the Village's financial statements, in the basic financial statement section of this report.

### FINANCIAL HIGHLIGHTS

- The Village's net position decreased as a result of this year's operations. Net position of business-type activities increased by \$1,641,281, or 179.8 percent and net position of the governmental activities decreased by \$1,725,899, or 3.2 percent.
- During the year, government-wide revenues totaled \$35,252,377, while expenses totaled \$35,336,995, resulting in a decrease to net position of \$84,618.
- The Village's net position totaled a deficit of \$54,188,673 on April 30, 2020, which includes a deficit of \$4,033,198 net investment in capital assets, \$9,193,667 subject to external restrictions, and a deficit of \$59,349,142 unrestricted net position.
- The General Fund reported an increase this year of \$1,154,126 before any other financing sources or uses, a \$183,248 decrease from the prior year. Also, the General Fund had other financing sources of \$954,957.

### 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. The remaining statements provide financial information about activities for which the Village acts solely as a trustee or agent for the benefit of those outside of the government.

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 infrastructure, is needed to assess the overall health of the Village.

# VILLAGE OF DOLTON, ILLINOIS

## Management's Discussion and Analysis

April 30, 2020

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### USING THIS ANNUAL REPORT - Continued

#### Government-Wide Financial Statements

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

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

# VILLAGE OF DOLTON, ILLINOIS

## Management's Discussion and Analysis

April 30, 2020

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### USING THIS ANNUAL REPORT - Continued

#### Fund Financial Statements - Continued

##### Governmental Funds - Continued

The Village maintains six 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, Motor Fuel Tax Fund, I-94 Sibley TIF, and Debt Service Fund, which are considered to be major funds. Data from the other two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

##### Proprietary Funds

The Village maintains three proprietary fund types: enterprise. 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 for its water, sewer, and recreation center 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 Fund, Recreation Center Fund, and Sewer Fund, all of which is considered to be a major funds of the Village except the Sewer 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 and firefighters' employee pension obligations, retiree benefits plan and budgetary comparison schedules for the General Fund and major special revenue funds.

VILLAGE OF DOLTON, ILLINOIS

Management’s Discussion and Analysis

April 30, 2020

**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, liabilities/deferred inflows exceeded assets/deferred outflows by \$54,188,673.

	Net Position					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2020	2019	2020	2019	2020	2019
Current Assets	\$ 21,315,513	19,203,463	7,090,819	5,979,806	28,406,332	25,183,269
Capital Assets	3,674,534	3,894,108	1,635,381	1,663,078	5,309,915	5,557,186
Other Assets	2,647,522	483,604	634,455	151,700	3,281,977	635,304
Total Assets	27,637,569	23,581,175	9,360,655	7,794,584	36,998,224	31,375,759
Deferred Outflows of Resources	31,789,296	8,205,015	36,559	438,672	31,825,855	8,643,687
Total Assets/ Deferred Outflows	59,426,865	31,786,190	9,397,214	8,233,256	68,824,079	40,019,446
Long-Term Debt	84,017,550	51,766,000	7,335,793	8,007,339	91,353,343	59,773,339
Other Liabilities	8,375,582	6,789,821	1,062,489	1,029,210	9,438,071	7,819,031
Total Liabilities	92,393,132	58,555,821	8,398,282	9,036,549	100,791,414	67,592,370
Deferred Inflows of Resources	21,950,798	26,421,535	270,540	109,596	22,221,338	26,531,131
Total Liabilities/ Deferred Inflows	114,343,930	84,977,356	8,668,822	9,146,145	123,012,752	94,123,501
Net Postion						
Net Investment in Capital Assets	(5,638,730)	(5,891,859)	1,605,532	1,663,078	(4,033,198)	(4,228,781)
Restricted	9,193,667	7,858,035	—	—	9,193,667	7,858,035
Unrestricted (Deficit)	(58,472,002)	(55,157,342)	(877,140)	(2,575,967)	(59,349,142)	(57,733,309)
Total Net Position	(54,917,065)	(53,191,166)	728,392	(912,889)	(54,188,673)	(54,104,055)

A portion of the Village’s net position, a deficit \$4,033,198, 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, \$9,193,667, of the Village’s net position represents resources that are subject to external restrictions on how they may be used. The remaining (\$59,349,142), represents unrestricted net position.

VILLAGE OF DOLTON, ILLINOIS

Management's Discussion and Analysis

April 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

	Change in Net Position					
	Governmental		Business-Type		Totals	
	Activities	Activities	Activities	Activities	2020	2019
	2020	2019	2020	2019	2020	2019
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for Services	\$ 6,370,734	6,361,021	5,999,538	5,914,443	12,370,272	12,275,464
Operating Grants/Contributions	903,619	650,996	—	—	903,619	650,996
Capital Grants/Contributions	303,526	—	2,100	—	305,626	—
<b>General Revenues</b>						
Property Taxes	13,160,517	11,804,847	—	—	13,160,517	11,804,847
Sales Taxes	3,016,094	2,876,718	—	—	3,016,094	2,876,718
Other Taxes	2,225,721	2,430,081	—	—	2,225,721	2,430,081
Income Taxes	2,277,296	2,393,806	—	—	2,277,296	2,393,806
Replacement Taxes	254,016	232,058	—	—	254,016	232,058
Cannabis Taxes	3,789	—	—	—	3,789	—
Interest	58,086	37,952	—	709	58,086	38,661
Miscellaneous	677,341	638,658	—	—	677,341	638,658
<b>Total Revenues</b>	<b>29,250,739</b>	<b>27,426,137</b>	<b>6,001,638</b>	<b>5,915,152</b>	<b>35,252,377</b>	<b>33,341,289</b>
<b>Expenses</b>						
General Government	6,503,880	6,806,938	—	—	6,503,880	6,806,938
Public Safety	15,608,895	9,982,322	—	—	15,608,895	9,982,322
Public Works	3,406,232	3,047,139	—	—	3,406,232	3,047,139
Public Property Maintenance	1,742,544	1,700,620	—	—	1,742,544	1,700,620
Economic Development	434,894	433,017	—	—	434,894	433,017
Interest on Long-Term Debt	1,504,331	1,217,043	—	—	1,504,331	1,217,043
Water	—	—	5,333,622	4,905,124	5,333,622	4,905,124
Recreation Center	—	—	413,328	378,890	413,328	378,890
Sewer	—	—	389,269	328,867	389,269	328,867
<b>Total Expenses</b>	<b>29,200,776</b>	<b>23,187,079</b>	<b>6,136,219</b>	<b>5,612,881</b>	<b>35,336,995</b>	<b>28,799,960</b>
<b>Change in Net Position</b>						
Before Transfers	49,963	4,239,058	(134,581)	302,271	(84,618)	4,541,329
Transfers	(1,775,862)	—	1,775,862	—	—	—
<b>Change in Net Position</b>	<b>(1,725,899)</b>	<b>4,239,058</b>	<b>1,641,281</b>	<b>302,271</b>	<b>(84,618)</b>	<b>4,541,329</b>
Net Position - Beginning	(53,191,166)	(57,430,224)	(912,889)	(1,215,160)	(54,104,055)	(58,645,384)
<b>Net Position - Ending</b>	<b>(54,917,065)</b>	<b>(53,191,166)</b>	<b>728,392</b>	<b>(912,889)</b>	<b>(54,188,673)</b>	<b>(54,104,055)</b>

**VILLAGE OF DOLTON, ILLINOIS**

**Management’s Discussion and Analysis**

**April 30, 2020**

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued**

Net position of the Village’s governmental activities decreased by 3.2 percent (\$54,917,065 deficit in 2020 compared to \$53,191,166 deficit in 2019). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled a deficit of \$58,472,002 at April 30, 2020.

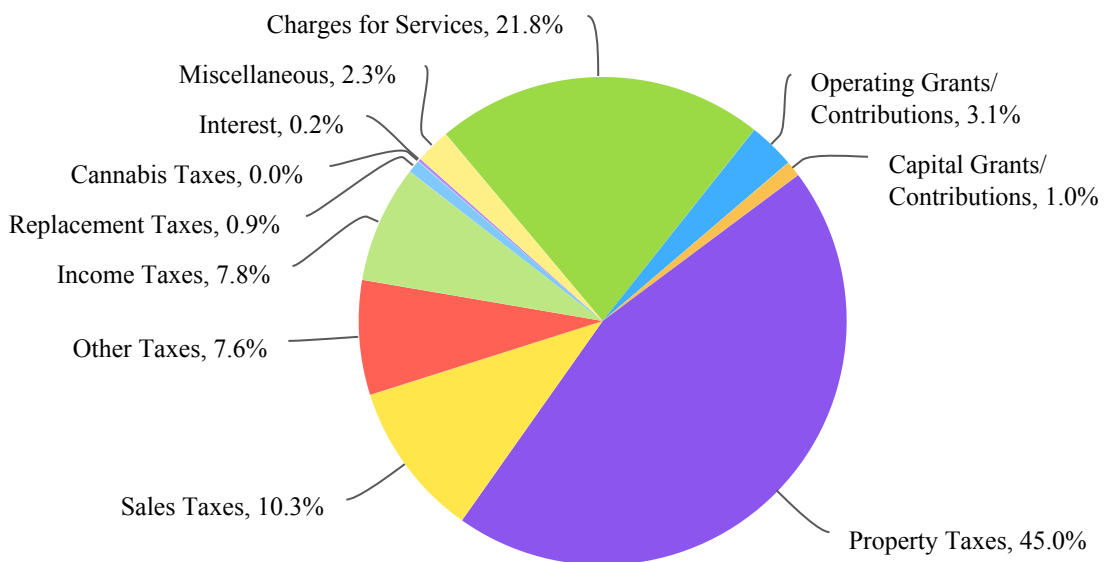
Net position of business-type activities increased by 179.8 percent (\$728,392 in 2020 compared to \$912,889 deficit in 2019). The large portion of the increase was due to the transfers from the General Fund into the Water Fund for real estate taxes received in the General Fund related to the City of Chicago. The other large increase was in Sewer Fund due to charges for operation exceeding the costs of maintaining the various sewer lines of the Village.

**Governmental Activities**

Revenues for governmental activities totaled \$29,250,739 while the cost of all governmental functions totaled \$29,200,776. This resulted in an increase of \$49,963 prior to transfers out of \$1,775,862.

The following table graphically depicts the major revenue sources of the Village. It depicts very clearly the reliance of property taxes, and charges for services to fund governmental activities. It also clearly identifies the less significant percentage the Village receives from sales, income, and replacement taxes.

**Revenues by Source - Governmental Activities**



VILLAGE OF DOLTON, ILLINOIS

Management’s Discussion and Analysis

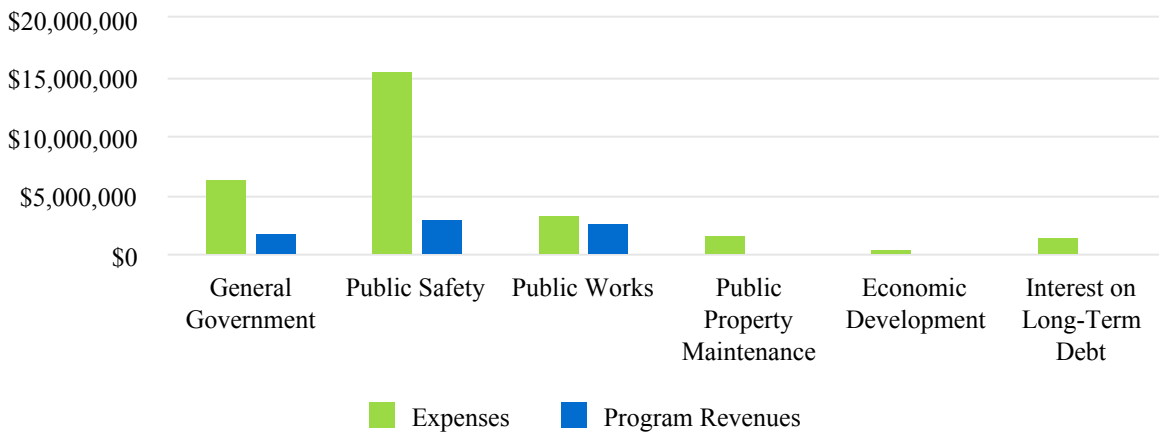
April 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Governmental Activities - Continued

The ‘Expenses and Program Revenues’ Table identifies those governmental functions where program expenses greatly exceed revenues.

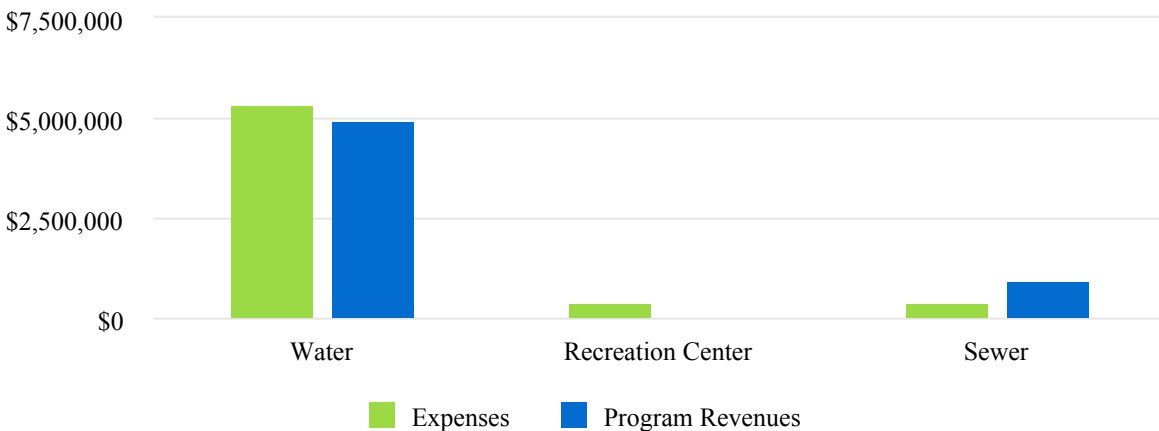
Expenses and Program Revenues - Governmental Activities



Business-Type activities

Business-Type activities reported total operating revenues of \$6,001,638 and \$1,775,862 of transfers from the General Fund while the cost of all business-type activities totaled \$6,136,219. This resulted in an increase of \$1,641,281.

Expenses and Program Revenues - Business-Type Activities



The above graph compares program revenues to expenses for utility operations.

## VILLAGE OF DOLTON, ILLINOIS

### Management's Discussion and Analysis

April 30, 2020

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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 \$9,043,732 for the current year. The prior year reported fund balance of \$6,090,292. This year's activity resulted in an increase of \$2,953,440, or 48.5 percent.

The General Fund is the chief operating fund of the Village at April 30, 2020, General Fund had an increase of \$2,109,083, which resulted in ending fund balance for the year of \$2,202,638. This was due in large part to an increase in revenues of \$2,354,832 or 10.8 percent. \$2.2 million of the increase in revenues was due to property taxes. In FY19 General Fund real estate taxes received were based upon the 2017 and 2018 levies of \$7.2 and \$10.3 million, respectively. In FY20 General Fund real estate taxes received were based upon the 2018 and 2019 levies of \$10.3 and \$10.3 million, respectively. The change in the levies between 2017 and 2018 was due to an increase for police and fire pension funding and to fund the City of Chicago liability. Expenditures increased by \$2,538,080 or 12.4 percent. The largest increase in expenditures was for public safety of \$1.6 million, of which \$900 thousand related to pension contributions.

The Motor Fuel Tax Fund ending fund balance of \$3,558,522 reported an increase from the prior year of \$416,158. This increase was due to an increase in state allotment and a decrease in expenditures.

The I-94 Sibley TIF ending fund balance of \$2,866,599 reported a decrease from the prior year of \$290. This minimal decrease was due to the cost of the annual reporting requirement.

The Debt Service Fund ending fund balance of \$1,320,033 reported an increase from the prior year of \$240,530. This increase was due to the forgiveness of \$440,594 in interfund borrowing to fund the December bond payment.



## VILLAGE OF DOLTON, ILLINOIS

### Management's Discussion and Analysis

April 30, 2020

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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 Fund as a major proprietary fund and the Sewer Fund as a nonmajor proprietary fund. The Water and Sewer Funds account for all of the operations of the municipal water and sewer system. Water is purchased from the City of Chicago at a rate of \$3.97 per thousand gallons. Water is sold to residential customers at a rate of \$5.61 per thousand gallons for water and a rate of 20% of water consumption for sewer. Residential customers are also charged \$5 per month for maintenance of the sewer system. Water is sold to non-residential and industrial customers at a rate of \$7.64 per thousand gallons for water and a rate of 20% of gross water bill 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 Village intends to run the funds at a breakeven rate. Periodically, there will be an annual surplus or draw down due to timing of capital projects. At year-end, the Water Fund reported a deficit net position of \$1,002,861 and the Sewer Fund reported net position of \$1,039,959, while the previous fiscal year reported a deficit of \$2,471,268 in the Water Fund and a surplus of \$535,383 in the Sewer Fund. Unrestricted net position for the Water Fund and Sewer Fund totaled (\$999,726) and \$1,039,959, respectively, at April 30, 2020.

