

HEARNE & ASSOCIATES, P.C.

Certified Public Accountants & Business Consultants

David J. Hearne, Jr., CPA (1928-2014) Founder
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Anthony M. Scott, CPA
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Matthew R. Truschka, Acct.

December 22, 2022

To the Honorable Mayor and
Members of the Board of Trustees
Village of Crestwood, Illinois

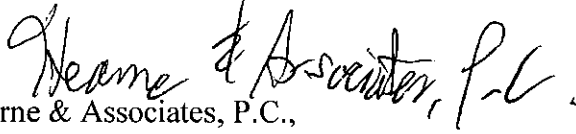
In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Village of Crestwood, Illinois as of and for the year ended April 30, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the Village's internal control over financial reporting(internal control) as a basis for designing audit procedures 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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

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

However, during our audit, we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. This letter does not affect our report dated December 22, 2022, on the financial statements of the Village.

This communication is intended solely for the information and use of management, of the Village of Crestwood, Illinois, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties. Our comments are summarized as follows.


Hearne & Associates, P.C.,
Certified Public Accountants
Mokena, Illinois

Capital Asset Listing

During recent years, the Village has converted its accounting system. During this conversion the capital asset listing for the Village has also been converted. The capital asset listing has been reconciled to the audited detail but needs to be updated so that the depreciation on the Village's system is properly determined. It is our understanding that the Village is in process of finalizing this update.

Accounting Procedures Manual

The Village had begun development of an accounting procedures manual in prior years. During the recent years, the Village has implemented many new processes and procedures. That is, with new personnel, new duties and the implementation of its new accounting and billing software, the Village's procedures have changed substantially,

We recommend that the accounting procedures manual include detail of the processes and procedures for recording financial transactions, responsibilities and related internal controls of individuals involved with the Village's accounting. Additionally, this manual should include the processes and controls for the Village's new accounting software system.

Upcoming Accounting Standard

Effective with the Village's April 30, 2023 audit, Government Accounting Standards Board (GASB) Statement Number 87 – Leases, is to be implemented by the Village in preparation of its financial statements.

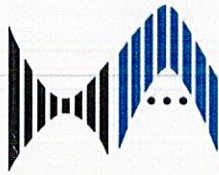
This Statement outlines new requirements for governmental entities for lease accounting. GASB 87 will replace current operating and capital lease categories with a single model for lease accounting based on the concept that leases are a means to finance the right to use an asset. These new rules are to increase the comparability and usefulness of information and reduce complexity for preparers.

We suggest that the Village begin the process now so that it has the information it will need to properly report its lease agreements for its fiscal year-ending April 30, 2023 financial report. The Village will need to determine the impact this standard will have for all of its leases included those as a lessee with the Metropolitan Water Reclamation District and as a lessor for the property to various commercial entities (e.g., Chick-fil-A and Aldi).

First, we recommend that the Village review this Statement and its contents. In summary, under the new standard, a lessee will recognize a lease liability equal to its present value of the payments expected to be made for the lease term and an intangible asset equal to the lease liability plus any payments made upfront.

To prepare for implementation of this Statement, we recommend that the Village do the following:

- Obtain and centralize all of its current leases.
- Leases should be categorized as short-term; contracts that transfer ownership; and all other.
- Create an inventory of potential lease contracts to evaluate. Short-term contracts, less than 12 months do not need to be evaluated. (This inventory listing can be as straightforward as preparing a spreadsheet of the lease contracts).
- Determine which contracts meet the definition of a lease in accordance with the Standard.
- Gather key data from contracts in order to determine the lease term and calculate lease liability/asset or receivable/deferred inflow.
- Gather relevant data required for footnote disclosure.



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January 2, 2023

Mr. Jim Adducci, Comptroller
Village of Crestwood
13840 S. Cicero Avenue
Crestwood, IL 60445

Dear Mr. Adducci,

Please see enclosed the following:

- Audited Financial Reports
- Management Letter
- Letter to Those Charged with Governance

Please forward this information as detailed below:

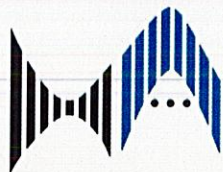
1. Please supply each member of the Board of Trustees, a copy of the Audited Financial Report, the Management Letter and the Letter to Those Charged with Governance.
2. Per your approval, we have electronically submitted the FY 2022 Comptroller's Annual Financial Report to the Comptroller's office. We will also forward a PDF Copy of the Audit Report to the Illinois Comptroller.
3. To comply with Cook County Ordinance 09-0-91 – commonly referred to as the Debt Disclosure Ordinance, we have electronically submitted your audit report along with related requested information to the Cook County Treasurer.
4. We have also forwarded a copy of the Annual Audit Report and the Illinois Comptroller's Annual Financial Report to the Cook County Clerk.

The Village will also need to forward reports to other requesting parties. (e.g, for TIF purposes, if applicable the Municipal Securities Rulemaking Board (MSRB) and any other requesting parties).

If you have any questions regarding the above, please do not hesitate to contact me.

Sincerely,

John C. Williams, CPA
Hearne & Associates, P.C. 708-478-4650



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AUDITOR'S COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

December 22, 2022

To the Honorable Mayor and
Members of the Board of Trustees
Village of Crestwood, Illinois

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Crestwood, Illinois for the year ended April 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 14, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Village of Crestwood, Illinois are described in Note A to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during 2022. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the Village of Crestwood, Illinois' financial statements were:

Management's estimate of the property tax receivable based on the tax levy - The actual amount received by the Village may be less than the amount expected. We evaluated the key factors and assumptions used to develop the receivable in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the depreciation of capital assets is based on the remaining lives of the assets. We evaluated the key factors and assumptions used to develop this estimate in determining they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of accounts receivable for the Water & Sewer Fund is based on the amount billed and expected to be received by the Village. We evaluated the key factors and assumptions used to develop this estimate in determining they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of the net pension liability is based on actuarial estimates and assumptions. We evaluated the key factors of the actuarial report in determining that they are reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose while our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 22, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other independent accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other independent accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis, the Pension related Schedules and Budgetary Comparison Schedules, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Combining and Individual Fund Financial Statements, which accompany the financial statements, but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

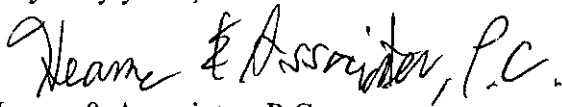
We were not engaged to report the other supplementary information, which accompanies the financial statements, but are not RSI. We did not audit or perform other procedures on this information, and we do not express an opinion or provide any assurance on it.

We have also enclosed with our reporting to the Board of Trustees of Village of Crestwood, Illinois our letter of findings, recommendations, and comments.

Restrictions on Use

This information is intended solely for the use of Board of Trustees of the Village of Crestwood, Illinois and management of the Village and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in cursive script that reads "Hearne & Associates, P.C.".

Hearne & Associates, P.C.
Certified Public Accountants
Mokena, Illinois

ORD. 2669 (2023)

VILLAGE OF CRESTWOOD, ILLINOIS

ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
APRIL 30, 2022**

Prepared By:

HEARNE & ASSOCIATES, P.C.
Certified Public Accountants &
Business Consultants

Village of Crestwood, Illinois

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Village of Crestwood, Illinois

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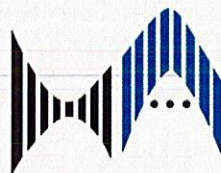
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Independent Auditors' Report

To the Honorable Mayor and
Members of the Village Council
Village of Crestwood, Illinois

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Village of Crestwood as of and for the year ended April 30, 2022, and the related notes to the financial statements, which collectively comprises the Village's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Village of Crestwood as of April 30, 2022 and the respective changes in financial position, and when applicable, cash flows thereof for the year ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and 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.

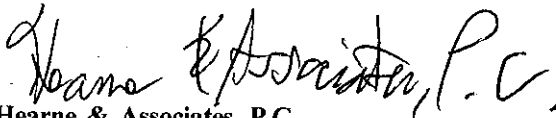
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Crestwood, Illinois' basic financial statements. The other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements 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 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 combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

December 22, 2022
Mokena, IL


Hearne & Associates, P.C.
Certified Public Accountants

Village of Crestwood, Illinois
Management's Discussion and Analysis
April 30, 2022

The Village of Crestwood's Management Discussion and Analysis (MD&A) is designed to (1) focus on significant accounting issues, (2) provide an overview of the Village's financial activity, (3) identify changes in the Village's financial position and its ability to address the next and subsequent year challenges, (4) identify any material deviations from the budget, and (5) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Village's financial statements (beginning on page 13).

Financial Highlights

- **Net Position** The Village's total Net Position at fiscal year-end was \$56.7 million, an increase of \$3.9 million (7.43%) during the current fiscal year. The Net Position for governmental activities at fiscal year-end was \$34.9 million, an increase of \$3.9 million during the current fiscal year. The Net Position for business-type activities was \$21.8 million, an increase of \$43,483. The overall increase in net position is mainly attributable to an increase tax revenue which increased by \$1.9 million.
- **General Fund summary** The Village's General Fund reported an increase of \$2.7 million in fund balance for the current fiscal year. The prior year had an increase of \$.1 million. The General Fund's cash and investment position increased to \$4.7 million from last year's \$4.3 million. The Village also has a short-term investment in property held for sale. The Village purchased property in the amount of \$3,520,261 with the intention of selling in the short term.
- **Budget summary** The Village's General Fund actual revenues were more than budgeted amounts by \$1.7 million while actual expenditures were less than budgeted amounts by less than \$2.7 million. Actual revenues were more than budgeted due mainly to the Village receiving more than expected revenues from the use tax, video poker tax, sales tax, and advanced life support revenues.
- **Debt outstanding** The balance of TIF bond debt as of April 30, 2022 is \$27.8 million (plus the unamortized bond premium of \$2.1 million). Additionally, the Village has a general obligation (alternate revenue) bond outstanding for \$15.2 million (plus the unamortized bond premium of \$.7 million). The open lines of credit balance as of April 30, 2022 is \$1.4 million and \$3.0 million, respectively.
- **Fiduciary Fund summary** The Village's Police and Fire Pension Funds reported increases of \$269,514 and \$28,507, respectively in fund balance for the current fiscal year. The most recent actuarial valuation as of April 30, 2022 reported an 130% and 166% ratio of the net pension as a percentage of the total pension liability for the Police and Fire Pension Funds, respectively.

Using This Annual Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 13 and 14) provide information about the Village as a whole and present a longer-term view of the Village's finances. Fund financial statements start on page 15. 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 government.

Village of Crestwood, Illinois
Management's Discussion and Analysis
April 30, 2022

Government -Wide

The government-wide financial statements (pages 13 and 14) are designed to emulate the corporate sector in that all governmental and business-type activities are consolidated into columns that add to a total for the Primary Government. The focus of the Statement of Net Position (the "Unrestricted Net Position") is designed to be similar to bottom line results for the Village and its governmental and business-type activities. This statement combines and consolidates governmental funds current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus.

The Statement of Activities (page 14) is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the Village's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various government services and/or subsidy to various business-type activities.

The governmental activities reflect the Village's basic services, including general administration, public safety, street and bridge maintenance, sanitation, and recreation. Property taxes and shared state tax distributions finance the majority of these services. The business-type activities reflect private sector type operations, where the fee for service typically covers all or most of the cost of operation, including depreciation.

Fund Financial Statements

Traditional users of government financial statements will find the Fund Financial Statements presentation more familiar (pages 15-23 and 61-65). 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 Fund Financial Statements allow the demonstration of sources and uses and/or budgeting compliance therewith. All of the funds of the Village can be divided into three categories: governmental, proprietary, and fiduciary.

- *Governmental funds* – The governmental major fund presentation is presented on a sources and uses of liquid resources basis. The financial plan (the budget) is typically developed in this manner. The flow and availability of liquid assets is a clear and appropriate focus of any analysis of government. The focus of the governmental funds is narrower than that of the government-wide financial statements. 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, 135th and Cicero TIF Fund, Route 83 and Cicero TIF Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of Combining and Individual Fund Statements and Schedules beginning on page 76 of this report.
- *Proprietary fund* – The Village maintains one proprietary fund, i.e., the Water and Sewer Fund. This fund is used to report the same functions presented in business-type activities in the government-wide financial statements. The Water and Sewer Fund is considered a major fund of the Village.
- *Fiduciary funds* – The Village maintains two fiduciary funds, (i.e., the Police Pension Fund and the Fire Pension Fund). While these funds represent trust responsibilities of the government, these assets are restricted on purpose, and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the government-wide financial statements.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Basic Financial Statements. The Notes to the Financial Statements begin on page 24.

Village of Crestwood, Illinois
Management's Discussion and Analysis
April 30, 2022

Other Information

In addition to the Basic Financial Statements and accompanying notes, this report also presents certain required supplementary information beginning on page 61. This includes the funding progress for the Police Pension Fund, Fire Pension Fund, Illinois Municipal Retirement Fund, and budgetary information for the Village's major governmental funds. This report also includes combining and individual fund statements and schedules beginning on page 76. This includes information for the non-major governmental funds and the proprietary fund.

Financial Analysis of the Village as a Whole

NET POSITION: The following table reflects the condensed Statement of Net Position:

Table 1
CONDENSED STATEMENT OF NET POSITION
(in millions)

	Governmental Activities		Business-Type Activities		Total	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Assets						
Current & Other Assets	\$ 24.3	\$ 18.8	\$ 1.2	\$ 1.4	\$ 25.5	\$ 20.2
Capital Assets	<u>64.1</u>	<u>66.4</u>	<u>30.2</u>	<u>27.9</u>	<u>94.3</u>	<u>94.3</u>
Total Assets	<u>88.4</u>	<u>85.2</u>	<u>31.4</u>	<u>29.3</u>	<u>119.8</u>	<u>114.5</u>
Deferred Outflows	<u>1.0</u>	<u>0.9</u>	<u>0.1</u>	<u>0.2</u>	<u>1.1</u>	<u>1.1</u>
Liabilities						
Long-term Liabilities	42.9	47.2	9.3	6.9	52.2	54.1
Other Liabilities	<u>8.9</u>	<u>5.5</u>	<u>0.4</u>	<u>0.7</u>	<u>9.3</u>	<u>6.2</u>
Total Liabilities	<u>51.8</u>	<u>52.7</u>	<u>9.7</u>	<u>7.6</u>	<u>61.5</u>	<u>60.3</u>
Deferred Inflows	<u>2.7</u>	<u>2.1</u>	<u>-</u>	<u>0.1</u>	<u>2.7</u>	<u>2.2</u>
Net Position						
Net Investment in Capital Assets	47.9	50.6	20.7	20.9	68.6	71.5
Restricted	9.0	9.2	-	-	9.0	9.2
Unrestricted	<u>(22.0)</u>	<u>(28.5)</u>	<u>1.1</u>	<u>0.9</u>	<u>(20.9)</u>	<u>(27.6)</u>
Total Net Position	<u>\$ 34.9</u>	<u>\$ 31.3</u>	<u>\$ 21.8</u>	<u>\$ 21.8</u>	<u>\$ 56.7</u>	<u>\$ 53.1</u>

For more detailed information, see the Statement of Net Position.

Normal Impacts – Net Position

Six basic (normal) transactions will affect the comparability of the Statement of Net Position summary presentation :

- ***Net Results of Activities*** – Impacts (increases/decreases) current assets and unrestricted Net Position.
- ***Borrowing for Capital*** – Increases current assets and long-term debt.

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- ***Spending Borrowed Proceeds on New Capital*** – Reduces current assets and increases capital assets. Also, an increase in invested capital assets and an increase in related net debt will not change the invested capital assets, net of related debt.
- ***Spending of Non-borrowed Current Assets on New Capital*** – Reduces current assets and increases capital assets. Additionally, it reduces unrestricted Net Position and increases invested in capital assets, net of related debt.
- ***Principal Payment on Debt*** – Reduces current assets and reduces long-term debt. In addition, it reduces unrestricted Net Position and increases invested in capital assets, net of related debt.
- ***Reduction of Capital Assets through Depreciation*** -- Reduces capital assets and net investment in capital assets.

Current Year Impacts – Net Position

The Village's combined Net Position increased \$3.9 million from a rested \$52.8 million to \$56.7 million. Net Position of the Village's governmental activities increased \$3.9 million to \$34.9 million. Net Position of the Village's business-type activities remained at \$21.8 million. The Village's unrestricted Net Position for governmental activities, the part of Net Position that can be used to finance daily operations, increased by \$6.5 million. The Village's unrestricted Net Position of the business-type activities, available to finance the continuing operation of the Water and Sewer Fund, increased by \$.2 million.