The Recreation Center Fund is a major fund. The Recreation fund reports a decrease of \$331,702 in net position in the current fiscal year. This was primarily due to an increase in operational costs of \$33,192. The Recreation Center Fund recognize an increase of \$29,294 in membership and rental revenue compared to the previous year. The last few months of the fiscal year the Recreation Center lost a large part of its membership revenues because of the need to shut-down due to the pandemic.

### GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund actual revenues for the year totaled \$24,136,455, compared to budgeted revenues of \$22,801,635. Property tax revenues was \$851,728 higher than budgeted due to the higher tax levy. Also, sales tax and fines and forfeiture revenues were \$23,094 and \$806,829, respectively higher than budgeted amount.

The General Fund actual expenditures for the year were \$1,105,302 lower than budgeted (\$22,982,329 actual compared to \$24,087,631 budgeted). Due to fiscal restraint the majority of departments were below budget. The only departments that exceed budgeted amounts were Public Works by \$65,411 and Debt Service by \$8,903.

VILLAGE OF DOLTON, ILLINOIS

Management's Discussion and Analysis

April 30, 2020

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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, 2020 was \$5,309,915, (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings, equipment, vehicles, and infrastructure.

	Capital Assets - Net of Depreciation					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2020	2019	2020	2019	2020	2019
Land	\$ 806,995	806,995	—	—	806,995	806,995
Construction in Progress	—	—	—	20,000	—	20,000
Land Improvements	840,763	887,093	—	—	840,763	887,093
Buildings and Improvements	306,737	317,152	1,512,617	1,591,195	1,819,354	1,908,347
Equipment	68,270	113,552	122,764	51,883	191,034	165,435
Vehicles	1,651,769	1,769,316	—	—	1,651,769	1,769,316
Total	<u>3,674,534</u>	<u>3,894,108</u>	<u>1,635,381</u>	<u>1,663,078</u>	<u>5,309,915</u>	<u>5,557,186</u>

This year's major additions included:

Vehicles	\$ 506,017
Equipment	<u>62,066</u>
	<u>568,083</u>

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

## VILLAGE OF DOLTON, ILLINOIS

### Management's Discussion and Analysis

April 30, 2020

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## CAPITAL ASSETS AND DEBT ADMINISTRATION - Continued

### Debt Administration

At year-end, the Village had total outstanding debt of \$20,973,671 as compared to \$20,709,528 the previous year, an increase of 1.3 percent. This was due to the leasing of thirteen new vehicles for public safety and water operations.

The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2020	2019	2020	2019	2020	2019
General Obligation Bonds	\$ 20,220,000	20,090,000	—	—	20,220,000	20,090,000
Capital Leases	723,822	619,528	29,849	—	753,671	619,528
Total	<u>20,943,822</u>	<u>20,709,528</u>	<u>29,849</u>	<u>—</u>	<u>20,973,671</u>	<u>20,709,528</u>

Additional information on the Village's long-term debt can be found in Note 3 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 2021 budget, tax rates, and fees that will be charged for its governmental and business-type activities. One of those factors is the economy. Unemployment rates for April 30, 2020 for Dolton, IL was 22.40 percent, and the state and national unemployment rates were 17.20 and 14.7 percent, respectively. The large increase in the unemployment rate for Dolton, Illinois, and the nation as a whole was due to the onset of the COVID-19 pandemic that started in March 2020. See note 4 of this report.

These indicators were considered when proposing the General Fund budget for 2021. The Village anticipates \$37,052 million in revenues, an increase of 2.79 percent from the final 2020 budget of \$36,019 million. With the increase of expected revenue, the Village has increased its appropriation by 6.05% to \$37,347 million from \$35,086 million.

## 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 Director of Administrative Services, Village of Dolton, 14122 Chicago Road, Dolton, IL 60419.

## **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 DOLTON, ILLINOIS**

**Statement of Net Position**

**April 30, 2020**

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**See Following Page**

**VILLAGE OF DOLTON, ILLINOIS**

**Statement of Net Position**

**April 30, 2020**

	Governmental Activities	Business-Type Activities	Totals
<b>ASSETS</b>			
Current Assets			
Cash and Investments	\$ 10,542,542	2,188,661	12,731,203
Receivables - Net	10,423,468	4,012,226	14,435,694
Due from Other Governments	471,116	—	471,116
Prepays/Inventories - Land Held for Resale	750,293	18,026	768,319
Internal Balances	(871,906)	871,906	—
Total Current Assets	<u>21,315,513</u>	<u>7,090,819</u>	<u>28,406,332</u>
Noncurrent Assets			
Capital Assets			
Nondepreciable	806,995	—	806,995
Depreciable	13,455,672	5,711,892	19,167,564
Accumulated Depreciation	(10,588,133)	(4,076,511)	(14,664,644)
Total Noncurrent Assets	<u>3,674,534</u>	<u>1,635,381</u>	<u>5,309,915</u>
Other Assets			
Net Pension Asset	<u>2,647,522</u>	<u>634,455</u>	<u>3,281,977</u>
Total Assets	<u>27,637,569</u>	<u>9,360,655</u>	<u>36,998,224</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Items - IMRF	125,167	29,996	155,163
Deferred Items - RBP	68,463	6,563	75,026
Deferred Items - Police Pension	21,113,737	—	21,113,737
Deferred Items - Firefighters' Pension	9,945,035	—	9,945,035
Unamortized Loss on Refunding	536,894	—	536,894
Total Deferred Outflows of Resources	<u>31,789,296</u>	<u>36,559</u>	<u>31,825,855</u>
Total Assets and Deferred Outflows of Resources	<u>59,426,865</u>	<u>9,397,214</u>	<u>68,824,079</u>

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 and Retainage Payable	\$ 2,828,013	333,271	3,161,284
Accrued Payroll and Related	595,990	35,529	631,519
Accrued Interest Payable	811,089	—	811,089
Deposits Payables	77,725	—	77,725
Current Portion of Long-Term Debt	4,062,765	693,689	4,756,454
Total Current Liabilities	<u>8,375,582</u>	<u>1,062,489</u>	<u>9,438,071</u>
Noncurrent Liabilities			
Compensated Absences Payable	1,409,022	23,111	1,432,133
Net Pension Liability - Police Pension	39,642,370	—	39,642,370
Net Pension Liability - Firefighters' Pension	21,475,363	—	21,475,363
Total OPEB Liability - RBP	1,337,738	128,243	1,465,981
City of Chicago Payable	—	7,160,029	7,160,029
Claims Payable	2,774,703	—	2,774,703
General Obligation Bonds Payable - Net	16,780,041	—	16,780,041
Capital Leases Payable	598,313	24,410	622,723
Total Noncurrent Liabilities	<u>84,017,550</u>	<u>7,335,793</u>	<u>91,353,343</u>
Total Liabilities	<u>92,393,132</u>	<u>8,398,282</u>	<u>100,791,414</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Grants	60,813	—	60,813
Property Taxes	8,709,240	—	8,709,240
Deferred Items - IMRF	1,128,940	270,540	1,399,480
Deferred Items - Police Pension	9,062,387	—	9,062,387
Deferred Items - Firefighters' Pension	2,989,418	—	2,989,418
Total Deferred Inflows of Resources	<u>21,950,798</u>	<u>270,540</u>	<u>22,221,338</u>
Total Liabilities and Deferred Inflows of Resources	<u>114,343,930</u>	<u>8,668,822</u>	<u>123,012,752</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	(5,638,730)	1,605,532	(4,033,198)
Restricted			
Grants and Forfeitures	259,194	—	259,194
Debt Service	1,978,252	—	1,978,252
Public Safety	18,146	—	18,146
Public Works	3,558,522	—	3,558,522
Economic Development	3,379,553	—	3,379,553
Unrestricted (Deficit)	<u>(58,472,002)</u>	<u>(877,140)</u>	<u>(59,349,142)</u>
Total Net Position	<u>(54,917,065)</u>	<u>728,392</u>	<u>(54,188,673)</u>

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

VILLAGE OF DOLTON, ILLINOIS

Statement of Activities

For the Fiscal Year Ended April 30, 2020

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
<b>Governmental Activities</b>				
General Government	\$ 6,503,880	1,587,641	—	246,419
Public Safety	15,608,895	2,946,004	49,235	57,107
Public Works	3,406,232	1,837,089	854,384	—
Public Property Maintenance	1,742,544	—	—	—
Economic Development	434,894	—	—	—
Interest on Long-Term Debt	1,504,331	—	—	—
Total Governmental Activities	29,200,776	6,370,734	903,619	303,526
<b>Business-Type Activities</b>				
Water	5,333,622	5,024,067	—	2,100
Recreation Center	413,328	81,626	—	—
Sewer	389,269	893,845	—	—
Total Business-Type Activities	6,136,219	5,999,538	—	2,100
Total Primary Government	35,336,995	12,370,272	903,619	305,626

General Revenues

Taxes

Property Taxes

Other Taxes

Intergovernmental - Unrestricted

Sales Taxes

Income Taxes

Replacement Taxes

Cannabis Tax

Interest Income

Miscellaneous

Transfers - Internal Balances

Change in Net Position

Net Position - Beginning

Net Position - Ending

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



Net (Expenses)/Revenues		
Primary Government		
Governmental Activities	Business-Type Activities	Totals
(4,669,820)	—	(4,669,820)
(12,556,549)	—	(12,556,549)
(714,759)	—	(714,759)
(1,742,544)	—	(1,742,544)
(434,894)	—	(434,894)
(1,504,331)	—	(1,504,331)
(21,622,897)	—	(21,622,897)
—	(307,455)	(307,455)
—	(331,702)	(331,702)
—	504,576	504,576
—	(134,581)	(134,581)
(21,622,897)	(134,581)	(21,757,478)
13,160,517	—	13,160,517
2,225,721	—	2,225,721
3,016,094	—	3,016,094
2,277,296	—	2,277,296
254,016	—	254,016
3,789	—	3,789
58,086	—	58,086
677,341	—	677,341
(1,775,862)	1,775,862	—
19,896,998	1,775,862	21,672,860
(1,725,899)	1,641,281	(84,618)
(53,191,166)	(912,889)	(54,104,055)
(54,917,065)	728,392	(54,188,673)

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

VILLAGE OF DOLTON, ILLINOIS

Balance Sheet - Governmental Funds

April 30, 2020

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	<u>General</u>
<b>ASSETS</b>	
Cash and Investments	\$ 6,642,577
Receivables - Net of Allowances	
Property Taxes	5,033,115
Other Taxes	755,374
Accounts	890,185
Due from Other Governments	471,116
Advances to Other Funds	1,929,979
Prepays	500,604
Land Held for Resale	245,712
Inventories	<u>3,977</u>
 Total Assets	 <u><u>16,472,639</u></u>
<b>LIABILITIES</b>	
Accounts Payable	1,543,501
Accrued Payroll	595,990
Deposits Payable	77,725
Advance from Other Funds	<u>6,958,857</u>
Total Liabilities	<u>9,176,073</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Grants	60,813
Property Taxes	<u>5,033,115</u>
	<u>5,093,928</u>
Total Liabilities and Deferred Inflows of Resources	<u>14,270,001</u>
<b>FUND BALANCES</b>	
Nonspendable	2,680,272
Restricted	2,132,318
Unassigned	<u>(2,609,952)</u>
Total Fund Balances	<u>2,202,638</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 <u><u>16,472,639</u></u>

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

Special Revenue		Debt Service	Nonmajor	Totals
Motor Fuel Tax	I-94 Sibley TIF			
1,894,873	343,807	1,321,033	340,252	10,542,542
—	—	3,676,125	—	8,709,240
68,669	—	—	—	824,043
—	—	—	—	890,185
—	—	—	—	471,116
1,705,122	2,522,822	—	251,625	6,409,548
—	—	—	—	500,604
—	—	—	—	245,712
—	—	—	—	3,977
<u>3,668,664</u>	<u>2,866,629</u>	<u>4,997,158</u>	<u>591,877</u>	<u>28,596,967</u>
110,142	30	1,000	823,727	2,478,400
—	—	—	—	595,990
—	—	—	—	77,725
—	—	—	672,210	7,631,067
<u>110,142</u>	<u>30</u>	<u>1,000</u>	<u>1,495,937</u>	<u>10,783,182</u>
—	—	—	—	60,813
—	—	3,676,125	—	8,709,240
—	—	3,676,125	—	8,770,053
<u>110,142</u>	<u>30</u>	<u>3,677,125</u>	<u>1,495,937</u>	<u>19,553,235</u>
—	—	—	—	2,680,272
3,558,522	2,866,599	1,320,033	512,954	10,390,426
—	—	—	(1,417,014)	(4,026,966)
<u>3,558,522</u>	<u>2,866,599</u>	<u>1,320,033</u>	<u>(904,060)</u>	<u>9,043,732</u>
<u>3,668,664</u>	<u>2,866,629</u>	<u>4,997,158</u>	<u>591,877</u>	<u>28,596,967</u>

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

VILLAGE OF DOLTON, ILLINOIS

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

April 30, 2020

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<b>Total Governmental Fund Balances</b>	\$ 9,043,732
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.	3,674,534
Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Deferred Items - IMRF	(1,003,773)
Deferred Items - Police Pension	12,051,350
Deferred Items - Firefighters' Pension	6,955,617
Deferred Items - RBP	68,463
A net pension asset is not considered to represent a financial resource and therefore is not reported in the funds.	2,647,522
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(1,761,278)
Net Pension Liability - Police Pension	(39,642,370)
Net Pension Liability - Firefighters' Pension	(21,475,363)
Total OPEB Liability - RBP	(1,337,738)
General Obligation Bonds Payable	(20,220,000)
Unamortized Bond Premium	(174,929)
Unamortized Bond Discount	29,888
Unamortized Loss on Refunding	536,894
Capital Leases Payable	(723,822)
Claims Payable	(2,774,703)
Accrued Interest Payable	(811,089)
<b>Net Position of Governmental Activities</b>	<u><u>(54,917,065)</u></u>

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

**VILLAGE OF DOLTON, ILLINOIS**

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
For the Fiscal Year Ended April 30, 2020**

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**See Following Page**

VILLAGE OF DOLTON, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
For the Fiscal Year Ended April 30, 2020

	<u>General</u>
Revenues	
Taxes	\$ 11,345,769
Intergovernmental	5,903,956
Licenses and Permits	1,531,831
Charges for Services	1,892,899
Fines and Forfeitures	2,946,004
Interest	16,573
Miscellaneous	499,423
Total Revenues	<u>24,136,455</u>
Expenditures	
Current	
General Government	6,292,276
Public Safety	12,144,600
Public Works	2,579,006
Public Property Maintenance	1,742,544
Economic Development	—
Debt Service	
Principal Retirement	198,619
Interest and Fiscal Charges	25,284
Total Expenditures	<u>22,982,329</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,154,126</u>
Other Financing Sources (Uses)	
Debt Issuance	3,102,913
Disposal of Capital Assets	68,500
Transfers In	—
Transfers Out	<u>(2,216,456)</u>
	<u>954,957</u>
Net Change in Fund Balances	2,109,083
Fund Balances - Beginning	<u>93,555</u>
Fund Balances - Ending	<u><u>2,202,638</u></u>

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

Special Revenue		Debt Service	Nonmajor	Totals
Motor Fuel Tax	I-94 Sibley TIF			
—	—	3,417,906	622,563	15,386,238
854,384	—	—	—	6,758,340
—	—	—	—	1,531,831
—	—	—	—	1,892,899
—	—	—	—	2,946,004
26,055	—	15,458	—	58,086
—	—	109,418	—	608,841
880,439	—	3,542,782	622,563	29,182,239
—	—	30,000	—	6,322,276
—	—	—	—	12,144,600
464,281	—	—	—	3,043,287
—	—	—	—	1,742,544
—	290	—	434,604	434,894
—	—	2,670,000	—	2,868,619
—	—	1,042,846	—	1,068,130
464,281	290	3,742,846	434,604	27,624,350
416,158	(290)	(200,064)	187,959	1,557,889
—	—	—	—	3,102,913
—	—	—	—	68,500
—	—	440,594	—	440,594
—	—	—	—	(2,216,456)
—	—	440,594	—	1,395,551
416,158	(290)	240,530	187,959	2,953,440
3,142,364	2,866,889	1,079,503	(1,092,019)	6,090,292
3,558,522	2,866,599	1,320,033	(904,060)	9,043,732

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

VILLAGE OF DOLTON, ILLINOIS

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the  
Governmental Funds to the Statement of Activities - Governmental Activities  
For the Fiscal Year Ended April 30, 2020**

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**Net Change in Fund Balances - Total Governmental Funds** \$ 2,953,440

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	506,017
Depreciation Expense	(725,591)

The net effect of deferred outflows (inflows) of resources related  
to the pensions not reported in the funds.

Change in Deferred Items - IMRF	(2,040,407)
Change in Deferred Items - Police Pension	22,413,700
Change in Deferred Items - Firefighters' Pension	6,595,465
Change in Deferred Items - RBP	29,827

An addition to a net pension asset is not considered to be an increase in a  
financial asset in the governmental funds.

Change in Net Pension Asset - IMRF	2,163,918
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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	(90,209)
Change in Net Pension Liability - Police Pension	(24,529,132)
Change in Net Pension Liability - Firefighters' Pension	(8,177,963)
Change in Total OPEB Liability - RBP	(63,101)
Issuance of Debt	(3,102,913)
Retirement of Debt	2,868,619
Change in Unamortized Bond Premium	26,572
Change in Unamortized Bond Discount	(3,119)
Change in Unamortized Loss on Refunding	(81,553)
Change in Claims Payable	(91,368)

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.

	<u>(378,101)</u>
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**Changes in Net Position of Governmental Activities**

	<u><u>(1,725,899)</u></u>
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The notes to the financial statements are an integral part of this statement.



**VILLAGE OF DOLTON, ILLINOIS**

**Statement of Net Position - Proprietary Funds**

**April 30, 2020**

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**See Following Page**

VILLAGE OF DOLTON, ILLINOIS

Statement of Net Position - Proprietary Funds

April 30, 2020

	Business-Type Activities - Enterprise Funds			Totals
	Water	Recreation Center	Nonmajor Sewer	
<b>ASSETS</b>				
Current Assets				
Cash and Investments	\$ 1,365,561	2,141	820,959	2,188,661
Receivables - Net of Allowances				
Customers	3,494,370	—	517,856	4,012,226
Advances to Other Funds	2,129,675	—	—	2,129,675
Prepays	13,938	—	4,088	18,026
Total Current Assets	7,003,544	2,141	1,342,903	8,348,588
Noncurrent Assets				
Capital Assets				
Depreciable	1,776,161	3,935,731	—	5,711,892
Accumulated Depreciation	(1,749,447)	(2,327,064)	—	(4,076,511)
Total Noncurrent Assets	26,714	1,608,667	—	1,635,381
Other Assets				
Net Pension Asset - IMRF	458,815	50,089	125,551	634,455
Total Assets	7,489,073	1,660,897	1,468,454	10,618,424
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Items - IMRF	21,692	2,368	5,936	29,996
Deferred Items - RBP	3,875	517	2,171	6,563
Total Deferred Outflows of Resources	25,567	2,885	8,107	36,559
Total Assets and Deferred Outflows of Resources	7,514,640	1,663,782	1,476,561	10,654,983

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

	Business-Type Activities - Enterprise Funds			
	Water	Recreation	Nonmajor	Totals
		Center	Sewer	
<b>LIABILITIES</b>				
Current Liabilities				
Accounts Payable	\$ 320,984	7,992	4,295	333,271
Accrued Payroll	23,919	3,471	8,139	35,529
Advances from Other Funds	—	929,564	328,205	1,257,769
Compensated Absences Payable	5,778	—	—	5,778
City of Chicago Payable	682,472	—	—	682,472
Capital Lease Payable	5,439	—	—	5,439
Total Current Liabilities	<u>1,038,592</u>	<u>941,027</u>	<u>340,639</u>	<u>2,320,258</u>
Noncurrent Liabilities				
Compensated Absences Payable	23,111	—	—	23,111
Net OPEB Liability - RBP	75,714	10,103	42,426	128,243
City of Chicago Payable	7,160,029	—	—	7,160,029
Capital Lease Payable	24,410	—	—	24,410
Total Noncurrent Liabilities	<u>7,283,264</u>	<u>10,103</u>	<u>42,426</u>	<u>7,335,793</u>
Total Liabilities	<u>8,321,856</u>	<u>951,130</u>	<u>383,065</u>	<u>9,656,051</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Items - IMRF	195,645	21,358	53,537	270,540
Total Liabilities/Deferred Inflows of Resources	<u>8,517,501</u>	<u>972,488</u>	<u>436,602</u>	<u>9,926,591</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	(3,135)	1,608,667	—	1,605,532
Unrestricted (Deficit)	<u>(999,726)</u>	<u>(917,373)</u>	<u>1,039,959</u>	<u>(870,167)</u>
Total Net Position	<u>(1,002,861)</u>	<u>691,294</u>	<u>1,039,959</u>	<u>735,365</u>

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

VILLAGE OF DOLTON, ILLINOIS

Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds  
For the Fiscal Year Ended April 30, 2020

	Business-Type Activities - Enterprise Funds			Totals
	Water	Recreation Center	Nonmajor Sewer	
Operating Revenues				
Charges for Services	\$ 4,889,326	76,126	893,845	5,859,297
Miscellaneous	134,741	5,500	—	140,241
Total Operating Revenues	5,024,067	81,626	893,845	5,999,538
Operating Expenses				
Operations	4,817,989	330,017	389,269	5,537,275
Depreciation	6,452	83,311	—	89,763
Total Operating Expenses	4,824,441	413,328	389,269	5,627,038
Operating Income (Loss)	199,626	(331,702)	504,576	372,500
Nonoperating (Expenses)				
Interest Expense	(509,181)	—	—	(509,181)
Income (Loss) Before Transfers and Capital Grants	(309,555)	(331,702)	504,576	(136,681)
Transfers In	1,775,862	—	—	1,775,862
Capital Grants	2,100	—	—	2,100
	1,777,962	—	—	1,777,962
Change in Net Position	1,468,407	(331,702)	504,576	1,641,281
Net Position - Beginning	(2,471,268)	1,022,996	535,383	(912,889)
Net Position - Ending	(1,002,861)	691,294	1,039,959	728,392

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

**VILLAGE OF DOLTON, ILLINOIS**

**Statement of Cash Flows - Proprietary Funds  
For the Fiscal Year Ended April 30, 2020**

	Business-Type Activities - Enterprise Funds			Totals
	Water	Recreation Center	Nonmajor Sewer	
<b>Cash Flows from Operating Activities</b>				
Receipts from Customers and Users	\$ 4,703,418	81,626	827,057	5,612,101
Payments to Employees	(539,672)	(114,837)	(205,332)	(859,841)
Payments to Suppliers	(4,242,298)	(247,345)	(149,789)	(4,639,432)
	(78,552)	(280,556)	471,936	112,828
<b>Cash Flows from Noncapital Financing Activities</b>				
Transfers In	1,775,862	—	—	1,775,862
Change in Interfund Activity	281,989	306,164	(108,507)	479,646
	2,057,851	306,164	(108,507)	2,255,508
<b>Cash Flows from Capital and Related Financing Activities</b>				
Capital Grants	2,100	—	—	2,100
Purchase of Capital Assets	(33,166)	(28,900)	—	(62,066)
Interest Expense	(509,181)	—	—	(509,181)
Payment of Principal	(643,842)	—	—	(643,842)
Issuance of Capital Related Debt	29,849	—	—	29,849
	(1,154,240)	(28,900)	—	(1,183,140)
Net Change in Cash and Cash Equivalents	825,059	(3,292)	363,429	1,185,196
<b>Cash and Cash Equivalents</b>				
Beginning	540,502	5,433	457,530	1,003,465
Ending	1,365,561	2,141	820,959	2,188,661
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities</b>				
Operating Income (Loss)	199,626	(331,702)	504,576	372,500
<b>Adjustments to Reconcile Operating Income to Net Income to Net Cash</b>				
Provided by (Used in) Operating Activities:				
Depreciation Expense	6,452	83,311	—	89,763
Other Income (Expense)	24,259	(1,834)	57,503	79,928
(Increase) Decrease in Current Assets	(320,649)	—	(66,788)	(387,437)
Increase (Decrease) in Current Liabilities	11,760	(30,331)	(23,355)	(41,926)
Net Cash Provided by Operating Activities	(78,552)	(280,556)	471,936	112,828

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

**VILLAGE OF DOLTON, ILLINOIS**

**Statement of Fiduciary Net Position**

**April 30, 2020**

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	<u>Pension Trust</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 922,058
Investments	
U.S. Treasury Securities	6,789,886
U.S. Agency Securities	2,889,425
Corporate Bonds	3,904,259
Municipal Bonds	143,180
Equity Mutual Funds	23,520,295
Annuities	1,655,013
Receivables - Net of Allowances	
Accrued Interest	43,803
Advances to Other Governments	39,564
Advances to Other Funds	349,613
Reserve Uncollectible - Interfund	(310,327)
Prepays	<u>1,230</u>
Total Assets	<u>39,947,999</u>
<b>LIABILITIES</b>	
Accounts Payable	<u>25,260</u>
<b>NET POSITION</b>	
Net Position Restricted for Pensions	<u><u>39,922,739</u></u>

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

VILLAGE OF DOLTON, ILLINOIS

Statement of Changes in Fiduciary Net Position  
For the Fiscal Year Ended April 30, 2020

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	Pension Trust
Additions	
Contributions - Employer	\$ 2,580,706
Contributions - Plan Members	516,728
Total Contributions	<u>3,097,434</u>
Investment Income	
Interest Earned	884,727
Net Change in Fair Value	(575,978)
	<u>308,749</u>
Less Investment Expenses	(90,376)
Net Investment Income	<u>218,373</u>
Total Additions	<u>3,315,807</u>
Deductions	
Administration	134,634
Benefits and Refunds	3,742,041
Total Deductions	<u>3,876,675</u>
Change in Fiduciary Net Position	(560,868)
Net Position Restricted for Pensions	
Beginning	<u>40,483,607</u>
Ending	<u><u>39,922,739</u></u>

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

# VILLAGE OF DOLTON, ILLINOIS

## Notes to the Financial Statements

April 30, 2020

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Dolton, Illinois (Village), operates under a Board of Trustees – Executive form of government. Elected officials are the Mayor, Clerk, and six Trustees. The Board of Trustees is the Village’s legislative body, enacting the laws and establishing the policies, which govern the main activities of the Village.

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 Dolton
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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. Based upon the criteria set forth in the GASB Statement No. 61, there are no component units included in the reporting entity

#### Police Pension Employees Retirement System

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



# VILLAGE OF DOLTON, ILLINOIS

## Notes to the Financial Statements

April 30, 2020

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

#### REPORTING ENTITY - Continued

##### Firefighters' Pension Employees Retirement System

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

#### 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, public works, public property maintenance, economic development, and general administrative services are classified as governmental activities. The Village's water services, recreation services, and sewer services are classified as business-type activities.

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

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions and business-type activities (administration and finance, public safety, public works, development services, etc.). The functions are supported by administration and finance revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, 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.

# VILLAGE OF DOLTON, ILLINOIS

## Notes to the Financial Statements

April 30, 2020

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

#### BASIS OF PRESENTATION - Continued

##### Government-Wide Statements - Continued

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

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

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

##### Fund Financial Statements

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

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

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

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

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

# VILLAGE OF DOLTON, ILLINOIS

## Notes to the Financial Statements

April 30, 2020

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

#### BASIS OF PRESENTATION - Continued

##### Fund Financial Statements - Continued

##### Governmental Funds

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

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

*Special Revenue Funds* are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Village maintains four special revenue funds. The Motor Fuel Tax Fund, a major fund, is used to account for allotments of motor fuel taxes from the State of Illinois made on a per capita basis. The Village uses these funds to maintain and construct transportation-related community needs, such as streets, bridges, and traffic signals. The I-94 Sibley Tax Increment Financing district is used to account for the property taxes of the district and the use of those funds.

*Debt Service Funds* are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The Village maintains one debt service fund. The Debt Service Fund, a major fund, is used to account for the principal and interest payments made on the general obligation bonds.

##### Proprietary Funds

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

*Enterprise funds* account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The Village maintains three enterprise funds. The Water Fund, a major fund, is used to account for the provisions of the water 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, financing and related debt service and billing and collection. The Recreation Center Fund, also a major fund, is used to account for the provisions of the Melanie Fitness Center. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing and related debt service and billing and collection.

# VILLAGE OF DOLTON, ILLINOIS

## Notes to the Financial Statements

April 30, 2020

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

#### BASIS OF PRESENTATION - Continued

##### Fund Financial Statements - Continued

##### Fiduciary Funds

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

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

The Village's 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 (pension participants) and cannot be used to address activities or obligations of the Village, these funds are not incorporated into the government-wide statements.

#### MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

##### Measurement Focus

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

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

# VILLAGE OF DOLTON, ILLINOIS

## Notes to the Financial Statements

April 30, 2020

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

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

##### Measurement Focus - Continued

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

##### Basis of Accounting

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

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

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, sales and use taxes, franchise taxes, licenses, 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.

# VILLAGE OF DOLTON, ILLINOIS

## Notes to the Financial Statements

April 30, 2020

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

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

##### Basis of Accounting - Continued

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Village's enterprise funds are charges to customers for sales and services. The Village also recognizes as operating revenue the sale of meters needed by customers for service and the charge for connecting to the Village's system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, non-capitalized capital expenditures, 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

Cash and cash equivalents on the Statement of Net Position 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.

##### Receivables

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

# VILLAGE OF DOLTON, ILLINOIS

## Notes to the Financial Statements

April 30, 2020

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

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

##### Prepays/Inventories – Land Held for Resale

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. 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.

##### Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more, depending on asset class, are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

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

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

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

Land Improvements	10 - 30 Years
Buildings and Improvements	30 - 40 Years
Furniture and Equipment	5 - 15 Years
Vehicle	5 - 15 Years
Infrastructure	20 - 30 Years

# VILLAGE OF DOLTON, ILLINOIS

## Notes to the Financial Statements

April 30, 2020

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

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

##### Interfund Receivables, Payables and Activity

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

##### 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 pursuant to the Village’s personnel rules and union contracts.

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.

##### Long-Term Obligations

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



# VILLAGE OF DOLTON, ILLINOIS

## Notes to the Financial Statements

April 30, 2020

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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 - Continued

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

##### Net Position

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

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

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

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

**VILLAGE OF DOLTON, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2020**

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

**BUDGETARY INFORMATION**

The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

- Prior to June 30, the Finance Manager 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 of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to July 31, the budget is legally enacted through passage of an appropriation ordinance.
- The Finance Manager is authorized to transfer budgeted amounts between departments within any fund, however, revisions that alter the total expenditures of any fund must be approved by the Village Board. The budget was not amended this year.
- Formal budgetary integration is employed as a management control device during the year.
- Budgets for the General Fund, Special Revenue Funds, Debt Service Fund, and Proprietary Funds are adopted on a basis consistent with generally accepted accounting principles.
- Appropriations lapse at the end of the fiscal year.
- 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.

**DEFICIT FUND BALANCE**

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

Fund	Deficit
Sibley TIF #2	\$ 1,417,014
Water	1,002,861

# VILLAGE OF DOLTON, ILLINOIS

## Notes to the Financial Statements

April 30, 2020

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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." In addition, investments are separately held by several of the Village's funds. The deposits and investments of the pension trust funds are held separately from those of other funds.

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

The deposits and investments of the Pension Funds are held separately from those of other Village funds. Illinois Statutes authorizes the Pension Fund to make deposits/invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; credit unions, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois bonds; pooled accounts managed by the Illinois Funds Market Fund (Formerly known as IPTIP, Illinois Public Treasurer's Investment Pool), or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois; direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the Federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies; and separate accounts of life insurance companies and mutual funds, the mutual funds must meet specific restrictions, provided the investment in separate accounts and mutual funds does not exceed ten percent of the Pension Fund's plan net position; and corporate bonds managed through an investment advisor, rated as investment grade by one of the two largest rating services at the time of purchase. Pension Funds with plan net position of \$2.5 million or more may invest up to forty-five percent of plan net position in separate accounts of life insurance companies and mutual funds. Pension Funds with plan net position of at least \$5 million that have appointed an investment advisor, may through that investment advisor invest up to forty-five percent of the plan net position in common and preferred stocks that meet specific restrictions. In addition, Pension Funds with plan net position of at least \$10 million that have appointed an investment advisor, may invest up to fifty percent of its net position in common and preferred stocks and mutual funds that meet specific restrictions effective July 1, 2011 and up to fifty-five percent effective July 1, 2012.