ACTIVITIES: The following table reflects the condensed Statement of Activities:

Table 2
 CONDENSED STATEMENT OF ACTIVITIES
 (in millions)

	Governmental Activities		Business- Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
REVENUES						
Program revenues:						
Charges for services	\$ 4.6	\$ 4.4	\$ 4.2	\$ 5.6	\$ 8.8	\$ 10.0
Operating grants	0.7	0.5	-	-	0.7	0.5
Capital grants	-	-	-	1.1	-	1.1
General revenues:						
Property Taxes	3.6	3.8	-	-	3.6	3.8
Sales Tax	9.7	8.8	-	-	9.7	8.8
Other	4.0	2.8	-	-	4.0	2.8
Total Revenues	<u>22.6</u>	<u>20.3</u>	<u>4.2</u>	<u>6.7</u>	<u>26.8</u>	<u>27.0</u>

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Table 2
CONDENSED STATEMENT OF ACTIVITIES

	(in millions)					
	Governmental		Business- Type		Total Primary	
	Activities		Activities		Government	
	2022	2021	2022	2021	2022	2021
EXPENSES						
General government	\$ 3.0	\$ 2.4	\$ -	\$ -	\$ 3.0	\$ 2.4
Public Safety	6.5	6.1	-	-	6.5	6.1
Street and bridge	3.0	4.4	-	-	3.0	4.4
Sanitation	0.9	0.9	-	-	0.9	0.9
Recreation	1.8	1.4	-	-	1.8	1.4
Tax increment financing costs	1.4	2.1	-	-	1.4	2.1
Water and Sewer	-	-	4.2	4.1	4.2	4.1
Interest on long-term debt	2.1	2.2	-	-	2.1	2.2
Total expenses	<u>18.7</u>	<u>19.5</u>	<u>4.2</u>	<u>4.1</u>	<u>22.9</u>	<u>23.6</u>
Changes in Net Position	3.9	0.8	-	2.6	3.9	3.4
Net Position, May 1, as restated	<u>31.0</u>	<u>30.5</u>	<u>21.8</u>	<u>19.2</u>	<u>52.8</u>	<u>49.7</u>
Net Position, April 30	<u>\$ 34.9</u>	<u>\$31.3</u>	<u>\$21.8</u>	<u>\$21.8</u>	<u>\$56.7</u>	<u>\$53.1</u>

For more detailed information, see the Statement of Activities.

Normal Impacts – Statement of Net Activities

Eight basic (normal) transactions will affect the comparability of the Statement of Activities summary presentation :

Revenues

- ***Economic Condition*** – Reflects a declining, stable, or growing economic environment and has a substantial impact on property, state sales and state income taxes.
- ***Increase/Decrease in Village Approved Rates*** – While certain tax rates are set by statute, the Village Board has significant authority to impose and periodically increase/decrease rates (property taxes, water, sewer, capital improvements fees, etc.).
- ***Changing Patterns in Intergovernmental and Grant Revenue (both recurring and non-recurring)*** – Certain recurring revenues (state shared revenues, etc.) may experience significant changes periodically while non-recurring (or one-time) grants are less predictable and often distorting in their impact on year-to-year comparisons.
- ***Market Impacts on Investment Income*** – The Village's investment portfolio is managed using similar average maturity to most governments. Market conditions may cause investment income to fluctuate.

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Expenses

- ***Changes in Programs*** – Within the functional expense categories (General Government, Public Safety, Street and Bridge, Sanitation, Recreation, etc.) individual programs may be added, deleted, or expanded to meet changing community needs.
- ***Changes in Authorized Personnel*** – Changes in service demand may cause the Village Board to increase/decrease authorized staffing.
- ***Salary Increases (annual adjustments and Step Increases)*** – The ability to attract and retain human and intellectual resources requires the Village to strive to maintain a competitive salary range position in the marketplace.
- ***Inflation*** – While overall inflation appears to be reasonably modest, the Village is a major consumer of certain commodities such as supplies, fuels and parts. Some functions may experience unusual commodity-specific increases.

Current Year Impacts – Net Position (Governmental Funds)

For the current year, revenues from Governmental Activities totaled \$22.6 million compared to \$20.3 million from the prior year. Sales Tax Revenue increased by \$1.2 million and other revenue increased by \$1 million.

For the current fiscal year, expenditures from Governmental Activities totaled \$18.7 million compared to \$19.5 million from the prior year. The main reasons were Street and Bridge expenses decreased by \$1.4 million, Tax Increment Financing costs decreased by \$.7 million.

Current Year Impacts – Net Position (Proprietary Fund)

For the current fiscal year, revenues from Business-type Activities totaled \$4.2 million, which was \$2.5 million less than the prior year that totaled \$6.7 million. The main decrease of \$2.5 million was due to less forgiveness recognized from the IEPA loan outstanding being forgiven (decrease of \$1.2 million) and a decrease of \$1.1 million in grant revenue for the Playfield project.

For the current fiscal year, expenses from Business-type Activities totaled \$4.2 million which remained the same as the prior year.

Financial Analysis of the Village's Funds

The Governmental Funds, as presented on pages 15-18, reported a combined total fund balance of \$18.9 million, which is a \$2.5 million increase from the prior year balance of \$16.4 million. This increase is mainly attributable to the items mentioned in the previous section on "current year impacts – Net Position (governmental funds)" and expense related to the Route 83 TIF. The total fund balance of \$18.9 million is comprised of the following components:

- ***Nonspendable Fund Balance*** of \$.9 million represents prepaid expenditures.
- ***Restricted Fund Balance*** of \$8.1 million represents the portion of fund balance that is subject to external enforceable legal restrictions; \$1.2 million for debt service, \$5.3 million for TIF redevelopment and \$1.6 million for motor fuel tax projects.
- ***Unassigned Fund Balance*** of \$9.9 million that represents available expendable financial resources in the General Fund after funds have been identified in the above categories.

During the current fiscal year, there was no change in appropriations between the original and final budget.

General Fund actual revenues were \$1.7 million more than budgeted amounts and actual expenditures were \$2.6 million less than budgeted amounts.

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The tax increment financing 135th and Cicero TIF Fund had \$.08 million less actual revenue compared to budgeted revenue and \$.02 million more of actual expenditures compared to budget expenditures for the fiscal year.

The Route 83 TIF Fund had \$0.5 million less in actual revenue compared to budget revenue and \$4,289 less actual expenditures compared to budget expenditures. The fund also transferred \$1,450 to the General fund.

The Water and Sewer Fund had revenue of \$4.2 million and expenditures of \$4.2 million. The fund received loan proceeds of \$3,263,869 and the fund spent \$3,202,863 on the purchase of capital assets. However, as noted in the Statement of Cash Flows on page 21, the Village had a positive cash flow from operating activities of \$1,477,277.

Capital Assets

At the end of fiscal year 2022, the Village had \$94.3 million (net of depreciation) invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, road, and water and sewer lines. Please refer to Note D of the report for the capital asset activity for the year. In the General Fund, the Village had budgeted approximately \$2.2 million for capital expenditures in fiscal year 2022.

Table 3
CONDENSED CAPITAL ASSETS
(in millions)

Governmental	<u>2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>Reclass</u>	<u>2022</u>
Land	\$ 10.3	\$ 8.3	\$ 0.5	\$ -	\$ 18.1
Construction in Progress	24.4	0.7	10.0	-	15.1
Land Improvements	-	0.1	-	0.9	1.0
Infrastructure	41.0	0.9	-	(0.9)	41.0
Buildings	14.7	0.8	0.4	-	15.1
Building Improvements	1.0	-	-	-	1.0
Equipment	2.4	0.1	0.1	0.1	2.5
Furniture & Fixtures	1.0	-	-	-	1.0
Vehicles	4.1	0.1	-	(0.1)	4.1
Accumulated Depreciation	(32.9)	(2.4)	(0.5)	-	(34.8)
Total Net of Depreciation	<u>\$ 66.0</u>	<u>\$ 8.6</u>	<u>\$ 10.5</u>	<u>\$ -</u>	<u>\$ 64.1</u>
Business- Type					
Construction in Progress	\$ 13.5	\$ 2.9	\$ 9.6	\$ -	\$ 6.8
Water & Sewer System	26.7	9.9	-	-	36.6
Equipment	0.4	-	0.2	-	0.2
Accumulated Depreciation	(12.7)	(0.9)	(0.2)	-	(13.4)
Total Net of Depreciation	<u>\$ 27.9</u>	<u>\$ 11.9</u>	<u>\$ 9.6</u>	<u>\$ -</u>	<u>\$ 30.2</u>

Debt Administration

At the end of fiscal year 2022, for Governmental Activities, the Village had \$45.9 million in long-term obligations outstanding, which includes the unamortized bond premiums. This is \$3.3 million less outstanding than the prior year end. Of this amount, \$30 million is debt from the tax increment financing (TIF) district, namely the Alternate Revenue Source Bonds, Series 2016 B (\$37.4 million), \$15.9 million is debt from the General Fund, namely Alternate Revenue Source Bonds, Series 2016 A, Series 2020A, and Series 2020B.

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The Village has two lines of credit outstanding for capital projects. The lines of credit are for \$3 million and \$1.3 million, of which \$4.3 million is outstanding as of April 30, 2022.

For Business-Type Activities, the Village has a loan from the IEPA in the amount of \$9.4 million.

Please refer to Note E of the report for information regarding debt.

Note E calculates the legal debt limit of the Village as of April 30, 2022, which is \$29.9 million.

Table 4
Changes in Long-Term Debt

	<u>April 30, 2021</u>	<u>Issuances/ Deletions</u>	<u>April 30, 2022</u>
Governmental Activities:			
TIF Bonds	\$ 29,275,000	\$ (1,390,000)	\$ 27,885,000
GO Bonds	16,610,000	(1,370,000)	15,240,000
Unamortized Premium	3,282,808	(442,692)	2,840,116
Line of Credit	1,443,164	2,900,000	4,343,164
Net Pension Obligation	546,839	(768,495)	(221,656)
Compensated Absences	313,880	(91,936)	221,944
Total Governmental Activities	<u>\$ 51,471,691</u>	<u>\$ (1,163,123)</u>	<u>\$ 50,308,568</u>
Business-Type Activities: Bonds			
Bonds	\$ 6,997,068	\$ 2,443,681	\$ 9,440,749
Net Pension Obligation	160,223	(39,441)	120,782
Total Business-Type Activities	<u>\$ 7,157,291</u>	<u>\$ 2,404,240</u>	<u>\$ 9,561,531</u>

Economic Factors and Next Year's Budget

The Village continues its economic development plans in five major areas, i.e., the development of the east and west sides of the Cal Sag Road & the northwest corner of Cicero and Midlothian Turnpike for commercial developments, rehabilitating the water and sewer lines in the Playfield Park area and the Pulaski Rd. corridor and the various projects along Midlothian Turnpike. The Village's continued focus in the upcoming fiscal year will be developing the north side of Cal Sag Road both east and west of Cicero Avenue. The development of this property would be part of the new Route 83 TIF Redevelopment Area. The Village has developed the infrastructure for new stores, two Hotels and restaurants on the west side of Cicero Avenue. The Village is moving forward with negotiations of additional stores and a hotel and getting closer to letters on intent. The east side is in the process of removing the remaining excess dirt and stone and grading the area with a completion date of summer 2023. The Village is still looking into a partnership with a national company to install turf fields on the east side along with Topgolf, on west side of Cicero Avenue a waterpark hotel, and commercial store fronts. The Village has demolished the Seneca property at 13301 S. Cicero Avenue and has letter of intent from Panera, Five Guy's and Chipotle lawyers are working on the final draft of the contracts, as soon as, that is complete construction will begin in 2023. The sale of approximately 5.0-acre parcels

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located at the northwest corner of IL Route 50 (Cicero Avenue) and Midlothian Turnpike will be completed soon to make way for a fueling station along with a strip mall and a restaurant. The first project on Pulaski Road is a truck repair station and trailer sales has been built and will open spring of 2023. This project adds great value because it will take a zero percent tax base into the tax roll and add to our sales tax.

The Village's continues its long-term capital project plans involving various projects as noted below. The Village presses forward with the final two phases in the \$23 million project in the Playfield Park area to rehabilitate and replace water lines and sanitary and storm sewers. This project encompasses new streets, sidewalks, and curbs that will be upgraded. This area is over 55 years-old so it gives the area a much-needed update. Currently, the Village received a low-cost loan with the Illinois Environmental Protection Agency for the project and is working on grants to minimize the cost to the Village. Mayor Klein will make sure the residents do not have to carry any of the costs for this major rehab. This project began in fiscal year 2019 and will continue into 2024. Once this project is complete, it will add needed relief and increase capacity to the Village's sewer systems and water main age while adding to all the property values. The Village's 135th & Central Avenue storm water project has started and will finish up in 2023. This project will divert storm water from Forest Preserve property and lessen flooding problems in the area. The engineering for this project has been completed and the Village is finalizing grants from the Metropolitan Water Reclamation District, State of Illinois and Federal governments totaling \$18.5 million with the Village's estimated cost to be \$0.5 million. When this project is finished it will give way to phase two, the rehab of 135th Street and sidewalks which is expected to begin in the late summer of 2023, but we are waiting final approve from the State of Illinois.

The Village completed the establishment of the tax increment financing district, i.e., the Midlothian Turnpike/Cicero Avenue Tax Increment Financing District. The development of this corner will start in the late summer of 2023. This project area is for additional commercial development and will help in upgrading of the Village's municipal buildings from the taxes that will be collected. Adjacent to this area is the former state police building site which is owned by the Village. The Village is in current negotiations to develop this site as commercial use. The anticipated date for opening is late summer 2023.

Subsequent Events

In December, 2022, the Village approved an Ordinance declaring surplus funds in the General Fund in an amount equal to the Village's portion of 2021 property tax bills. It is estimated that \$372,400 will be refunded in accordance with 35 ILCS 200/30-20.

Future Events

Management is not aware of any currently known facts, decisions, or conditions that would have a significant impact on the Village's financial position (net position) or results of operations (revenues, expenses, and other changes in net position) in the next fiscal year.

Requests for Information

The 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 financial information should be addressed to the Village at 13800 South Cicero Avenue, Crestwood, Illinois 60418.

BASIC FINANCIAL STATEMENTS

Village of Crestwood, Illinois

Statement of Net Position

April 30, 2022

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets			
Cash and Investments	\$ 11,130,319	\$ 4,669,234	\$ 15,799,553
Restricted Cash and Investments	1,375	-	1,375
Prepaid Bond Insurance	358,156	-	358,156
Prepaid Rent	609,425	-	609,425
Security Deposit	191,414	-	191,414
Receivables			
Property Taxes	1,684,304	-	1,684,304
Sales Tax	1,441,309	-	1,441,309
Income Tax	343,641	-	343,641
Intergovernmental	224,085	-	224,085
Ambulance Service	148,693	-	148,693
Unbilled Water and Sewer	-	458,190	458,190
Safe Speed	277,847	-	277,847
Other	15,473	285,162	300,635
Investments - Held for Sale	3,520,261	-	3,520,261
Net Pension Asset	221,656	-	221,656
Due from Other Local Governments	5,000	-	5,000
Internal Balances	4,168,808	(4,168,808)	-
Capital Assets	64,110,405	30,186,137	94,296,542
Total Assets	<u>88,452,171</u>	<u>31,429,915</u>	<u>119,882,086</u>
Deferred Outflows of Resources			
Related to Pension	<u>1,028,319</u>	<u>136,875</u>	<u>1,165,194</u>
Liabilities			
Accounts Payable	317,549	78,487	396,036
Accrued Salaries	289,414	21,958	311,372
Accrued Interest Payable	692,290	-	692,290
Accrued Pension Payable	5,993	-	5,993
Deposits	1,000	-	1,000
Long-term Obligations, due within one year:			
General Obligation Bonds	1,601,500	299,864	1,901,364
Revenue Bonds	1,712,310	-	1,712,310
Line of Credit	4,343,164	-	4,343,164
Long-term Obligations, due in more than one year:			
General Obligation Bonds	14,315,754	9,140,885	23,456,639
Revenue Bonds	28,335,552	-	28,335,552
Net Pension Liability	-	120,782	120,782
Compensated Absences	221,945	-	221,945
Total Liabilities	<u>51,836,471</u>	<u>9,661,976</u>	<u>61,498,447</u>
Deferred Inflows of Resources			
Pension Related	1,110,638	45,120	1,155,758
Unavailable Property Taxes	1,674,772	-	1,674,772
Total Deferred Inflows of Resources	<u>2,785,410</u>	<u>45,120</u>	<u>2,830,530</u>
Net Position			
Net Investment in Capital Assets	47,878,614	20,745,388	68,624,002
Restricted for Debt Service	1,162,575	-	1,162,575
Restricted for Motor Fuel	1,630,492	-	1,630,492
Restricted for TIF Redevelopment	6,241,989	-	6,241,989
Unrestricted	(22,055,061)	1,114,306	(20,940,755)
Total Net Position	<u>\$ 34,858,609</u>	<u>\$ 21,859,694</u>	<u>\$ 56,718,303</u>