# VILLAGE OF DOLTON, ILLINOIS

## Notes to the Financial Statements

April 30, 2020

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

#### DEPOSITS AND INVESTMENTS - Continued

Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office which allows governments within the State to pool their funds for investment purposes. The Illinois Funds is not registered with the SEC as an investment company. Investments in Illinois Funds are in 2a7-like investment pools that are measured at the net asset value per share determined by the pool.

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

*Deposits.* At year-end, the carrying amount of the Village's deposits for governmental and business-type totaled \$9,462,386 and the bank balances totaled \$7,964,746. Additionally, the Village has \$3,268,817 invested in the Illinois Funds, which is measured at net asset value per share as determined by the Pool.

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village's investment policy minimizes interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirement for ongoing operations and investing operating funds primarily in short-term securities, money market mutual funds, or similar investment pools. The Village's investments in the Illinois Funds has an average maturity of less than one year.

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Village's investment policy minimizes credit risk by limiting investments to the safest types of securities, pre-qualifying the financial institutions, brokers, intermediaries and advisors with which the Village will do business, and diversifying the investment portfolio. At year-end, the Village's investments in the Illinois Funds is rated AAAM by Standard & Poor's.

*Concentration Risk.* This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village's investment policy does not address concentration risk. At year-end, the Village does not have any investments over 5 percent of cash and 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).

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

For an investment, this is the risk that in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Village's investment policy does not address custodial credit risk for investments. The Village's investments in the Illinois Funds are not subject to custodial credit risk.

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2020

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

*Deposits.* At year-end, the carrying amount of the Fund's deposits totaled \$664,652 and the bank balances totaled \$664,368.

*Investments.* The following table presents the investments and maturities of the Fund's debt securities as of April 30, 2020:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasury Securities	\$ 4,492,806	3,330,765	843,572	318,469	—
U.S. Agency Securities	2,622,174	—	1,510,686	1,093,210	18,278
Corporate Bonds	2,158,407	506,613	1,651,794	—	—
Totals	9,273,387	3,837,378	4,006,052	1,411,679	18,278

The Fund has the following recurring fair value measurements as of April 30, 2020:

Investments by Fair Value Level	Total	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 Securities	\$ 4,492,806	4,492,806	—	—
U.S. Agency Securities	2,622,174	—	2,622,174	—
State and Local Obligations	2,158,407	—	2,158,407	—
Equity Securities				
Equity Mutual Funds	17,530,420	17,530,420	—	—
Total Investments Measured at Fair Value	26,803,807	22,023,226	4,780,581	—

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.

# VILLAGE OF DOLTON, ILLINOIS

## Notes to the Financial Statements

April 30, 2020

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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

*Interest Rate Risk.* In accordance with the Fund's investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investment maturities to projected fund liabilities.

*Credit Risk.* The Fund helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The Fund's investment policy establishes criteria for allowable investments; those criteria follow the requirements of the Illinois Pension Code. The Fund's investment policy prescribes to the "prudent person" rule which states, "investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the primary objective of safety as well as the second objective of the attainment of market rates of return." The U.S. Agency Securities are rated AA+ to AAA and the Corporate Bonds were all rated A- to AAA by Standard & Poor's or were small issues that were unrated. The Fund has an unrated obligation with Federal Home Loan Mortgage Corporation Investment with a par value of \$256 and an interest rate of 77.00% that matures on February 1, 2032.

*Custodial Credit Risk – Deposits.* The Fund's investment policy does not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the Pension Fund's deposits with financial institutions. At year-end, \$367,126 of the bank balance of deposits was not covered by collateral, federal depository or equivalent insurance. The percentage of the \$367,126 bank balance of deposits covered by the flow-through FDIC insurance cannot be determined at this time.

*Custodial Credit Risk – Investments.* The Fund limits its exposure to custodial credit risk by utilizing an independent third-party institution, selected by the Fund, to act as custodian for its securities and collateral. Money market mutual funds and equity mutual funds are not subject custodial credit risk.

*Concentration Risk.* In accordance with Fund's investment policy, the Board of Trustees has consciously diversified the aggregate fund to ensure that adverse or unexpected results will not have an excessively detrimental impact on the entire portfolio. In addition to the securities and fair values listed above, the Fund also has \$17,530,420 invested in equity mutual funds. At year-end, the Fund does not have any investments over 5 percent of net plan assets available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments). Agency investments represent a large portion of the portfolio; however the investments are diversified by maturity date and as mentioned earlier are backed by the issuing organization. Although unlike Treasuries, agency securities do not have the "full faith and credit" backing of the U.S. Government, they are considered to have a moral obligation of implicit backing and are supported by Treasury lines of credit and increasingly stringent federal regulation.

# VILLAGE OF DOLTON, ILLINOIS

## Notes to the Financial Statements

April 30, 2020

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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

*Concentration Risk - Continued.* 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	32.00%	0.50% - 3.20%
Domestic Equities	56.50%	3.60% - 4.50%
International Equities	5.00%	5.20% - 7.20%
Real Estate	3.50%	4.00%
Cash and Cash Equivalents	3.00%	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 November 2017 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, 2020 are listed in the table above.

#### Rate of Return

For the year ended April 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 0.52%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

**Firefighters' 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 \$257,406 and the bank balances totaled \$259,407.

*Investments.* At year-end, the Firefighters' Pension Fund has the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasury Securities	\$ 2,297,080	1,061,745	617,920	617,415	—
U.S. Agency Securities	267,251	—	54,698	143,776	68,777
Corporate Bonds	1,745,852	40,164	822,341	757,996	125,351
Municipal Bonds	143,180	—	41,445	16,374	85,361
Totals	4,453,363	1,101,909	1,536,404	1,535,561	279,489

The Fund has the following recurring fair value measurements as of April 30, 2020:

Investments by Fair Value Level	Total	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 Securities	\$ 2,297,080	2,297,080	—	—
U.S. Agency Securities	267,251	—	267,251	—
Corporate Bonds	1,745,852	—	1,745,852	—
Municipal Bonds	143,180	—	143,180	—
Equity Securities				
Mutual Funds	5,989,875	5,989,875	—	—
Equity Annuities	1,655,013	1,655,013	—	—
Total Investments Measured at Fair Value	12,098,251	9,941,968	2,156,283	—



# VILLAGE OF DOLTON, ILLINOIS

## Notes to the Financial Statements

April 30, 2020

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

#### DEPOSITS AND INVESTMENTS - Continued

#### **Firefighters' Pension Fund - Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk - Continued**

*Investments - Continued.* 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.* In accordance with the Fund's investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investment maturities to projected fund liabilities.

*Credit Risk.* The Fund helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The Fund's investment policy prescribes to the "prudent person" rule which states, "investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the primary objective of safety as well as the second objective of the attainment of market rates of return." The investments in the U.S. agency securities were not rated, the corporate bonds were rated BBB- to A- by Standard and Poor's, and the municipal bonds were rated A+ to AA by Standard and Poor's.

*Custodial Credit Risk.* The Fund's investment policy does not require pledging of collateral for excess bank balances since flow-through FDIC insurance is available for the Fund's deposits with financial institutions. At year-end, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance.

For investments, the Fund limits its exposure to custodial credit risk by utilizing an independent third-party institution, selected by the Fund, to act as custodian for its securities and collateral.

*Concentration of Credit Risk.* The Fund does not have a formal written policy with regards to concentration credit risk for investments. In addition to the securities and fair values listed above, the Fund also has \$5,989,875 invested in equity mutual funds, and \$1,655,013 invested in annuities. At year-end, the Fund does not have any investments over 5 percent of net plan position available for retirement benefits (other than U.S. Government guaranteed obligations).

# VILLAGE OF DOLTON, ILLINOIS

## Notes to the Financial Statements

April 30, 2020

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

#### DEPOSITS AND INVESTMENTS - Continued

#### Firefighters' Pension Fund - Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk - Continued

*Concentration of Credit Risk - Continued.* 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	35.0%	4.7%
Domestic Equities	47.0%	8.6%
International Equities	8.0%	8.6%
Real Estate	10.0%	6.4%
Cash and Cash Equivalents	0.0%	0.0%

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 August 2020 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, 2020 are listed in the table above.

#### Rate of Return

For the year ended April 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 1.90%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**VILLAGE OF DOLTON, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2020**

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

**CAPITAL ASSETS**

**Governmental Activities**

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 806,995	—	—	806,995
Depreciable Capital Assets				
Land Improvements	1,351,990	—	—	1,351,990
Buildings & Improvements	2,346,424	—	—	2,346,424
Equipment	3,792,265	—	—	3,792,265
Vehicles	5,458,976	506,017	—	5,964,993
	<u>12,949,655</u>	<u>506,017</u>	<u>—</u>	<u>13,455,672</u>
Less Accumulated Depreciation				
Land Improvements	464,897	46,330	—	511,227
Buildings & Improvements	2,029,272	10,415	—	2,039,687
Equipment	3,678,713	45,282	—	3,723,995
Vehicles	3,689,660	623,564	—	4,313,224
	<u>9,862,542</u>	<u>725,591</u>	<u>—</u>	<u>10,588,133</u>
Total Net Depreciable Capital Assets	<u>3,087,113</u>	<u>(219,574)</u>	<u>—</u>	<u>2,867,539</u>
Total Net Capital Assets	<u><u>3,894,108</u></u>	<u><u>(219,574)</u></u>	<u><u>—</u></u>	<u><u>3,674,534</u></u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 90,264
Public Safety	90,409
Public Works	<u>544,918</u>
	<u><u>725,591</u></u>

**VILLAGE OF DOLTON, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2020**

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

**CAPITAL ASSETS - Continued**

**Business-Type Activities**

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

	Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets - Not Being Depreciated				
Construction in Progress	\$ 20,000	—	20,000	—
Other Capital Assets				
Buildings and Improvements	3,535,990	—	—	3,535,990
Furniture and Equipment	402,105	82,066	—	484,171
Infrastructure	1,691,731	—	—	1,691,731
	<u>5,629,826</u>	<u>82,066</u>	<u>—</u>	<u>5,711,892</u>
Less Accumulated Depreciation				
Buildings and Improvements	1,944,795	78,578	—	2,023,373
Furniture and Equipment	350,222	11,185	—	361,407
Infrastructure	1,691,731	—	—	1,691,731
	<u>3,986,748</u>	<u>89,763</u>	<u>—</u>	<u>4,076,511</u>
Total Other Capital Assets	<u>1,643,078</u>	<u>(7,697)</u>	<u>—</u>	<u>1,635,381</u>
Total Capital Assets	<u><u>1,663,078</u></u>	<u><u>(7,697)</u></u>	<u><u>20,000</u></u>	<u><u>1,635,381</u></u>

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

Water	\$ 6,452
Recreation Center	<u>83,311</u>
	<u><u>89,763</u></u>

**PROPERTY TAXES**

Property taxes for 2019 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about March 1 and August 1 during the following year. The County collects such taxes and remits them periodically.

**VILLAGE OF DOLTON, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2020**

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

**INTERFUND ADVANCES**

Interfund advances as of the date of this report are as follows:

<u>Advances From</u>	<u>Advances To</u>	<u>Amount</u>
General	Nonmajor Governmental	\$ 672,210
General	Recreation Center	929,564
General	Sewer	328,205
Motor Fuel Tax	General	1,705,122
I-94 Sibley TIF	General	2,522,822
Nonmajor Governmental	General	251,625
Water	General	2,129,675
Police Pension	General	310,327
Firefighters' Pension	General	39,286
		<u>8,888,836</u>

Interfund advances represent payments of tax increment financing expenditures from the General Fund on behalf of these funds and property taxes owed to the pension funds from the General Fund. The advances between the General Fund and enterprise funds represent expenses the General Fund has paid for due to lack of resources in the enterprise funds. These amounts will be paid over several years.

**INTERFUND TRANSFERS**

Interfund transfers for the year consisted of the following:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
Debt Service	General	\$ 440,594
Water	General	<u>1,775,862</u>
		<u>2,216,456</u>

The transfer between the Debt Service Fund and General Fund was due to real estate taxes received in the Debt Service Fund wasn't sufficient to cover the annual obligation. The transfer between the General Fund and Water Fund were for real estate taxes received by the General Fund for payment of the City of Chicago agreement.

# VILLAGE OF DOLTON, ILLINOIS

## Notes to the Financial Statements

April 30, 2020

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

#### LONG-TERM DEBT

##### General Obligation Bonds

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

Issuance	Beginning Balances	Issuances	Retirements	Ending Balances
\$2,930,000 General Obligation Refunding Bonds of 2004C - Due in annual installments of \$165,000 to \$265,000 plus interest at 3.00% to 4.20% through December 1, 2019.	\$ 265,000	—	265,000	—
\$2,275,000 General Obligation Corporate Purpose Bonds of 2004D - Due in annual installments of \$120,000 to \$220,000 plus interest at 4.70% to 6.00% through December 1, 2019.	220,000	—	220,000	—
\$11,535,000 General Obligation Bonds of 2009A - Due in annual installments of \$500,000 to \$1,000,000 plus interest at 2.50% to 4.50% through December 1, 2026.	6,965,000	—	—	6,965,000
\$5,455,000 General Obligation Build America Direct Payment Bonds of 2009B - Due in annual installments of \$220,000 to \$880,000 plus interest at 6.10% through December 1, 2029.	5,455,000	—	—	5,455,000
\$12,655,000 Taxable General Obligation Bonds of 2009C - Due in annual installments of \$500,000 to \$1,000,000 plus interest at 2.61% to 5.77% through December 1, 2024.	6,055,000	—	1,055,000	5,000,000

**VILLAGE OF DOLTON, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2020**

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

**LONG-TERM DEBT - Continued**

**General Obligation Bonds - Continued**

Issuance	Beginning Balances	Issuances	Retirements	Ending Balances
\$1,300,000 General Obligation Bonds of 2018 - Due in one installment of \$1,130,000 plus annual interest at 3.00% through August 13, 2019.	\$ 1,130,000	—	1,130,000	—
\$1,400,000 General Obligation Bonds of 2019 - Due in one installment of \$1,400,000 plus interest at 3.00% through December 1, 2020.	—	1,400,000	—	1,400,000
\$1,400,000 General Obligation Bonds of 2020 - Due in one installment of \$1,400,000 plus interest at 2.00% through December 1, 2021.	—	1,400,000	—	1,400,000
	<u>20,090,000</u>	<u>2,800,000</u>	<u>2,670,000</u>	<u>20,220,000</u>

**Deferred Charge on Refunding**

Deferred amounts on refunding arise from advance refunding of debt. The difference between the cost of the securities placed in trust for future payment of refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. Amortization for 2020 was \$81,553 which is reported in the governmental activities. The balance of the deferred charge on refunding at April 30, 2020 was \$536,894 which is reported as a deferred outflow on the Statement of Net Position.

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Capital Leases

The Village has entered into four lease agreements as lessee for financing the acquisition of a combination of thirteen Fiat's and Durango's, two fire trucks, and a street sweeper. Capital assets of \$1,014,553 have been added to governmental activities vehicles and \$29,849 have been added to business-type activities as a result of these capital leases. These lease agreements qualify as a capital leases for accounting purposes and; therefore, have been recorded at the present value of the future minimum lease payments as of the inception date. The capital leases has been recorded as a governmental activity liability.