See Notes to the Basic Financial Statements

Village of Crestwood, Illinois

Statement of Activities

Year Ended April 30, 2022

Functions/Programs	Program Revenues				Net (Expense), Revenue and Change in Net Position		
	Expenses	Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total Primary Government
Governmental Activities:							
General Government	\$ 3,090,989	\$ 756,450	\$ 745,508	\$ -	\$ (1,589,031)	\$ -	\$ (1,589,031)
Public Safety	6,500,530	2,977,996	-	-	(3,522,534)	-	(3,522,534)
Streets & Bridge	3,034,175	-	-	-	(3,034,175)	-	(3,034,175)
Sanitation	933,011	-	-	-	(933,011)	-	(933,011)
Recreation	1,774,580	594,554	-	-	(1,180,026)	-	(1,180,026)
Tax Increment Financing Cost	1,395,711	258,500	-	-	(1,137,211)	-	(1,137,211)
Interest on Long-term Debt	2,132,786	-	-	-	(2,132,786)	-	(2,132,786)
Total Governmental Activities	18,861,782	4,587,500	745,508	-	(13,528,774)	-	(13,528,774)
Business-Type Activities:							
Water & Sewer	4,175,336	4,218,819	-	-	-	43,483	43,483
Total Primary Government	\$ 23,037,118	\$ 8,806,319	\$ 745,508	\$ -	(13,528,774)	43,483	(13,485,291)
General Revenues:							
Taxes:							
Property					3,586,145	-	3,586,145
Sales					9,654,203	-	9,654,203
Income					1,647,135	-	1,647,135
Motor Fuel					1,103,214	-	1,103,214
Other Taxes					1,475,279	-	1,475,279
Unrestricted Investment Income					2,839	-	2,839
Gain on Sale of Assets					100,730	-	100,730
Other General Revenues					201,936	-	201,936
Total General Revenues					17,771,481	-	17,771,481
Special Items and Transfers:							
Transfers to Fiduciary Funds					(362,461)	-	(362,461)
Change in Net Position					3,880,246	43,483	3,923,729
Net Position, Beginning of Year, as restated					30,978,363	21,816,211	52,794,574
Net Position, End of Year					\$ 34,858,609	\$ 21,859,694	\$ 56,718,303

See Notes to the Basic Financial Statements

Village of Crestwood, Illinois

Balance Sheet

Governmental Funds

April 30, 2022

Major Governmental Funds

	<u>General</u>	<u>135th & Cicero Tax Increment Financing</u>	<u>Rt. 83 & Cicero Tax Increment Financing</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Assets					
Cash and Investments	\$ 4,708,286	\$ 2,155,105	\$ 1,752,660	\$ 2,514,268	\$ 11,130,319
Restricted Cash	-	1,375	-	-	1,375
Prepaid Bond Insurance	-	358,156	-	-	358,156
Prepaid Rent	-	-	609,425	-	609,425
Security Deposit	-	-	191,414	-	191,414
Receivables					
Property Taxes	854,355	822,814	7,135	-	1,684,304
Sales Tax	862,002	337,929	-	241,378	1,441,309
Income Tax	312,113	-	-	31,528	343,641
Intergovernmental	184,663	-	-	39,422	224,085
Ambulance Services	148,693	-	-	-	148,693
Safe Speed	277,847	-	-	-	277,847
Other	15,473	-	-	-	15,473
Investments - Held for Sale	3,520,261	-	-	-	3,520,261
Due from Other Funds	4,363,228	9,101	826,810	281,920	5,481,059
Total Assets	<u>\$ 15,246,921</u>	<u>\$ 3,684,480</u>	<u>\$ 3,387,444</u>	<u>\$ 3,108,516</u>	<u>\$ 25,427,361</u>
Liabilities					
Accounts Payable	\$ 197,469	\$ -	\$ -	\$ 120,080	\$ 317,549
Accrued Salaries	289,414	-	-	-	289,414
Accrued Pension	5,993	-	-	-	5,993
Deposits	1,000	-	-	-	1,000
Line of Credit	2,900,000	-	-	-	2,900,000
Due to Other Funds	1,116,881	-	-	195,370	1,312,251
Total Liabilities	<u>4,510,757</u>	<u>-</u>	<u>-</u>	<u>315,450</u>	<u>4,826,207</u>
Deferred Inflows of Resources					
Unearned Property Taxes	844,837	822,800	7,135	-	1,674,772
Total Deferred Inflows of Resources	<u>844,837</u>	<u>822,800</u>	<u>7,135</u>	<u>-</u>	<u>1,674,772</u>
Fund Balances					
Nonspendable					
Prepaid Items	-	358,156	609,425	-	967,581
Restricted					
Debt Service	-	-	-	1,162,574	1,162,574
TIF Redevelopment	-	2,503,524	2,770,884	-	5,274,408
Motor Fuel	-	-	-	1,630,492	1,630,492
Unassigned	9,891,327	-	-	-	9,891,327
Total Fund Balances	<u>9,891,327</u>	<u>2,861,680</u>	<u>3,380,309</u>	<u>2,793,066</u>	<u>18,926,382</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 15,246,921</u>	<u>\$ 3,684,480</u>	<u>\$ 3,387,444</u>	<u>\$ 3,108,516</u>	<u>\$ 25,427,361</u>

See Notes to the Basic Financial Statements

Village of Crestwood, Illinois
Reconciliation of the Total Fund Balance of Governmental Funds
to Net Position of Governmental Activities
April 30, 2022

Total Fund Balances - Governmental Funds	\$ 18,926,382
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 governmental funds:	64,110,405
Other assets used in governmental activities are not financial resources and therefore are not reported in governmental funds:	
Reimbursement Due from the Other Local Government	5,000
Some liabilities reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported in governmental funds. These activities consist of:	
Deferred Outflows of Resources Related to Pensions	1,028,319
Deferred Inflows of Resources Related to Pensions	(1,110,638)
General Obligation Bonds Payable	(15,917,254)
Revenue Bonds Payable	(30,047,862)
Line of Credit Payable	(1,443,164)
Compensated Absences	(221,945)
Net Pension Asset	221,656
Accrued interest on long-term liabilities is shown as a liability on the Statement of Net Position.	(692,290)
Net Position of Governmental Activities	\$ <u>34,858,609</u>

See Notes to the Basic Financial Statements

Village of Crestwood, Illinois
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended April 30, 2022

	<u>Major Governmental Funds</u>				
	<u>General</u>	<u>135th & Cicero Tax Increment Financing</u>	<u>Rt. 83 & Cicero Tax Increment Financing</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Revenues					
Property Tax	\$ 1,857,102	\$ 1,716,035	\$ 13,007	\$ -	\$ 3,586,144
Sales Tax	7,035,889	1,507,504	-	1,110,810	9,654,203
State Income Tax	683,407	-	-	963,727	1,647,134
Motor Fuel Tax	-	-	-	1,103,214	1,103,214
Other Taxes	1,475,279	-	-	-	1,475,279
Intergovernmental	745,508	-	-	-	745,508
Licenses and Permits	740,850	-	-	-	740,850
Fines and Penalties	2,281,663	-	-	-	2,281,663
Charges for Services	610,154	-	258,500	-	868,654
Advanced Life Support	696,333	-	-	-	696,333
Miscellaneous	195,324	-	6,613	-	201,937
Interest	1,246	637	384	573	2,840
Total Revenues	<u>16,322,755</u>	<u>3,224,176</u>	<u>278,504</u>	<u>3,178,324</u>	<u>23,003,759</u>
Expenditures					
Current:					
General Government	3,052,986	25,583	1,194,000	950	4,273,519
Public Safety	6,446,784	-	-	-	6,446,784
Parks and Recreation	1,418,828	-	-	-	1,418,828
Street and Bridge	1,390,821	-	-	863,304	2,254,125
Garbage Disposal	933,011	-	-	-	933,011
Surplus Fund Expenditures	372,400	-	-	-	372,400
Debt Service					
Principal	-	1,390,000	-	1,370,000	2,760,000
Interest and Fees	55,916	1,420,300	-	656,570	2,132,786
Capital Outlay	241,896	-	5,711	-	247,607
Total Expenditures	<u>13,912,642</u>	<u>2,835,883</u>	<u>1,199,711</u>	<u>2,890,824</u>	<u>20,839,060</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,410,113</u>	<u>388,293</u>	<u>(921,207)</u>	<u>287,500</u>	<u>2,164,699</u>
Other Financing Sources (Uses)					
Sale of Capital Assets	690,765	-	-	-	690,765
Transfers In	1,450	-	-	-	1,450
Transfers Out	(362,461)	-	(1,450)	-	(363,911)
Total Other Financing Sources (Uses)	<u>329,754</u>	<u>-</u>	<u>(1,450)</u>	<u>-</u>	<u>328,304</u>
Net Change in Fund Balance	2,739,867	388,293	(922,657)	287,500	2,493,003
Fund Balance, Beginning of Year	7,151,460	2,473,387	4,302,966	2,505,566	16,433,379
Fund Balance, End of Year	<u>\$ 9,891,327</u>	<u>\$ 2,861,680</u>	<u>\$ 3,380,309</u>	<u>\$ 2,793,066</u>	<u>\$ 18,926,382</u>