The future minimum lease payments and the net present value of these minimum lease payments are as follows:

Fiscal Year	Lease Payments				Business-Type Activities Fiat and Durango
	Governmental Activities			Total	
	Street Sweeper	2018 Fire Truck	Fiat and Durango		
2021	\$ 39,934	49,718	69,309	158,961	6,705
2022	39,934	49,718	69,308	158,960	6,727
2023	39,934	49,718	69,308	158,960	6,751
2024	39,934	49,718	69,308	158,960	6,776
2025	—	49,719	69,309	119,028	6,803
2026	—	49,718	—	49,718	—
2027	—	31,243	—	31,243	—
	159,736	329,552	346,542	835,830	33,762
Interest Portion	(15,765)	(52,614)	(43,629)	(112,008)	(3,913)
Principal Balance	143,971	276,938	302,913	723,822	29,849



VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Long-Term Liabilities Activity

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

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
<b>Governmental Activities</b>					
Compensated Absences	\$ 1,671,069	180,418	90,209	1,761,278	352,256
<b>Net Pension Liabilities</b>					
Police Pension	15,113,238	24,529,132	—	39,642,370	—
Firefighters' Pension	13,297,400	8,177,963	—	21,475,363	—
Total OPEB Liability - RBP	1,274,637	63,101	—	1,337,738	—
General Obligation Bonds	20,090,000	2,800,000	2,670,000	20,220,000	3,585,000
Unamortized Bond Premium	201,501	—	26,572	174,929	—
Unamorticed Bond Discount	(33,007)	—	(3,119)	(29,888)	—
Capital Leases Payable	619,528	302,913	198,619	723,822	125,509
Claims Payable	2,683,335	549,044	457,676	2,774,703	—
	<u>54,917,701</u>	<u>36,602,571</u>	<u>3,439,957</u>	<u>88,080,315</u>	<u>4,062,765</u>
<b>Business-Type Activities</b>					
Compensated Absences	45,276	16,387	32,774	28,889	5,778
Total OPEB Liability - RBP	128,617	—	374	128,243	—
City of Chicago Payable	8,486,343	—	643,842	7,842,501	682,472
Capital Leases Payable	—	29,849	—	29,849	5,439
	<u>8,660,236</u>	<u>46,236</u>	<u>676,990</u>	<u>8,029,482</u>	<u>693,689</u>

For the governmental activities, payments on the compensated absences, the net pension liabilities, and the total OPEB liability are made by the General Fund. The General Fund makes payments on the capital leases and claims payable. Payments on general obligation bonds are being liquidated by the Debt Service Fund.

Additionally, for business-type activities, the compensated absences and the total OPEB liability are being liquidated by the Water Fund, the Recreation Fund, and the Sewer Fund. The Water Fund makes payments on the City of Chicago payable and capital lease payable.

# VILLAGE OF DOLTON, ILLINOIS

## Notes to the Financial Statements

April 30, 2020

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

#### LONG-TERM DEBT - Continued

##### Debt Service Requirements to Maturity

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

Fiscal Year	Governmental Activities	
	General	
	Obligation Bonds	
	Principal	Interest
2021	\$ 3,585,000	985,522
2022	3,650,000	843,135
2023	2,275,000	699,685
2024	2,300,000	582,710
2025	2,325,000	461,710
2026	1,755,000	339,185
2027	1,785,000	248,130
2028	815,000	155,245
2029	850,000	105,530
2030	880,000	53,680
Totals	<u>20,220,000</u>	<u>4,474,532</u>

##### 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 be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property... (2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent: indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum... shall not be included in the foregoing percentage amounts." To date the Illinois General Assembly has set no limits for home rule municipalities. The Village is a home rule municipality.

# VILLAGE OF DOLTON, ILLINOIS

## Notes to the Financial Statements

April 30, 2020

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

#### OTHER COMMITMENTS

##### City of Chicago Agreement

In November 2014, an agreement was reached between the Village and the City of Chicago for balances owed by the Village for past water purchases. The Village defaulted on this agreement, and the City of Chicago filed a lawsuit against the Village which would require the Village to pay on all outstanding balances and penalties due. In November 2018, the Court ruled in favor of the City of Chicago in the amount of \$9,086,343, which represents past due amounts of \$7,230,505 of principal and \$1,855,838 of penalties with 6% interest accruing per 735 ILCS 5/2-1303. As of April 30, 2020, the outstanding balance of \$7,842,501 is recorded as a liability in the Water Fund.

##### Economic Incentive Agreement

Under an Economic Initiative Agreement entered into in March of 2009, the Village agreed to share with Ralph's Grocery a portion of sales tax generated by the project, limited to a period of twenty years. The revenue sharing is determined as follows: 70% for years 1 through 5 of the agreement, 50% for years 6 through 10, and 33% for years 11 through 20. Through the fiscal year ended April 30, 2020, the Village has incurred \$912,656 to be paid to Ralph's Grocery. As of April 30, 2020, the Village has made payments of \$817,603, including \$95,053 of current year expenditures recorded in the General Fund. As of April 30, 2020, the amount outstanding from the Village to Ralph's Grocery is \$95,053.

##### Redevelopment Agreement

Under a Redevelopment Agreement entered into December 2001, the Village agreed to reimburse eligible costs associated with a development located at Woodlawn and Sibley Blvd. In addition, the Village agreed to provide incentive payments to the developer in the amount of \$350,000 per year, limited to a period of twenty years. Through the fiscal year ended April 30, 2020, the Village has incurred total expenditures of \$6,766,667. As of April 30, 2020, the Village has made payments of \$6,118,000, including \$350,000 of current year expenditures recorded in the Sibley TIF #2 Fund. The outstanding balance has been recorded as a liability in the Sibley TIF #2 Fund. As of April 30, 2020, the amount outstanding from the Village to the developer is \$823,667.

# VILLAGE OF DOLTON, ILLINOIS

## Notes to the Financial Statements

April 30, 2020

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

#### 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 represent no less than three months and no more than six months of operating expenditures. Balances above the maximum are transferred to other funds or to capital projects at the Board's discretion.

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2020

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	Motor Fuel Tax	I-94 Sibley TIF	Debt Service	Nonmajor Governmental	
Fund Balances						
Nonspendable						
Advances	\$ 1,929,979	—	—	—	—	1,929,979
Prepays	500,604	—	—	—	—	500,604
Land Held for Resale	245,712	—	—	—	—	245,712
Inventories	3,977	—	—	—	—	3,977
	<u>2,680,272</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,680,272</u>
Restricted						
Grants	17,306	—	—	—	—	17,306
JAG Grant	11,118	—	—	—	—	11,118
Narcint	8,202	—	—	—	—	8,202
E911	125	—	—	—	—	125
State Forfeited	59,488	—	—	—	—	59,488
Federal Forfeiture	9,638	—	—	—	—	9,638
Forfeiture Holding	153,317	—	—	—	—	153,317
Foreign Fire Insurance	18,146	—	—	—	—	18,146
Unspent Bond Proceeds	385,670	—	—	—	—	385,670
Public Works	—	3,558,522	—	—	—	3,558,522
Debt Service	1,469,308	—	—	1,320,033	—	2,789,341
Economic Development	—	—	2,866,599	—	512,954	3,379,553
	<u>2,132,318</u>	<u>3,558,522</u>	<u>2,866,599</u>	<u>1,320,033</u>	<u>512,954</u>	<u>10,390,426</u>
Unassigned	(2,609,952)	—	—	—	(1,417,014)	(4,026,966)
Total Fund Balances	<u>2,202,638</u>	<u>3,558,522</u>	<u>2,866,599</u>	<u>1,320,033</u>	<u>(904,060)</u>	<u>9,043,732</u>

# VILLAGE OF DOLTON, ILLINOIS

## Notes to the Financial Statements

April 30, 2020

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

#### NET POSITION CLASSIFICATIONS

Net investment in capital assets was comprised of the following as of April 30, 2020:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 3,674,534
Plus: Unspent Bond Proceeds	385,670
Less Capital Related Debt:	
General Obligation Bonds - Net	(8,975,112)
Capital Leases Payable	<u>(723,822)</u>
Net Investment in Capital Assets	<u><u>(5,638,730)</u></u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	1,635,381
Less Capital Related Debt:	
Capital Leases Payable	<u>(29,849)</u>
Net Investment in Capital Assets	<u><u>1,605,532</u></u>

#### 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; natural disasters; and injuries to the Village's employees. The Village has purchased private insurance for medical, dental, and other employee benefits. The Village is self-insured for the first \$250,000 of workers' compensation benefits and has purchased specific excess coverage for the next \$1,100,000. The Village is also self-insured for the first \$50,000 per occurrence for liability coverage. In addition, the Village maintains an aggregate excess policy for combined workers' compensation and liability claims in excess of \$1,100,000. 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. The Village's self-insurance activities are reported in the governmental activities.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an number of claims that have been incurred but not reported (IBNR). Claims liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and number of payouts, and other economic and social factors.

# VILLAGE OF DOLTON, ILLINOIS

## Notes to the Financial Statements

April 30, 2020

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### NOTE 4 - OTHER INFORMATION - Continued

#### RISK MANAGEMENT - Continued

Changes in the balances of claims liabilities are as follows:

	Workers'		
	Compensation	Liability	Totals
Claims Payable - April 30, 2018	\$ 1,675,952	392,428	2,068,380
Incurred Claims	1,035,843	477,297	1,513,140
Claims Paid	(267,889)	(630,296)	(898,185)
	2,443,906	239,429	2,683,335
Claims Payable - April 30, 2019	2,443,906	239,429	2,683,335
Incurred Claims	170,073	378,971	549,044
Claims Paid	(79,885)	(377,791)	(457,676)
	2,534,094	240,609	2,774,703
Claims Payable - April 30, 2020	2,534,094	240,609	2,774,703

#### JOINTLY GOVERNED ORGANIZATION

Effective January 1, 2018, the Village established a Joint Emergency Telephone Systems Board "JETS" with the Village of Burnham. The System's Board consists of seven members, of which three members are representatives from the Village. The System's Board is responsible for maintaining the Fund including receiving monies from surcharge fees and approving all disbursements from the Fund. The System's Board is responsible for coordinating the operating and maintenance of the System.

#### 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 attorneys, 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 DOLTON, ILLINOIS

## Notes to the Financial Statements

April 30, 2020

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### NOTE 4 - OTHER INFORMATION - Continued

#### CONTINGENT LIABILITIES - Continued

##### Financial Impact due to 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.

##### TIF Expiration

The I-94 Sibley TIF expired on December 31, 2016. As of the opinion date, the Village has not formally closed the TIF with the State and the County. Among the requirements to close a TIF is to pay to the County any surplus TIF incremental tax revenues at the expiration of the TIF. The Village is in the process of reviewing whether any TIF-eligible projects will occur with the remaining fund balance. At this time, the Village is unable to estimate the amount, if any, that will be required to be repaid to the County.

##### Overpayment of Local Motor Fuel Tax

It was determined in February 2017 that Ralph's Grocery had overpaid the Village for their share of Local Motor Fuel taxes. The Village is in the process of coming to an agreement on what is to be paid back to Ralph's Grocery. As of the fiscal year ended April 30, 2020 the amount due is not yet determinable.

##### Community Development

The Village participates in various community development projects and secures funding from the United States Department of Housing and Urban Development (HUD). The primary objective the Cook County Development Block Grant Program (CDBG) is to develop suitable urban communities by providing affordable housing with a comfortable living environment and by expanding economic opportunities principally for persons with low to moderate income levels. Housing activities will conserve and expand the urban county's housing availability and will provide equal access to housing for all persons. The stimulation of private investment and job creation will preserve economic development and address public health and safety for the overall quality of life in the community.

##### Loans to Other Governments

In 2007, the Village extended a non-interest bearing loan, in the amount of \$300,000 to the Dolton Park District for purpose of working capital. The loan is to be repaid when it is financially feasible for the Park District. As of April 30, 2020, the total amount outstanding is \$300,000. The activity of the loan is reported in the Village's General Fund.



# VILLAGE OF DOLTON, ILLINOIS

## Notes to the Financial Statements

April 30, 2020

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### NOTE 4 - OTHER INFORMATION - Continued

#### CONTINGENT LIABILITIES - Continued

##### Police Lieutenant and Sergeant Contract

The Village of Dolton's Police Lieutenant and Sergeant Contract expired on April 30, 2017. An arbitration award has been agreed to between both parties. Estimated retroactive pay of \$159,622 has been recorded in the General Fund.

#### DEFERRED COMPENSATION PLAN

The Village provides a 457 deferred compensation plan to its employees, administered by the United States Conference of Mayors (USCM) contracted with Nationwide Retirement Solutions, Inc. (formerly PEBSCO). The intent of the plan is to assist employees in establishing an increased measure of financial security by providing additional retirement income through the deferral of before-tax dollars and the reduction of current income tax liability. The plan is offered to all full-time employees and is non-participatory by the Village.

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

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system, the Police Pension Plan which is a single-employer pension plan, and the Firefighters' Pension Plan which is also a single-employer pension plan. A separate report is issued for the Police Pension Plan and Firefighters' Pension Plan and may be obtained by writing to the Village at 14122 Chicago Road, Dolton, Illinois 60419. IMRF does issue a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained on-line at [www.imrf.org](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.

The aggregate amount recognized for the pension plans is:

	Pension (Revenue)/ Expense	Net Pension (Asset)/ Liability	Deferred Outflows	Deferred Inflows
IMRF	\$ (6,427)	(3,281,977)	155,163	1,399,480
Police Pension	3,776,744	39,642,370	21,113,737	9,062,387
Firefighters' Pension	2,501,892	21,475,363	9,945,035	2,989,418
	<u>6,272,209</u>	<u>57,835,756</u>	<u>31,213,935</u>	<u>13,451,285</u>

# VILLAGE OF DOLTON, ILLINOIS

## Notes to the Financial Statements

April 30, 2020

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### NOTE 4 - OTHER INFORMATION - Continued

#### EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

##### Illinois Municipal Retirement Fund (IMRF)

###### Plan Descriptions

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

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

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

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

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

# VILLAGE OF DOLTON, ILLINOIS

## Notes to the Financial Statements

April 30, 2020

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### NOTE 4 - OTHER INFORMATION - Continued

#### EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

##### Illinois Municipal Retirement Fund (IMRF) - Continued

###### Plan Descriptions - Continued

*Plan Membership.* As of December 31, 2019, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	99
Inactive Plan Members Entitled to but not yet Receiving Benefits	47
Active Plan Members	<u>60</u>
Total	<u><u>206</u></u>

*Contributions.* As set by statute, the Village's Regular Plan Members are required to contribute 4.5% 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, 2020, the Village's contribution was 1.17% of covered payroll.

*Net Pension Liability/(Asset).* The Village's net pension liability/(asset) was measured as of December 31, 2019. The total pension liability/(asset) used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* The total pension liability was determined by an actuarial valuation performed, as of December 31, 2019, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	3.35% to 14.25%
Cost of Living Adjustments	2.50%
Inflation	2.50%

# VILLAGE OF DOLTON, ILLINOIS

## Notes to the Financial Statements

April 30, 2020

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### NOTE 4 - OTHER INFORMATION - Continued

#### EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

##### Illinois Municipal Retirement Fund (IMRF) - Continued

##### Plan Descriptions - Continued

*Actuarial Assumptions - Continued.* For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

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

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	28.00%	3.25%
Domestic Equities	37.00%	5.75%
International Equities	18.00%	6.50%
Real Estate	9.00%	5.20%
Blended	7.00%	3.60% - 7.60%
Cash and Cash Equivalents	1.00%	1.85%

**VILLAGE OF DOLTON, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2020**

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**NOTE 4 - OTHER INFORMATION - Continued**

**EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued**

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

**Discount Rate**

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

**Discount Rate Sensitivity**

The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents the net pension liability/(asset) of the Village calculated using the discount rate as well as what the Village's net pension liability/(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 Liability/(Asset) \$	(1,079,081)	(3,281,977)	(5,129,575)

**VILLAGE OF DOLTON, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2020**

**NOTE 4 - OTHER INFORMATION - Continued**

**EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued**

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

**Changes in the Net Pension Liability**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension (Asset) (A) - (B)
Balances at December 31, 2018	\$ 20,688,117	21,323,421	(635,304)
Changes for the Year:			
Service Cost	257,832	—	257,832
Interest on the Total Pension Liability	1,454,307	—	1,454,307
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	(36,010)	—	(36,010)
Changes of Assumptions	—	—	—
Contributions - Employer	—	23,070	(23,070)
Contributions - Employees	—	121,954	(121,954)
Net Investment Income	—	4,301,598	(4,301,598)
Benefit Payments, Including Refunds of Employee Contributions	(1,515,262)	(1,515,262)	—
Other (Net Transfer)	—	(123,820)	123,820
Net Changes	160,867	2,807,540	(2,646,673)
Balances at December 31, 2019	20,848,984	24,130,961	(3,281,977)

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

For the year ended April 30, 2020, the Village recognized pension revenue of \$6,427. At April 30, 2020, the Village reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2020

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - 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	\$ —	(98,706)	(98,706)
Change in Assumptions	137,029	(68,528)	68,501
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	(1,232,246)	(1,232,246)
Total Pension Expense to be Recognized in Future Periods	137,029	(1,399,480)	(1,262,451)
Pension Contributions Made Subsequent to the Measurement Date	18,134	—	18,134
Total Deferred Amounts Related to IMRF	<u>155,163</u>	<u>(1,399,480)</u>	<u>(1,244,317)</u>

\$18,134 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, 2021. 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
2021	\$ (400,247)
2022	(418,520)
2023	118,278
2024	(561,962)
2025	—
Thereafter	—
Total	<u>(1,262,451)</u>

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2020

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NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - 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, 2020, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	42
Inactive Plan Members Entitled to but not yet Receiving Benefits	3
Active Plan Members	<u>39</u>
Total	<u><u>84</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 DOLTON, ILLINOIS

## Notes to the Financial Statements

April 30, 2020

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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 preceding 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, 2020, the Village's contribution was 51.71% of covered payroll.

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

# VILLAGE OF DOLTON, ILLINOIS

## Notes to the Financial Statements

April 30, 2020

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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, 2020, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry-Age Normal
Asset Valuation Method	Market Value
Actuarial Assumptions	
Interest Rate	7.00%
Salary Increases	4.00% - 10.38%
Cost of Living Adjustments	3.50%
Inflation	2.25%

Mortality rates were based on an independent actuary assumption study for Illinois Police 2020.

##### Discount Rate

A Single Discount Rate of 4.09% was used to measure the total pension liability and 7.00% was used in the prior valuation. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.00%, the municipal bond rate is 2.56%, and the resulting single discount rate is 4.09%.

**VILLAGE OF DOLTON, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2020**

**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 (3.09%)	Current Discount Rate (4.09%)	1% Increase (5.09%)
Net Pension Liability \$	50,911,292	39,642,370	28,468,415

**Changes in the Net Pension Liability**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2019	\$ 43,047,523	27,934,285	15,113,238
Changes for the Year:			
Service Cost	839,822	—	839,822
Interest on the Total Pension Liability	2,930,240	—	2,930,240
Changes of Benefit Terms	222,981	—	222,981
Difference Between Expected and Actual Experience of the Total Pension Liability	1,465,901	—	1,465,901
Changes of Assumptions	20,991,065	—	20,991,065
Contributions - Employer	—	1,661,312	(1,661,312)
Contributions - Employees	—	316,825	(316,825)
Net Investment Income	—	10,137	(10,137)
Benefit Payments, Including Refunds of Employee Contributions	(2,373,914)	(2,373,914)	—
Other (Net Transfer)	—	(67,397)	67,397
Net Changes	24,076,095	(453,037)	24,529,132
Balances at April 30, 2020	67,123,618	27,481,248	39,642,370

**VILLAGE OF DOLTON, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2020**

**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 year ended April 30, 2020, the Village recognized pension expense of \$3,776,744. At April 30, 2020, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 1,313,371	(1,472,049)	(158,678)
Change in Assumptions	18,753,031	(7,590,338)	11,162,693
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,047,335	—	1,047,335
Total Deferred Amounts Related to Police Pension	<u>21,113,737</u>	<u>(9,062,387)</u>	<u>12,051,350</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 of Resources
2021	\$ 1,527,040
2022	1,613,951
2023	2,005,483
2024	4,427,420
2025	2,477,456
Thereafter	—
Total	<u>12,051,350</u>

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2020

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NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Firefighters' Pension Plan

Plan Descriptions

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

*Plan Membership.* At April 30, 2020, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	21
Inactive Plan Members Entitled to but not yet Receiving Benefits	1
Active Plan Members	<u>22</u>
Total	<u><u>44</u></u>

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

The Firefighters' Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of 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 firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter.

# VILLAGE OF DOLTON, ILLINOIS

## Notes to the Financial Statements

April 30, 2020

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### NOTE 4 - OTHER INFORMATION - Continued

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

##### Firefighters' 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 firefighter during the 48 consecutive months of service within the last 60 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for the pension purposes is capped at \$106,800, plus the lesser of 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 firefighter shall be increased annually at age 60 on the January 1<sup>st</sup> after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent of ½ of the change in the Consumer Price Index for the proceeding calendar year.

*Contributions.* Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended April 30, 2020, the Village's contribution was 50.95% of covered payroll.

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

# VILLAGE OF DOLTON, ILLINOIS

## Notes to the Financial Statements

April 30, 2020

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### NOTE 4 - OTHER INFORMATION - Continued

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

##### Firefighters' Pension Plan - Continued

##### Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of April 30, 2020, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.00%
Salary Increases	Graded by Years of Service
Cost of Living Adjustments	3.00%
Inflation	3.00%

Mortality rates are based on the RP-2014 study, with blue collar adjustment projected from 2013. These rates are improved fully generationally using MP2018 improvement rates.

##### Discount Rate

A Single Discount Rate of 4.49% was used to measure the total pension liability and 6.02% was used in the prior valuation. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.00%, the municipal bond rate is 2.56%, and the resulting single discount rate is 4.49%.

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2020

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Firefighters' Pension Plan - Continued

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the 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 (3.49%)	Current Discount Rate (4.49%)	1% Increase (5.49%)
Net Pension Liability	\$ 27,236,710	21,475,363	16,910,197

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2019	\$ 25,846,722	12,549,322	13,297,400
Changes for the Year:			
Service Cost	567,144	—	567,144
Interest on the Total Pension Liability	1,514,792	—	1,514,792
Changes of Benefit Terms	178,829	—	178,829
Difference Between Expected and Actual Experience of the Total Pension Liability	918,419	—	918,419
Changes of Assumptions	6,259,075	—	6,259,075
Contributions - Employer	—	919,394	(919,394)
Contributions - Employees	—	199,903	(199,903)
Net Investment Income	—	208,236	(208,236)
Benefit Payments, Including Refunds of Employee Contributions	(1,368,127)	(1,368,127)	—
Other (Net Transfer)	—	(67,237)	67,237
Net Changes	8,070,132	(107,831)	8,177,963
Balances at April 30, 2020	33,916,854	12,441,491	21,475,363



**VILLAGE OF DOLTON, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2020**

**NOTE 4 - OTHER INFORMATION - Continued**

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

**Firefighters' Pension Plan - Continued**

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

For the year ended April 30, 2020, the Village recognized pension expense of \$2,501,892. At April 30, 2020, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 1,838,820	(1,874)	1,836,946
Change in Assumptions	7,453,900	(2,987,544)	4,466,356
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	652,315	—	652,315
Total Deferred Amounts Related to Firefighters' Pension	<u>9,945,035</u>	<u>(2,989,418)</u>	<u>6,955,617</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 of Resources
2021	\$ 998,631
2022	1,015,995
2023	1,035,470
2024	975,035
2025	613,054
Thereafter	<u>2,317,432</u>
Total	<u>6,955,617</u>

# VILLAGE OF DOLTON, ILLINOIS

## Notes to the Financial Statements

April 30, 2020

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### NOTE 4 - OTHER INFORMATION - Continued

#### OTHER POST-EMPLOYMENT BENEFITS

##### General Information about the OPEB Plan

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

*Benefits Provided.* RBP provides dental, vision and life insurance coverage to eligible retirees. Retiree-paid premiums for these insurances are assumed to cover the entire cost of the respective benefits. Retiree dental, vision and life coverages are not taken into consideration in this valuation of benefits.

*Plan Membership.* As of April 30, 2019, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	11
Inactive Plan Members Entitled to but not yet Receiving Benefits	—
Active Plan Members	<u>128</u>
Total	<u><u>139</u></u>

##### Total OPEB Liability

The Village's total OPEB liability was measured as of April 30, 2020, and was determined by an actuarial valuation as of April 30, 2019.

*Actuarial Assumptions and Other Inputs.* The total OPEB liability in the April 30, 2019 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 DOLTON, ILLINOIS

## Notes to the Financial Statements

April 30, 2020

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### NOTE 4 - OTHER INFORMATION - Continued

#### OTHER POST-EMPLOYMENT BENEFITS - Continued

##### Total OPEB Liability - Continued

*Actuarial Assumptions and Other Inputs - Continued.*

Inflation	2.50%
Salary Increases	Varies by Service
Discount Rate	2.85%
Healthcare Cost Trend Rates	Initial rate of 7.00% in fiscal year 2020, grading down to the ultimate trend rate of 4.00% in fiscal year 2075.
Retirees' Share of Benefit-Related Costs	100% of projected health insurance premiums for retirees

The discount rate was based upon the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices.

Mortality rates for Village employees were based on the RP-2014 Blue Collar Table, projected generationally with Scale MP-2017. Police and Fire employees were based on the PubS-2010 employee mortality projected five years past the valuation date using Scale MP-2018.

##### Change in the Total OPEB Liability

	Total OPEB Liability
Balance at April 30, 2019	<u>\$ 1,403,254</u>
Changes for the Year:	
Service Cost	58,459
Interest on the Total OPEB Liability	45,586
Changes of Benefit Terms	—
Difference Between Expected and Actual Experience	—
Changes of Assumptions or Other Inputs	42,535
Benefit Payments	(83,853)
Net Changes	<u>62,727</u>
Balance at April 30, 2020	<u><u>1,465,981</u></u>

**VILLAGE OF DOLTON, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2020**

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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 following presents the total OPEB liability, calculated using a Single Discount Rate of 2.85%, as well as what the total OPEB liability would be if it were calculated using a Single Discount Rate that is one percentage point lower or one percentage point higher:

	1% Decrease (1.85%)	Current Discount Rate (2.85%)	1% Increase (3.85%)
Total OPEB Liability	\$ 1,592,706	1,465,981	1,351,608

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

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

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Total OPEB Liability	\$ 1,316,119	1,465,981	1,639,647

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2020

**NOTE 4 - OTHER INFORMATION - Continued**

**OTHER POST-EMPLOYMENT BENEFITS - Continued**

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

For the year ended April 30, 2020, the Village recognized OPEB expense of \$114,088. At April 30, 2020, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ —	—	—
Change in Assumptions	75,026	—	75,026
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	—	—
Total Deferred Amounts Related to OPEB	<u>75,026</u>	<u>—</u>	<u>75,026</u>

There are no employer contributions made subsequent to the measurement date. 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
2021	\$ 10,043
2022	10,043
2023	10,043
2024	10,043
2025	10,043
Thereafter	<u>24,811</u>
Total	<u>75,026</u>

## **REQUIRED SUPPLEMENTARY INFORMATION**

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

- Schedule Employer Contributions
  - Illinois Municipal Retirement Fund
  - Police Pension Fund
  - Firefighters' Pension Fund
  
- Schedule of Changes in the Employer's Net Pension Liability
  - Illinois Municipal Retirement Fund
  - Police Pension Fund
  - Firefighters' Pension Fund
  
- Schedule of Investment Returns
  - Police Pension Fund
  - Firefighters' Pension Fund
  
- Schedule of Changes in the Employer's Total OPEB Liability
  - Retiree Benefit Plan
  
- Budgetary Comparison Schedule
  - General Fund
  - Motor Fuel Tax - Special Revenue Fund
  - I-94 Sibley TIF - Special Revenue Fund

### Notes to the Required Supplementary Information

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

**VILLAGE OF DOLTON, ILLINOIS**

**Illinois Municipal Retirement Fund  
Schedule of Employer Contributions  
April 30, 2020**

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	\$ 141,746	\$ 141,950	\$ 204	\$ 2,362,425	6.01%
2017	179,936	244,112	64,176	2,860,670	8.53%
2018	125,551	125,551	—	2,761,650	4.55%
2019	62,048	62,048	—	2,661,841	2.33%
2020	34,117	34,117	—	2,904,837	1.17%

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	7.25%
Retirement Age	See the Notes to the Financial Statements
Mortality	IMRF specific mortality table was used with fully generational projection scale MP-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 DOLTON, ILLINOIS**

**Police Pension Fund  
Schedule of Employer Contributions  
April 30, 2020**

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
2015	\$ 1,113,611	\$ 716,574	\$ (397,037)	\$ 2,939,400	24.38%
2016	1,236,858	787,728	(449,130)	3,221,094	24.46%
2017	1,200,342	762,459	(437,883)	3,405,262	22.39%
2018	1,414,979	721,564	(693,415)	3,159,810	22.84%
2019	1,532,868	981,174	(551,694)	3,103,824	31.61%
2020	1,622,439	1,661,312	38,873	3,212,458	51.71%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	20 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.50%
Salary Increases	5.00% - 10.63%
Investment Rate of Return	7.00%
Retirement Age	See the Notes to the Financial Statements
Mortality	Mortality rates are based on RP-2014 Adjusted for Plan Status, Collar, and Illinois Pension Data, as appropriate

Note:

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



**VILLAGE OF DOLTON, ILLINOIS**

**Firefighters' Pension Fund  
Schedule of Employer Contributions  
April 30, 2020**

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
2015	\$ 679,271	\$ 455,180	\$ (224,091)	\$ 1,391,319	32.72%
2016	603,043	499,389	(103,654)	1,667,358	29.95%
2017	645,365	485,543	(159,822)	1,653,009	29.37%
2018	806,828	456,912	(349,916)	1,710,864	26.71%
2019	855,659	714,777	(140,882)	1,743,646	40.99%
2020	934,386	919,394	(14,992)	1,804,674	50.95%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	20 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	3.00%
Salary Increases	4.75% - 19.79%
Investment Rate of Return	7.00%
Retirement Age	See the Notes to the Financial Statements
Mortality	RP-2014 Adjusted for Plan Status, Collar, and Illinois Public Pension Data, as Appropriate

Note:

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

**VILLAGE OF DOLTON, ILLINOIS**

**Illinois Municipal Retirement Fund  
Schedule of Changes in the Employer's Net Pension Liability  
April 30, 2020**

	<u>12/31/15</u>
Total Pension Liability	
Service Cost	\$ 217,866
Interest	1,468,511
Changes in Benefit Terms	—
Differences Between Expected and Actual Experience	70,698
Change of Assumptions	—
Benefit Payments, Including Refunds of Member Contributions	<u>(1,322,421)</u>
Net Change in Total Pension Liability	434,654
Total Pension Liability - Beginning	<u>20,132,424</u>
 Total Pension Liability - Ending	 <u><u>20,567,078</u></u>
 Plan Fiduciary Net Position	
Contributions - Employer	\$ 141,950
Contributions - Members	107,417
Net Investment Income	106,340
Benefit Payments, Including Refunds of Member Contributions	<u>(1,322,421)</u>
Other (Net Transfer)	272,643
Net Change in Plan Fiduciary Net Position	<u>(694,071)</u>
Plan Net Position - Beginning	<u>21,804,621</u>
 Plan Net Position - Ending	 <u><u>21,110,550</u></u>
 Employer's Net Pension Liability	 <u><u>\$ (543,472)</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	  102.64%
 Covered Payroll	 \$ 2,362,425
 Employer's Net Pension Liability as a Percentage of Covered Payroll	  (23.00%)

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

12/31/16	12/31/17	12/31/18	12/31/19
291,620	312,308	250,150	257,832
1,497,434	1,498,458	1,466,994	1,454,307
—	—	—	—
(330,146)	(110,959)	(231,840)	(36,010)
—	(655,580)	492,117	—
(1,494,194)	(1,417,020)	(1,448,303)	(1,515,262)
(35,286)	(372,793)	529,118	160,867
20,567,078	20,531,792	20,158,999	20,688,117
20,531,792	20,158,999	20,688,117	20,848,984
244,112	152,588	86,375	23,070
129,850	138,809	127,836	121,954
1,416,783	4,211,306	(1,639,113)	4,301,598
(1,494,194)	(1,417,020)	(1,448,303)	(1,515,262)
719,146	(1,185,693)	170,389	(123,820)
1,015,697	1,899,990	(2,702,816)	2,807,540
21,110,550	22,126,247	24,026,237	21,323,421
22,126,247	24,026,237	21,323,421	24,130,961
(1,594,455)	(3,867,238)	(635,304)	(3,281,977)
107.77%	119.18%	103.07%	115.74%
2,860,670	2,922,475	2,742,081	2,708,539
(55.74%)	(132.33%)	(23.17%)	(121.17%)

**VILLAGE OF DOLTON, ILLINOIS**

**Police Pension Fund**

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

**April 30, 2020**

	<u>4/30/15</u>
Total Pension Liability	
Service Cost	\$ 1,301,043
Interest	2,212,327
Changes in Benefit Terms	—
Differences Between Expected and Actual Experience	—
Change of Assumptions	—
Benefit Payments, Including Refunds of Member Contributions	(1,786,828)
Net Change in Total Pension Liability	<u>1,726,542</u>
Total Pension Liability - Beginning	<u>46,135,266</u>
 Total Pension Liability - Ending	 <u><u>47,861,808</u></u>
 Plan Fiduciary Net Position	
Contributions - Employer	\$ 716,574
Contributions - Members	329,382
Net Investment Income	1,662,239
Benefit Payments, Including Refunds of Member Contributions	(1,786,828)
Administrative Expenses	(70,626)
Net Change in Plan Fiduciary Net Position	<u>850,741</u>
Plan Net Position - Beginning	<u>24,782,844</u>
 Plan Net Position - Ending	 <u><u>25,633,585</u></u>
 Employer's Net Pension Liability	 <u><u>\$ 22,228,223</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	  53.56%
 Covered Payroll	 \$ 2,939,400
 Employer's Net Pension Liability as a Percentage of Covered Payroll	  756.22%