See Notes to the Basic Financial Statements

Village of Crestwood, Illinois
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
Year Ended April 30, 2022

Net change in fund balance	\$ 2,493,003
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Amounts reported for governmental activities in the Statement of
Activities are different because:

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

This is the amount of expenditures capitalized in the current period.	981,195
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This is the amount of depreciation recorded in the current period.	(2,374,856)
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Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduced long-term liabilities in the Statement of Net Position.	2,760,000
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Some expenses reported in the Statement of Activities do not require the use of
current financial resources and therefore are not reported in the governmental funds:

Accrual of interest is reported as interest expense on the Statement of Activities	411,908
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Net Pension Obligation	107,096
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Compensated Absences	91,936
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Loss on Disposal of Asset	(590,036)
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Change in net position of governmental activities	<u>\$ 3,880,246</u>
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See Notes to the Basic Financial Statements

PROPRIETARY FUND

Village of Crestwood, Illinois
Proprietary Fund
Statement of Net Position
April 30, 2022

	<u>Proprietary Fund</u> <u>Water & Sewer Fund</u>
<u>Assets</u>	
Current Assets	
Cash and Investments	\$ 4,669,234
Receivables	
Accounts, net of allowance	285,162
Unbilled Water and Sewer Charges	458,190
Total Current Assets	<u>5,412,586</u>
Noncurrent Assets	
Construction in Progress	6,743,647
Water and Sewer System	36,584,559
Equipment	270,446
Subtotal	<u>43,598,652</u>
Less: Accumulated Depreciation	<u>(13,412,515)</u>
Total Noncurrent Assets	<u>30,186,137</u>
Total Assets	<u>35,598,723</u>
Deferred Outflows of Resources	
Pension Related	<u>136,875</u>
<u>Liabilities</u>	
Current Liabilities	
Accounts Payable	78,487
Accrued Salaries	21,958
Due to General Fund	4,168,808
Loan Payable - Current Portion	299,864
Noncurrent Liabilities	
Loan Payable	9,140,885
Net Pension Liability	120,782
Total Liabilities	<u>13,830,784</u>
Deferred Inflows of Resources	
Pension Related	<u>45,120</u>
<u>Net Position</u>	
Net Investment in Capital Assets	20,745,388
Unrestricted	<u>1,114,306</u>
Total Net Position	<u>\$ 21,859,694</u>

See Notes to the Basic Financial Statements

Village of Crestwood, Illinois
Proprietary Fund
Statement of Revenues, Expenses and
Changes in Net Position
For the Year Ended April 30, 2022

	<u>Proprietary Fund</u> <u>Water & Sewer</u>
<u>Operating Revenues Received</u>	
Charges for Services	
Water and Sewer	\$ 3,065,480
Penalties	34,785
Tap-In and Connection Fees	9,571
Capital Improvements	617,158
Miscellaneous	20,738
Total Operating Revenues Received	<u>3,747,732</u>
<u>Operating Expenses Disbursed</u>	
Operations	3,162,445
Depreciation	<u>910,965</u>
Total Operating Expenses Disbursed	<u>4,073,410</u>
Operating Income (Loss)	<u>(325,678)</u>
<u>Nonoperating Revenue</u>	
Interest Income	1,028
Loan Forgiveness	470,060
Interest Expense	<u>(101,927)</u>
Total Nonoperating Revenue	<u>369,161</u>
Change in Net Position	43,483
Net Position, Beginning of the Year	<u>21,816,211</u>
Net Position, End of the Year	<u>\$ 21,859,694</u>

See Notes to the Basic Financial Statements

Village of Crestwood, Illinois
Proprietary Fund
Statement of Cash Flows
For the Year Ended April 30, 2022

	Enterprise Fund Water & Sewer
<u>Cash Flows from Operating Activities</u>	
Cash Received from Customers	\$ 3,791,923
Cash Payments for Goods and Services	(1,454,997)
Cash Payments to Employees for Services	(469,628)
Net Cash Provided by Operating Activities	<u>1,867,298</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Purchase of Capital Assets	(3,202,863)
Loan Proceeds	3,263,869
Principal Payments	(350,128)
Interest Payments	(101,927)
Net Cash Provided by Noncapital Financing Activities	<u>(391,049)</u>
<u>Cash Flows from Investing Activities</u>	
Interest	<u>1,028</u>
Net Cash (Used in) Capital and Related Financing Activities	<u>1,028</u>
Net Increase (Decrease) in Cash	1,477,277
Cash, Beginning of the Year	<u>3,191,957</u>
Cash, End of the Year	<u><u>\$ 4,669,234</u></u>

Reconciliation of Operating Income to Net Cash Provided by Operating Activities

Operating Income (Loss)	\$ (325,678)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities	
Depreciation Expense	910,965
Changes in Assets/Liabilities	
Accounts/Unbilled Receivables	44,191
Interfund Accounts	1,565,504
Accrued Salaries	14,223
Accounts Payable	(363,289)
Net Pension Liability	<u>21,382</u>
Total Adjustments	<u>2,192,976</u>
Net Cash Provided by (Used in) Operating Activities	<u><u>\$ 1,867,298</u></u>

See Notes to the Basic Financial Statements

FIDUCIARY FUNDS

Village of Crestwood, Illinois
Fiduciary Funds
Statement of Fiduciary Net Position
April 30, 2022

	Pension Trust Funds		
	Fire Pension Fund	Police Pension Fund	Total
<u>Assets</u>			
Cash and Cash Equivalents	\$ 154,656	\$ 465,531	\$ 620,187
Investments, at Fair Value	-	2,349,405	2,349,405
Property Tax Receivable	-	33,517	33,517
Accrued Interest	-	2,569	2,569
Due From Participants	-	443	443
Due from General Fund	-	5,993	5,993
Total Assets	<u>\$ 154,656</u>	<u>\$ 2,857,458</u>	<u>\$ 3,012,114</u>
<u>Liabilities</u>			
Accounts Payable	\$ -	\$ 14,872	\$ 14,872
<u>Deferred Inflows of Resources</u>			
Deferred Property Taxes	-	33,121	33,121
<u>Net Position</u>			
Restricted for Pension Benefits	<u>\$ 154,656</u>	<u>\$ 2,809,465</u>	<u>\$ 2,964,121</u>

See Notes to the Basic Financial Statements

Village of Crestwood, Illinois
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
April 30, 2022

	<u>Pension Trust Funds</u>		
	<u>Fire Pension</u>	<u>Police Pension</u>	<u>Total</u>
	<u>Fund</u>	<u>Fund</u>	
<u>Additions</u>			
Employer Contributions			
Property Tax	\$ -	\$ 84,230	\$ 84,230
Plan Member Contributions	-	132,156	132,156
Investment Income	27	(188,617)	(188,590)
Total Additions	27	27,769	27,796
<u>Deductions</u>			
Filing and Miscellaneous Fees	4,617	11,724	16,341
Pension Benefits	-	75,895	75,895
Total Deductions	4,617	87,619	92,236
Excess of Additions over Deductions	(4,590)	(59,850)	(64,440)
<u>Other Financing Sources</u>			
Transfers In	33,097	329,364	362,461
Net Increase in Net Position	28,507	269,514	298,021
<u>Net Position Restricted for Pension</u>			
Beginning of the Year	126,149	2,539,951	2,666,100
End of the Year	\$ 154,656	\$ 2,809,465	\$ 2,964,121

See Notes to the Basic Financial Statements

Village of Crestwood, Illinois

Notes to the Financial Statements

April 30, 2022

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of Crestwood, Illinois (Village) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The following is a summary of the Village's more significant accounting policies:

Reporting Entity

Accounting principles generally accepted in the United States of America require the reporting entity to include all organizations, activities, functions, and component units for which the Village is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board and either (1) the Village's ability to impose its will over the component unit or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden with the Village.

In conformity with GAAP, the Village's Police Pension Fund and the Firefighters' Pension Fund have been included as component units in the Village's basic financial statements. Although they are separate legal entities, these funds provide pension benefits for the Village's police officers and firefighters. Thus, their financial information has been blended within the Village's basic financial statements as fiduciary funds.

Fund Accounting

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

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

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

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

Village of Crestwood, Illinois

Notes to the Financial Statements

April 30, 2022

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the Village. The Village utilizes pension trust funds which are generally used to account for assets that the Village holds in a fiduciary capacity or on behalf of others as their agent.

Government-Wide Financial Statements

The Village's basic financial statements consist of both the government-wide financial statements, including a Statement of Net Position and a Statement of Activities, and the fund financial statements which provide a more detailed level of financial information.

The Statement of Net Position and the Statement of Activities display information about the Village as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely on a significant extent on fees and charges for support.

The Statement of Net Position presents the financial condition of the governmental activities of the Village at year end. The Statement of Net Position includes all current assets and current liabilities and all capital assets, net of accumulated depreciation, and long-term debt associated with the operation of the Village.

The Statement of Activities presents a comparison between direct expenditures and program revenues for each program or function of the Village's governmental activities. Direct expenditures are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include both charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Village. The comparison of direct expenditures with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Village.

Fund Financial Statements

During the year, the Village segregates transactions related to certain Village functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Village at this more detailed level. The focus of governmental fund financial statements is on major funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Village of Crestwood, Illinois

Notes to the Financial Statements

April 30, 2022

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Village reports the following major governmental funds:

The General Fund is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Tax Increment Financing Funds are used to account for bond proceeds, incremental property tax, all non-home rule sales tax distributed to the Village and ad valorem taxes if needed, levied against property in the Village sufficient to retire the 135th and Cicero TIF Bonds and provide funds for the Route 83 and Cicero Avenue capital activity.

The Village reports the following major enterprise fund:

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

Additionally, the Village reports the following fiduciary funds:

The Pension Funds are used to account for the police and firefighters pension activity. Fiduciary funds are excluded from the government-wide financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the "economic resources measurement focus" and the "accrual basis of accounting", as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Operating revenues/expenses include all revenues/expenses directly related to providing water and sewer services. Incidental revenues/expenses related to these services are reported as non-operating.

Government fund financial statements are reported using the "current financial resources measurement focus" and the "modified accrual basis of accounting". Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectable within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except as noted hereinafter. Some State of Illinois tax payments to the Village, such as income tax, have been delayed due to a lack of sufficient or timely state revenues. The Village considers this a highly unusual circumstance, and, to not artificially distort revenue patterns, has in these cases recognized revenue beyond the 60-day period. Expenditures generally are when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Property taxes, sales taxes, income taxes, off-track betting taxes, motor fuel taxes, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Village.

Village of Crestwood, Illinois

Notes to the Financial Statements

April 30, 2022

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Differences between the government-wide financial statements and the fund financial statements are briefly explained in reconciliations included in the fund financial statements.

Cash and Investments

For purposes of the Statement of Cash Flows, the Village's proprietary fund considers all highly liquid investments with maturities of three months or less at the date of purchase to be cash equivalents.

Investments with a maturity of one year or less when purchased are stated at cost or amortized cost. Investments with a maturity greater than one year and all investments of the pension trust fund are stated at fair value except for non-negotiable certificates of deposit which are recorded at cost.

Illinois Funds, a money market mutual fund created by the Illinois State Legislature and controlled by the Illinois State Treasurer is reported at a \$1 per share value, which equals the fair value in the pool.

Restricted cash and investments consist of amounts held at First Midwest Bank, as required, under General Obligation Bond Series 2016B.

Interfund Activity

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "Internal Balances".

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

Village of Crestwood, Illinois

Notes to the Financial Statements

April 30, 2022

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventories and Prepaid Items

The Village does not maintain inventory material to the financial statements. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as an expenditure/expense when consumed rather than purchased. Also, bond insurance premiums noted under "Long-Term Obligations" below are reported as a prepaid item and amortized over the life of the bonds.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e., roads, bridges, storm sewers and similar items on a prospective basis effective April 1, 2005) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital Assets are defined by the Village as assets with an initial, individual cost of more than \$2,500 for equipment, \$10,000 for buildings and improvements and \$50,000 for infrastructure assets and estimated useful lives in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs, including street overlays that do not add to the value or service capacity of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

Buildings	50 years
Infrastructure	30-40 years
Improvements Other than Buildings	5-25 years
Machinery, Furniture and Equipment	3-20 years
Vehicles	7-15 years

In the fund financial statements, capital assets acquired for use in governmental fund operations are accounted for as capital outlay expenditures of the government fund upon acquisition. Capital assets acquired for use in proprietary fund operations are accounted for the same as in the government-wide statements.

Long-Term Obligations

In the government-wide financial statements and proprietary fund 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 statements 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 applicable bond premium or discount.

Village of Crestwood, Illinois

Notes to the Financial Statements

April 30, 2022

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

The Village of Crestwood has one item that qualifies for reporting in this category. It is deferred amounts related to pensions - differences between estimated and actual investment earnings, changes in actuarial assumptions and other pension related charges.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Village of Crestwood has two items that qualify for reporting in this category. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the government-wide financial statements the Village of Crestwood reports deferred amounts related to pensions.

Net Position

For government-wide reporting as well as in proprietary funds the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components:

- Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.
- Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Village of Crestwood, Illinois

Notes to the Financial Statements
April 30, 2022

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Sometimes the Village will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made, about the order in which the resources are considered to be applied. It is in the Village's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance

The Village's fund balances are required to be reported using five separate classifications as listed below. The Village may not necessarily utilize each classification in a given fiscal year.

Non-Spendable – amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, or laws or regulations or other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of the Board of Trustees of the Village (the highest level of decision-making authority for the Village). Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board of Trustees.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. Under the Village's adopted policy, only the Village may assign amounts for specific purposes.

Unassigned – all other spendable amounts; positive amounts are reported only in the general fund.

When an expenditure is incurred for which both restricted and unrestricted fund balance is available, the Village considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Village considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Village's Board of Trustees has provided otherwise in its commitment or assignment actions.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of both the Fire and Police Pension Plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as it is reported by those plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Village of Crestwood, Illinois

Notes to the Financial Statements

April 30, 2022

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated Absences

It is the Village's policy to permit employees to accumulate earned but unused vacation benefits. Upon the employee's separation from the Village, unused vacation days are paid out to the employees. All eligible unused days are accrued in the government-wide financial statements. A liability for these days is reported in the governmental funds only if they are payable and due to the employee.

Use of Estimates

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

B. DEPOSITS AND INVESTMENTS

Cash and investments are separately held by each of the Village's funds, including the pension trust fund.

Investment policies of the Village and the pension trust fund are limited by Illinois Compiled Statutes. In that regard, deposits/investments are limited to deposits/investments in insured commercial banks, obligations of the U.S. Treasury and U.S. agencies, certificates of deposit issued by commercial banks that are FDIC insured or collateralized, commercial paper that has the highest rating classifications by at least one of the standard rating agencies and has one of the two highest rating classifications by at least two of the standard rating agencies, the Illinois Public Treasurer's Investment Pool and any money market mutual fund permissible under State law. Repurchase agreements are not permissible under the investment policy.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village has limited its exposure to interest rate risk by structuring the portfolios to provide liquidity for cash requirements for ongoing operations in money market funds and Illinois Funds.

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The Village limits its exposure to credit risk with investments to Illinois Funds. The Illinois Funds Money Market has earned Standard & Poor's highest rating (AAAm).