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

4/30/16	4/30/17	4/30/18	4/30/19	4/30/20
1,238,399	1,332,573	1,406,131	1,331,537	839,822
2,513,788	2,707,162	2,697,387	2,833,063	2,930,240
—	—	—	—	222,981
(831,040)	(247,761)	213,124	(2,041,387)	1,465,901
965,468	(1,938,831)	2,575,606	(11,538,125)	20,991,065
(1,750,240)	(1,910,799)	(2,149,638)	(2,220,702)	(2,373,914)
2,136,375	(57,656)	4,742,610	(11,635,614)	24,076,095
47,861,808	49,998,183	49,940,527	54,683,137	43,047,523
49,998,183	49,940,527	54,683,137	43,047,523	67,123,618
787,728	762,459	721,564	981,174	1,661,312
325,100	325,913	309,041	307,589	316,825
(457,288)	2,200,659	2,129,149	2,242,216	10,137
(1,750,240)	(1,910,799)	(2,149,638)	(2,220,702)	(2,373,914)
(83,581)	(70,723)	(67,687)	(81,234)	(67,397)
(1,178,281)	1,307,509	942,429	1,229,043	(453,037)
25,633,585	24,455,304	25,762,813	26,705,242	27,934,285
24,455,304	25,762,813	26,705,242	27,934,285	27,481,248
25,542,879	24,177,714	27,977,895	15,113,238	39,642,370
48.91%	51.59%	48.84%	64.89%	40.94%
3,221,094	3,405,262	3,159,810	3,103,824	3,212,458
792.99%	710.01%	885.43%	486.92%	1234.02%

VILLAGE OF DOLTON, ILLINOIS

**Firefighter's Pension Fund**  
**Schedule of Changes in the Employer's Net Pension Liability**  
**April 30, 2020**

	<u>4/30/15</u>
Total Pension Liability	
Service Cost	\$ 566,874
Interest	1,167,617
Changes in Benefit Terms	—
Differences Between Expected and Actual Experience	—
Change of Assumptions	—
Benefit Payments, Including Refunds of Member Contributions	(846,907)
Net Change in Total Pension Liability	887,584
Total Pension Liability - Beginning	<u>20,554,789</u>
Total Pension Liability - Ending	<u><u>21,442,373</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 455,180
Contributions - Members	126,553
Net Investment Income	486,676
Benefit Payments, Including Refunds of Member Contributions	(846,907)
Administrative Expenses	(24,167)
Net Change in Plan Fiduciary Net Position	197,335
Plan Net Position - Beginning	<u>11,987,452</u>
Plan Net Position - Ending	<u><u>12,184,787</u></u>
Employer's Net Pension Liability	<u><u>\$ 9,257,586</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.83%
Covered Payroll	\$ 1,391,319
Employer's Net Pension Liability as a Percentage of Covered Payroll	665.38%

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

4/30/16	4/30/17	4/30/18	4/30/19	4/30/20
702,731	646,616	683,732	611,964	567,144
1,136,396	1,400,881	1,392,754	1,420,450	1,514,792
—	—	—	—	178,829
368,615	219,638	(2,783)	1,032,350	918,419
2,157,958	(1,311,622)	1,405,032	(3,149,186)	6,259,075
(873,808)	(1,057,328)	(1,136,853)	(1,243,188)	(1,368,127)
3,491,892	(101,815)	2,341,882	(1,327,610)	8,070,132
21,442,373	24,934,265	24,832,450	27,174,332	25,846,722
24,934,265	24,832,450	27,174,332	25,846,722	33,916,854
499,389	485,543	456,912	714,777	919,394
151,144	198,450	151,907	152,361	199,903
(368,320)	882,593	921,160	553,339	208,236
(873,808)	(1,057,328)	(1,136,853)	(1,243,188)	(1,368,127)
(21,884)	(32,596)	(31,424)	(37,639)	(67,237)
(613,479)	476,662	361,702	139,650	(107,831)
12,184,787	11,571,308	12,047,970	12,409,672	12,549,322
11,571,308	12,047,970	12,409,672	12,549,322	12,441,491
13,362,957	12,784,480	14,764,660	13,297,400	21,475,363
46.41%	48.52%	45.67%	48.55%	36.68%
1,667,358	1,653,009	1,710,864	1,743,646	1,804,674
801.44%	773.41%	862.99%	762.62%	1189.99%

**VILLAGE OF DOLTON, ILLINOIS**

**Police Pension Fund**

**Schedule of Investment Returns**

**April 30, 2020**

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Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2015	6.87%
2016	(1.82%)
2017	9.26%
2018	8.89%
2019	8.56%
2020	0.52%

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



**VILLAGE OF DOLTON, ILLINOIS**

**Firefighters' Pension Fund  
Schedule of Investment Returns  
April 30, 2020**

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Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2015	4.40%
2016	(3.13%)
2017	7.83%
2018	7.77%
2019	4.60%
2020	1.90%

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

**VILLAGE OF DOLTON, ILLINOIS**

**Retiree Benefit Plan**

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

**April 30, 2020**

	4/30/19	4/30/20
Total OPEB Liability		
Service Cost	\$ 51,950	58,459
Interest	50,612	45,586
Changes in Benefit Terms	—	—
Differences Between Expected and Actual Experience	—	—
Change of Assumptions or Other Inputs	47,851	42,535
Benefit Payments	(78,003)	(83,853)
Net Change in Total OPEB Liability	72,410	62,727
Total OPEB Liability - Beginning	1,330,844	1,403,254
Total OPEB Liability - Ending	1,403,254	1,465,981
Covered Payroll	\$ 7,585,149	7,974,267
Total OPEB Liability as a Percentage of Covered Payroll	18.50 %	18.38%

Notes:

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

*Changes of Assumptions.* There were changes of assumptions related to the discount rate in 2019 and 2020.

VILLAGE OF DOLTON, ILLINOIS

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>Revenues</b>			
Taxes	\$ 10,664,920	10,664,920	11,345,769
Intergovernmental	5,800,250	5,800,250	5,903,956
Licenses and Permits	1,463,640	1,463,640	1,531,831
Charges for Services	2,000,000	2,000,000	1,892,899
Fines and Forfeitures	2,139,175	2,139,175	2,946,004
Interest	18,100	18,100	16,573
Miscellaneous	715,550	715,550	499,423
Total Revenues	22,801,635	22,801,635	24,136,455
<b>Expenditures</b>			
General Government	7,316,211	7,316,211	6,292,276
Public Safety	12,149,585	12,149,585	12,144,600
Public Works	2,513,595	2,513,595	2,579,006
Public Property Maintenance	1,893,240	1,893,240	1,742,544
Debt Service			
Principal Retirement	189,715	189,715	198,619
Interest and Fiscal Charges	25,285	25,285	25,284
Total Expenditures	24,087,631	24,087,631	22,982,329
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,285,996)	(1,285,996)	1,154,126
<b>Other Financing Sources (Uses)</b>			
Debt Issuance	1,400,000	1,400,000	3,102,913
Disposal of Capital Assets	400,000	400,000	68,500
Transfers Out	—	—	(2,216,456)
	1,800,000	1,800,000	954,957
Net Change In Fund Balance	514,004	514,004	2,109,083
Fund Balance - Beginning			93,555
Fund Balance - Ending			2,202,638

VILLAGE OF DOLTON, 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, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Intergovernmental			
Motor Fuel Tax Allotment	\$ 596,000	596,000	854,384
Interest	17,400	17,400	26,055
Total Revenues	613,400	613,400	880,439
Expenditures			
Public Works			
Maintenance	663,980	663,980	464,281
Net Change in Fund Balance	<u>(50,580)</u>	<u>(50,580)</u>	416,158
Fund Balance - Beginning			<u>3,142,364</u>
Fund Balance - Ending			<u>3,558,522</u>

VILLAGE OF DOLTON, ILLINOIS

I-94 Sibley TIF - Special Revenue Fund

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

For the Fiscal Year Ended April 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ —	—	—
Interest	605	605	—
Total Revenues	605	605	—
Expenditures			
Economic Development			
Professional Services	480	480	290
Net Change in Fund Balance	125	125	(290)
Fund Balance - Beginning			2,866,889
Fund Balance - Ending			2,866,599

## **OTHER SUPPLEMENTARY INFORMATION**

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

Such statements and schedules include:

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

## INDIVIDUAL FUND DESCRIPTIONS

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### GENERAL FUND

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

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### SPECIAL REVENUE FUNDS

The Special revenue funds 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.

#### Motor Fuel Tax Fund

The Motor Fuel Tax Fund is used to account for allotments of motor fuel taxes from the State of Illinois made on a per capita basis. The Village uses these funds to maintain and construct transportation-related community needs, such as streets, bridges, and traffic signals.

#### I-94 Sibley TIF Fund

The I-94 Sibley TIF Fund is used to account for the incremental property taxes of the I-94 Sibley Tax Incremental Financing District and the use of those funds.

#### Sibley TIF #2 Fund

The Sibley TIF #2 Fund is used to account for the incremental property taxes of the Sibley Tax Incremental Financing District #2 and the use of those funds.

#### TIF #3 Indulux Fund

The TIF #3 Indulux Fund is used to account for the incremental property taxes of the Tax Incremental Financing District #3 Indulux and the use of those funds.

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### DEBT SERVICE FUND

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

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## **INDIVIDUAL FUND DESCRIPTIONS**

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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 Fund**

The Water Fund is used to account for the provisions of the water 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, financing and related debt service and billing and collection.

#### **Recreation Center Fund**

The Recreation Center Fund is used to account for the provisions of the Melanie Fitness Center. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing and related debt service and billing and collection.

#### **Sewer Fund**

The Sewer Fund is used to account for the operating activities of the Village's sewerage utilities services on a user-charge basis to the Village residents.

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### **PENSION TRUST FUNDS**

#### **Police Pension Fund**

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

#### **Firefighters' Pension Fund**

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

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VILLAGE OF DOLTON, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual

For the Fiscal Year Ended April 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>Taxes</b>			
Property Taxes	\$ 8,268,320	8,268,320	9,120,048
Transfer Tax	295,000	295,000	242,106
Utility Tax	1,713,000	1,713,000	1,650,504
Hotel Tax	7,200	7,200	—
Other Taxes	381,400	381,400	333,111
	<u>10,664,920</u>	<u>10,664,920</u>	<u>11,345,769</u>
<b>Intergovernmental</b>			
Sales Tax	2,993,000	2,993,000	3,016,094
State Sales Tax	2,267,000	2,267,000	2,277,296
Replacement Tax	212,000	212,000	254,016
Local Motor Fuel Tax	39,000	39,000	39,052
911 Service Charge	13,600	13,600	10,183
Grants	275,650	275,650	303,526
Cannabis Tax	—	—	3,789
	<u>5,800,250</u>	<u>5,800,250</u>	<u>5,903,956</u>
<b>Licenses and Permits</b>			
Vehicle Licenses	272,000	272,000	328,350
Other License and Contractors	486,890	486,890	645,771
Other Permits	704,750	704,750	557,710
	<u>1,463,640</u>	<u>1,463,640</u>	<u>1,531,831</u>
<b>Charges for Services</b>			
Fees and Service Charges	55,000	55,000	55,810
Refuse Collection Fees	1,945,000	1,945,000	1,837,089
	<u>2,000,000</u>	<u>2,000,000</u>	<u>1,892,899</u>
<b>Fines and Forfeitures</b>			
	<u>2,139,175</u>	<u>2,139,175</u>	<u>2,946,004</u>

VILLAGE OF DOLTON, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued

For the Fiscal Year Ended April 30, 2020

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	Budgeted Amounts		Actual Amounts
	Original	Final	
Interest	\$ 18,100	18,100	16,573
Miscellaneous			
Rental Income	93,400	93,400	38,371
Reimbursements	331,100	331,100	208,058
Other	291,050	291,050	252,994
	<u>715,550</u>	<u>715,550</u>	<u>499,423</u>
Total Revenues	<u>22,801,635</u>	<u>22,801,635</u>	<u>24,136,455</u>

VILLAGE OF DOLTON, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual

For the Fiscal Year Ended April 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
General Government			
General			
Salaries	\$ 478,240	478,240	416,155
Benefits	1,446,810	1,446,810	1,643,525
Printing and Publishing	19,000	19,000	3,292
Office Supplies	7,000	7,000	12,894
Maintenance Supplies	1,500	1,500	8,113
Postage and Shipping	8,000	8,000	6,482
Insurance	881,000	881,000	836,988
Repairs and Maintenance	23,500	23,500	28,737
Utilities	132,000	132,000	35,127
Telephones	200,000	200,000	212,085
Training, Travel and Meetings	1,000	1,000	1,020
Membership Dues	22,000	22,000	8,787
Special Event Activities	5,000	5,000	26,144
Auditing	45,000	45,000	46,000
Legal Services	450,000	450,000	255,313
Settlements	1,174,000	1,174,000	600
Red Light	465,000	465,000	638,853
Contractual Services	970,000	970,000	1,049,174
Professional Services	134,115	134,115	50,569
Miscellaneous	491,886	491,886	718,271
	<u>6,955,051</u>	<u>6,955,051</u>	<u>5,998,129</u>
Media Center			
Salaries	11,700	11,700	10,545
Benefits	4,560	4,560	807
Professional Services	40,000	40,000	25,796
Office Supplies	—	—	327
Equipment	—	—	9,527
Miscellaneous	—	—	148
	<u>56,260</u>	<u>56,260</u>	<u>47,150</u>

VILLAGE OF DOLTON, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended April 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
General Government - Continued			
Village Clerk and Commission			
Salaries	\$ 3,000	3,000	250
Professional Services	27,100	27,100	358
Office Supplies	—	—	62
Equipment	—	—	367
	<u>30,100</u>	<u>30,100</u>	<u>1,037</u>
Finance			
Salaries	80,000	80,000	—
Benefits	36,800	36,800	—
Contractual Services	152,000	152,000	245,960
Training, Travel and Meetings	5,000	5,000	—
Membership Dues	500	500	—
Operating Supplies	500	500	—
	<u>274,800</u>	<u>274,800</u>	<u>245,960</u>
Total General Government	<u>7,316,211</u>	<u>7,316,211</u>	<u>6,292,276</u>
Public Safety			
Police Department			
Salaries	4,923,790	4,923,790	4,956,557
Benefits	729,605	729,605	680,736
Pension	1,459,200	1,459,200	1,661,312
Office Supplies	12,000	12,000	9,612
Operating Supplies	93,500	93,500	112,287
Repairs and Maintenance	119,500	119,500	123,238
Telephones	27,000	27,000	18,312
Training, Travel and Meetings	26,500	26,500	1,758
Membership Dues	4,500	4,500	1,740
Uniform Allowance	33,400	33,400	71,695
Forfeiture Purchases	80,000	80,000	46,411
Equipment	177,000	177,000	321,143
Contractual Services	46,500	46,500	66,869
Professional Services	36,000	36,000	93,249
Miscellaneous	90,150	90,150	71,364
	<u>7,858,645</u>	<u>7,858,645</u>	<u>8,236,283</u>

VILLAGE OF DOLTON, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended April 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
Public Safety - Continued			
Fire Department			
Salaries	\$ 2,680,000	2,680,000	2,305,735
Benefits	401,865	401,865	410,196
Pension	852,720	852,720	943,458
Office Supplies	4,500	4,500	7,248
Operating Supplies	124,000	124,000	56,253
Tools and Supplies	12,000	12,000	31,855
Repairs and Maintenance	70,000	70,000	73,649
Telephones	15,725	15,725	2,281
Training, Travel and Meetings	20,750	20,750	12,103
Utilities	30,000	30,000	3,983
Membership Dues	6,180	6,180	2,339
Uniform Allowance	16,200	16,200	13,957
Contractual Services	25,000	25,000	22,702
Miscellaneous	32,000	32,000	22,558
	<u>4,290,940</u>	<u>4,290,940</u>	<u>3,908,317</u>
Total Public Safety	<u>12,149,585</u>	<u>12,149,585</u>	<u>12,144,600</u>
Public Works			
Street Division			
Salaries	869,400	869,400	816,026
Benefits	248,100	248,100	222,016
Maintenance Supplies	80,500	80,500	75,620
Office Supplies	2,500	2,500	4,300
Repairs and Maintenance	317,750	317,750	319,478
Tree Maintenance	75,000	75,000	154,065
Membership Dues	100	100	100
Training, Travel and Meetings	2,500	2,500	726
Utilities	19,100	19,100	13,586
Uniform Allowance	40,000	40,000	16,487
Rented Equipment	6,000	6,000	7,232
Professional Services	57,000	57,000	24,980
Contractual Services	—	—	8,146
Equipment	—	—	133,041
Miscellaneous	5,000	5,000	10,882
	<u>1,722,950</u>	<u>1,722,950</u>	<u>1,806,685</u>

VILLAGE OF DOLTON, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended April 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
Public Works - Continued			
Housing			
Salaries	\$ 420,000	420,000	350,150
Benefits	89,470	89,470	65,622
Printing and Publishing	1,000	1,000	—
Maintenance Supplies	25,500	25,500	22,822
Office Supplies	3,175	3,175	2,092
Postage and Shipping	24,000	24,000	8,858
Training, Travel and Meetings	1,000	1,000	—
Membership Dues	4,500	4,500	—
Contractual Services	216,000	216,000	267,867
Equipment	3,000	3,000	49,748
Miscellaneous	3,000	3,000	5,162
	<u>790,645</u>	<u>790,645</u>	<u>772,321</u>
Total Public Works	<u>2,513,595</u>	<u>2,513,595</u>	<u>2,579,006</u>
Public Property Maintenance			
Property Preservation Engineer			
Salaries	75,100	75,100	75,829
Benefits	12,140	12,140	12,547
	<u>87,240</u>	<u>87,240</u>	<u>88,376</u>
Property Acquisition Department			
Contractual Services	<u>100,000</u>	<u>100,000</u>	<u>—</u>
Sanitation			
Contractual Services	<u>1,706,000</u>	<u>1,706,000</u>	<u>1,654,168</u>
Total Public Property Maintenance	<u>1,893,240</u>	<u>1,893,240</u>	<u>1,742,544</u>
Debt Service			
Principal Retirement	189,715	189,715	198,619
Interest and Fiscal Charges	25,285	25,285	25,284
	<u>215,000</u>	<u>215,000</u>	<u>223,903</u>
Total Expenditures	<u>24,087,631</u>	<u>24,087,631</u>	<u>22,982,329</u>

VILLAGE OF DOLTON, ILLINOIS

Debt Service Fund

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

For the Fiscal Year Ended April 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 3,926,143	3,926,143	3,417,906
Interest	2,737	2,737	15,458
Miscellaneous	110,000	110,000	109,418
Total Revenues	<u>4,038,880</u>	<u>4,038,880</u>	<u>3,542,782</u>
Expenditures			
General Government			
Contractual Services	28,000	28,000	30,000
Debt Service			
Principal Retirement	2,840,000	2,840,000	2,670,000
Interest and Fiscal Agent Fees	1,064,191	1,064,191	1,042,846
Total Expenditures	<u>3,932,191</u>	<u>3,932,191</u>	<u>3,742,846</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	106,689	106,689	(200,064)
Other Financing Sources			
Transfers In	—	—	440,594
Net Change in Fund Balance	<u>106,689</u>	<u>106,689</u>	240,530
Fund Balance - Beginning			<u>1,079,503</u>
Fund Balance - Ending			<u><u>1,320,033</u></u>

VILLAGE OF DOLTON, ILLINOIS

Nonmajor Governmental - Special Revenue Funds  
Combining Balance Sheet  
April 30, 2020

	Sibley TIF #2	TIF #3 Indulux	Totals
<b>ASSETS</b>			
Cash and Investments	\$ 78,893	261,359	340,252
Advances to Other Funds	—	251,625	251,625
Total Assets	78,893	512,984	591,877
<b>LIABILITIES</b>			
Accounts Payable	823,697	30	823,727
Advance from Other Funds	672,210	—	672,210
Total Liabilities	1,495,907	30	1,495,937
<b>FUND BALANCES</b>			
Restricted	—	512,954	512,954
Unassigned	(1,417,014)	—	(1,417,014)
Total Fund Balances	(1,417,014)	512,954	(904,060)
Total Liabilities and Fund Balances	78,893	512,984	591,877



VILLAGE OF DOLTON, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended April 30, 2020

	Sibley TIF #2	TIF #3 Indulux	Totals
Revenues			
Taxes			
Property Taxes	\$ 572,213	50,350	622,563
Expenditures			
Economic Development			
Professional Services	350,290	84,314	434,604
Net Change in Fund Balance	221,923	(33,964)	187,959
Fund Balance - Beginning	(1,638,937)	546,918	(1,092,019)
Fund Balance - Ending	(1,417,014)	512,954	(904,060)

**VILLAGE OF DOLTON, ILLINOIS**

**Sibley TIF #2 - Special Recreation Fund**

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

**For the Fiscal Year Ended April 30, 2020**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 561,200	561,200	572,213
Interest	120	120	—
Total Revenues	561,320	561,320	572,213
Expenditures			
Economic Development			
Professional Services	350,480	350,480	350,290
Net Change in Fund Balance	210,840	210,840	221,923
Fund Balance - Beginning			(1,638,937)
Fund Balance - Ending			(1,417,014)

VILLAGE OF DOLTON, ILLINOIS

TIF #3 Indulux - Special Recreation Fund

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

For the Fiscal Year Ended April 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 43,100	43,100	50,350
Interest	275	275	—
Total Revenues	43,375	43,375	50,350
Expenditures			
Economic Development			
Professional Services	84,600	84,600	84,314
Net Change in Fund Balance	(41,225)	(41,225)	(33,964)
Fund Balance - Beginning			546,918
Fund Balance - Ending			512,954

VILLAGE OF DOLTON, ILLINOIS

Water - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual  
For the Fiscal Year Ended April 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
Operating Revenues			
Charges for Services	\$ 5,005,500	5,005,500	4,889,326
Miscellaneous	145,900	145,900	134,741
Total Operating Revenues	<u>5,151,400</u>	<u>5,151,400</u>	<u>5,024,067</u>
Operating Expenses			
Administration			
Salaries and Benefits	849,770	849,770	698,794
Contractual Services	230,300	230,300	218,323
Supplies	172,000	172,000	113,292
Commodities and Merchandise	3,703,000	3,703,000	3,504,912
Occupancy and Maintenance	63,500	63,500	85,400
Postage	8,400	8,400	11,693
Utilities	36,400	36,400	38,889
Miscellaneous	25,000	25,000	146,686
Depreciation	—	—	6,452
Total Operating Expenses	<u>5,088,370</u>	<u>5,088,370</u>	<u>4,824,441</u>
Operating Income	<u>63,030</u>	<u>63,030</u>	<u>199,626</u>
Nonoperating Revenues (Expenses)			
Interest Income	350	350	—
Interest Expense	—	—	(509,181)
	<u>350</u>	<u>350</u>	<u>(509,181)</u>
Income (Loss) before Transfers and Grants	63,380	63,380	(309,555)
Transfers In	—	—	1,775,862
Capital Grants	—	—	2,100
Change in Net Position	<u>63,380</u>	<u>63,380</u>	1,468,407
Net Position - Beginning			<u>(2,471,268)</u>
Net Position - Ending			<u>(1,002,861)</u>

**VILLAGE OF DOLTON, ILLINOIS**

**Recreation Center - Enterprise Fund**

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

**For the Fiscal Year Ended April 30, 2020**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Operating Revenues			
Charges for Services	\$ 58,000	58,000	76,126
Miscellaneous	—	—	5,500
Total Operating Revenues	<u>58,000</u>	<u>58,000</u>	<u>81,626</u>
Operating Expenses			
Operations			
Salaries and Benefits	121,361	121,361	132,963
Contractual Services	259,020	259,020	183,244
Supplies	28,000	28,000	8,141
Equipment	30,000	30,000	1,201
Miscellaneous	1,000	1,000	4,468
Depreciation	—	—	83,311
Total Operating Expenses	<u>439,381</u>	<u>439,381</u>	<u>413,328</u>
Operating (Loss)	(381,381)	(381,381)	(331,702)
Nonoperating Revenues			
Interest Income	<u>3</u>	<u>3</u>	<u>—</u>
Change in Net Position	<u>(381,378)</u>	<u>(381,378)</u>	<u>(331,702)</u>
Net Position - Beginning			<u>1,022,996</u>
Net Position - Ending			<u><u>691,294</u></u>

VILLAGE OF DOLTON, ILLINOIS

Sewer - Enterprise Fund

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

For the Fiscal Year Ended April 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
Operating Revenues			
Charges for Services	\$ 950,350	950,350	893,845
Operating Expenses			
Operations			
Salaries and Benefits	329,400	329,400	304,867
Contractual Services	99,900	99,900	77,254
Supplies	10,000	10,000	7,148
Total Operating Expenses	439,300	439,300	389,269
Change in Net Position	511,050	511,050	504,576
Net Position - Beginning			535,383
Net Position - Ending			1,039,959

**VILLAGE OF DOLTON, ILLINOIS**

**Pension Trust Funds**

**Combining Statement of Fiduciary Net Position**

**April 30, 2020**

	Police Pension	Firefighters' Pension	Totals
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 664,652	257,406	922,058
Investments			
U.S. Treasury Securities	4,492,806	2,297,080	6,789,886
U.S. Agency Securities	2,622,174	267,251	2,889,425
Corporate Bonds	2,158,407	1,745,852	3,904,259
Municipal Bonds	—	143,180	143,180
Equity Mutual Funds	17,530,420	5,989,875	23,520,295
Annuities	—	1,655,013	1,655,013
Receivables - Net of Allowances			
Accrued Interest	23,065	20,738	43,803
Advances to Other Governments	—	39,564	39,564
Advances to Other Funds	310,327	39,286	349,613
Reserve Uncollectible - Interfund	(310,327)	—	(310,327)
Prepays	530	700	1,230
Total Assets	<u>27,492,054</u>	<u>12,455,945</u>	<u>39,947,999</u>
<b>LIABILITIES</b>			
Accounts Payable	<u>10,806</u>	<u>14,454</u>	<u>25,260</u>
<b>NET POSITION</b>			
Net Position Restricted for Pensions	<u>27,481,248</u>	<u>12,441,491</u>	<u>39,922,739</u>

**VILLAGE OF DOLTON, ILLINOIS**

**Pension Trust Funds**

**Combining Statement of Changes in Fiduciary Net Position**

**For the Fiscal Year Ended April 30, 2020**

	Police Pension	Firefighters' Pension	Totals
<b>Additions</b>			
Contributions - Employer	\$ 1,661,312	919,394	2,580,706
Contributions - Plan Members	316,825	199,903	516,728
Total Contributions	<u>1,978,137</u>	<u>1,119,297</u>	<u>3,097,434</u>
<b>Investment Income</b>			
Interest Earned	634,009	250,718	884,727
Net Change in Fair Value	(580,765)	4,787	(575,978)
	<u>53,244</u>	<u>255,505</u>	<u>308,749</u>
Less Investment Expenses	(43,107)	(47,269)	(90,376)
Net Investment Income	<u>10,137</u>	<u>208,236</u>	<u>218,373</u>
Total Additions	<u>1,988,274</u>	<u>1,327,533</u>	<u>3,315,807</u>
<b>Deductions</b>			
Administration	67,397	67,237	134,634
Benefits and Refunds	2,373,914	1,368,127	3,742,041
Total Deductions	<u>2,441,311</u>	<u>1,435,364</u>	<u>3,876,675</u>
Change in Fiduciary Net Position	(453,037)	(107,831)	(560,868)
<b>Net Position Restricted for Pensions</b>			
Beginning	<u>27,934,285</u>	<u>12,549,322</u>	<u>40,483,607</u>
Ending	<u>27,481,248</u>	<u>12,441,491</u>	<u>39,922,739</u>



**VILLAGE OF DOLTON, ILLINOIS**

**Consolidated Year-End Financial Report  
April 30, 2020**

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CSFA #	Program Name	State	Federal	Other	Total
494-00-1488	Motor Fuel Tax Program	\$ 464,284	—	—	464,284
546-00-2094	Edward Byrne Memorial Justice Assistance Grant Program (JAG)	—	13,689	—	13,689
	Other Grant Programs and Activities	—	282,702	59,997	342,699
	All Other Costs Not Allocated	—	—	34,516,323	34,516,323
	Totals	464,284	296,391	34,576,320	35,336,995

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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 GOVERNMENTAL AUDITING STANDARDS**

April 2, 2021

The Honorable Village Mayor  
Members of the Board of Trustees  
Village of Dolton, 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 Dolton, Illinois, as of and for the year ended April 30, 2020, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated April 2, 2021.

**Internal Control Over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

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

## **SUPPLEMENTAL SCHEDULES**

**VILLAGE OF DOLTON, ILLINOIS**

**Schedule of Insurance in Force**

**April 30, 2020**

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Insured	Coverage	Limits	Expiration Date of Coverage
Illinois County Risk Management	Workers' Compensation	\$3,000,000	12/31/2020

**VILLAGE OF DOLTON, ILLINOIS**

**Long-Term Debt Requirements  
General Obligation Bonds of 2009A  
April 30, 2020**

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Date of Issue	September 30, 2009
Date of Maturity	December 1, 2026
Authorized Issue	\$11,535,000
Denomination of Bonds	\$5,000
Interest Rate	2.50% - 4.50%
Interest Dates	December 1
Principal Maturity Date	December 1, 2029
Payable At	Amalgamated Bank of Chicago

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

Fiscal Year	Requirements		
	Principal	Interest	Totals
2021	\$ 965,000	303,600	1,268,600
2022	1,000,000	265,000	1,265,000
2023	1,000,000	222,500	1,222,500
2024	1,000,000	180,000	1,180,000
2025	1,000,000	135,000	1,135,000
2026	1,000,000	90,000	1,090,000
2027	1,000,000	45,000	1,045,000
	<u>6,965,000</u>	<u>1,241,100</u>	<u>8,206,100</u>

**VILLAGE OF DOLTON, ILLINOIS**

**Long-Term Debt Requirements**

**General Obligation Build America Direct Payment Bonds of 2009B**

**April 30, 2020**

Date of Issue	September 30, 2009
Date of Maturity	December 1, 2029
Authorized Issue	\$5,455,000
Denomination of Bonds	\$5,000
Interest Rate	6.10%
Interest Dates	December 1
Principal Maturity Date	December 1, 2029
Payable At	Amalgamated Bank of Chicago

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

Fiscal Year	Requirements		
	Principal	Interest	Totals
2021	\$ 220,000	332,755	552,755
2022	250,000	319,335	569,335
2023	275,000	304,085	579,085
2024	300,000	287,310	587,310
2025	325,000	269,010	594,010
2026	755,000	249,185	1,004,185
2027	785,000	203,130	988,130
2028	815,000	155,245	970,245
2029	850,000	105,530	955,530
2030	880,000	53,680	933,680
	<u>5,455,000</u>	<u>2,279,265</u>	<u>7,734,265</u>

**VILLAGE OF DOLTON, ILLINOIS**

**Long-Term Debt Requirements  
Taxable General Obligation Bonds of 2009C  
April 30, 2020**

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Date of Issue	September 30, 2009
Date of Maturity	December 1, 2024
Authorized Issue	\$12,665,000
Denomination of Bonds	\$5,000
Interest Rate	2.61% - 5.77%
Interest Dates	December 1
Principal Maturity Date	December 1, 2024
Payable At	Amalgamated Bank of Chicago

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

Fiscal Year	Requirements		
	Principal	Interest	Totals
2021	\$ 1,000,000	288,500	1,288,500
2022	1,000,000	230,800	1,230,800
2023	1,000,000	173,100	1,173,100
2024	1,000,000	115,400	1,115,400
2025	1,000,000	57,700	1,057,700
	<u>5,000,000</u>	<u>865,500</u>	<u>5,865,500</u>



**VILLAGE OF DOLTON, ILLINOIS**

**Long-Term Debt Requirements  
General Obligation Bonds of 2019  
April 30, 2020**

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Date of Issue	June 14, 2019
Date of Maturity	December 1, 2020
Authorized Issue	\$1,400,000
Denomination of Bonds	\$5,000
Interest Rate	3.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1, 2020
Payable At	Amalgamated Bank of Chicago

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

Fiscal Year	Requirements		
	Principal	Interest	Totals
2021	\$ 1,400,000	42,000	1,442,000

**VILLAGE OF DOLTON, ILLINOIS**

**Long-Term Debt Requirements  
General Obligation Bonds of 2020  
April 30, 2020**

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Date of Issue	April 1, 2020
Date of Maturity	December 1, 2021
Authorized Issue	\$1,400,000
Denomination of Bonds	\$5,000
Interest Rate	2.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1, 2021
Payable At	Amalgamated Bank of Chicago

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

Fiscal Year	Requirements		
	Principal	Interest	Totals
2021	\$ —	18,667	18,667
2022	1,400,000	28,000	1,428,000
	<u>1,400,000</u>	<u>46,667</u>	<u>1,446,667</u>