Concentration of credit risk is the risk that the Village or Fire Pension Funds has a high percentage of its investments invested in one type of investment. Neither the Village nor the fire pension trust fund has significant investments.

The policy is to maintain most funds in FDIC insured money market funds and certificates of deposit maturing in one year or less to ensure that proper liquidity is maintained in order to meet ongoing obligations.

Village of Crestwood, Illinois

Notes to the Financial Statements
April 30, 2022

B. DEPOSITS AND INVESTMENTS (continued)

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Village's deposits may not be returned to it. The Village's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance, at an amount not less than 102% of the market value of principal and interest accrued. As of April 30, 2022, the deposits of the Village are either insured by the FDIC or fully collateralized.

Custodial credit risk for investments 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 that are in the possession of the outside party. The Village has not maintained a high percentage of its investments in one type of investment.

Assets acquired for sale

During the current fiscal year, the Village bought a property for the purpose of being redeveloped and sold to encourage business expansion in the area. The Village purchased two properties for \$3,520,261 with the intent of holding short term and selling them within the next fiscal year. As of April 30, 2022, the carrying value and the expected net residual value are the same.

C. PROPERTY TAX

Property taxes for 2021 attach as an enforceable lien on January 1, 2022, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about February 1, 2022 and December 1, 2022, and are payable in two installments, on or about March 1, 2022 and December 30, 2022. Tax increment financing (TIF) property tax receipts are received in two installments similar to levied taxes described above. TIF property taxes are not levied but are paid by the County from incremental property tax receipts of all taxing bodies within the TIF District. The County collects such taxes and remits them periodically. The 2021 levy is intended to partially fund expenditures for fiscal year 2022 to the extent of collections through April 30, 2022, and 60 days subsequent to that date. The remainder of the 2021 levy is deferred as of April 30, 2022.

The 2021 tax levy, which attached as an enforceable lien on property as of January 1, 2022, has not been recorded as a receivable as of April 30, 2022, as the tax has not yet been levied by the Village and will not be levied until December 2022, and, therefore, the levy is not measurable as of April 30, 2022.

Village of Crestwood, Illinois

Notes to the Financial Statements

April 30, 2022

D. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2022 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Reclassification</u>	<u>Ending Balance</u>
<i>Governmental Activities:</i>					
Capital Assets, Not Being Depreciated					
Land	\$ 10,339,088	\$ 8,384,448	\$ 532,858	\$ (31,188)	\$ 18,159,490
Construction in Progress, as restated	<u>24,408,897</u>	<u>746,401</u>	<u>10,041,068</u>	<u>-</u>	<u>15,114,230</u>
Total Capital Assets					
Not Being Depreciated	<u>34,747,985</u>	<u>9,130,849</u>	<u>10,573,926</u>	<u>(31,188)</u>	<u>33,273,720</u>
Capital Assets being Depreciated					
Land Improvements	41,661	13,767	-	991,541	1,046,969
Infrastructure	40,997,674	898,666	-	(964,954)	40,931,386
Buildings	14,725,960	711,566	372,075	17,989	15,083,440
Buildings Improvements	998,433	-	108,672	41,896	931,657
Equipment, Furniture and Fixtures	3,360,308	89,132	67,239	75,295	3,457,496
Vehicles	<u>4,110,559</u>	<u>131,896</u>	<u>-</u>	<u>(130,579)</u>	<u>4,111,876</u>
Capital Assets being Depreciated	64,234,595	1,845,027	547,986	31,188	65,562,824
Less: Accumulated Depreciation	<u>32,888,481</u>	<u>2,374,856</u>	<u>537,196</u>	<u>-</u>	<u>34,726,141</u>
Capital Assets being Depreciated, Net of Depreciation	<u>31,346,114</u>	<u>(529,829)</u>	<u>10,790</u>	<u>31,188</u>	<u>30,836,683</u>
Total Governmental Activities, Capital Assets, Net of depreciation	<u>\$ 66,094,099</u>	<u>\$ 8,601,020</u>	<u>\$ 10,584,716</u>	<u>\$ -</u>	<u>\$ 64,110,403</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>		<u>Ending Balance</u>
<i>Business-type Activities:</i>					
Capital Assets, Not Being Depreciated					
Construction in Progress	<u>\$ 13,490,538</u>	<u>\$ 2,856,576</u>	<u>\$ 9,603,467</u>		<u>\$ 6,743,647</u>
Capital Assets being Depreciated					
Water & Sewer System, as restated	26,651,455	9,933,104	-		36,584,559
Equipment, as restated	<u>442,473</u>	<u>16,649</u>	<u>188,676</u>		<u>270,446</u>
Capital Assets, Gross	27,093,928	9,949,753	188,676		36,855,005
Less: Accumulated Depreciation, as restated	<u>12,690,226</u>	<u>910,965</u>	<u>188,676</u>		<u>13,412,515</u>
Capital Assets being Depreciated, Net of Depreciation	<u>14,403,702</u>	<u>9,038,788</u>	<u>-</u>		<u>23,442,490</u>
Total Business-Type Activities, Capital Assets, Net of Depreciation	<u>\$ 27,894,240</u>	<u>\$ 11,895,364</u>	<u>\$ 9,603,467</u>		<u>\$ 30,186,137</u>

See Note N for more details regarding the restatement of the assets of the construction in progress for the Governmental Activities, and the restatement of the assets of the water and sewer system, equipment and construction in progress for the Business-Type Activities.

Village of Crestwood, Illinois

Notes to the Financial Statements

April 30, 2022

D. CAPITAL ASSETS (continued)

Depreciation expense was charged to functions as follows:

Governmental Activities:	
General Government	\$ 284,418
Public Safety	281,187
Street and Bridge	1,490,216
Recreation	<u>319,035</u>
Total Governmental Activities Depreciation Expense	<u>\$2,374,856</u>
Business-type Activities:	
Water and Sewer	<u>\$ 910,965</u>

E. LONG-TERM DEBT

During the year ended April 30, 2022, the following changes occurred in liabilities reported in the Statement of Net Position:

	<u>5/1/2021</u> <u>Balances</u>	<u>Additions</u>	<u>Reductions</u>	<u>4/30/2022</u> <u>Balances</u>	<u>Within</u> <u>One year</u>
<i>Governmental Activities:</i>					
Bonds					
TIF Bonds	\$ 29,275,000	\$ -	\$ 1,390,000	\$ 27,885,000	\$ 1,450,000
GO Bonds	<u>16,610,000</u>	<u>-</u>	<u>1,370,000</u>	<u>15,240,000</u>	<u>1,450,000</u>
Subtotal Bonds	45,885,000	-	2,760,000	43,125,000	2,900,000
Add Unamortized Premium	<u>3,282,808</u>	<u>-</u>	<u>442,692</u>	<u>2,840,116</u>	<u>412,810</u>
Total Bonds	49,167,808	-	3,202,692	45,965,116	3,312,810
Line of Credit	1,443,164	2,900,000	-	4,343,164	4,343,164
Net Pension Liability (Asset)	546,839	-	768,495	(221,656)	-
Compensated absences	<u>313,880</u>	<u>-</u>	<u>91,936</u>	<u>221,944</u>	<u>-</u>
Total Long-Term Debt	<u>\$ 51,471,691</u>	<u>\$ 2,900,000</u>	<u>\$ 4,063,123</u>	<u>\$ 50,308,568</u>	<u>\$ 7,655,974</u>
<i>Business-Type Activities:</i>					
IEPA Loan	\$ 6,997,068	\$ 3,210,094	\$ 766,413	\$ 9,440,749	\$ 299,864
Net Pension Liability	<u>160,223</u>	<u>-</u>	<u>39,441</u>	<u>120,782</u>	<u>-</u>
Total Long-Term Debt	<u>\$ 7,157,291</u>	<u>\$ 3,210,094</u>	<u>\$ 805,854</u>	<u>\$ 9,561,531</u>	<u>\$ 299,864</u>

Village of Crestwood, Illinois

Notes to the Financial Statements
April 30, 2022

E. LONG-TERM DEBT (continued)

The following is a summary of long-term debt of the Village of April 30, 2022:

Governmental Activities:

Tax Increment Financing Bonds

On August 24, 2016, the Village issued \$33,675,000 tax-exempt General Obligation Bonds (Alternate Revenue), Series 2016B at a premium of \$3,760,834. Net proceeds of \$26,100,000, and an additional \$880,000 cash in the above Series 2004 project fund, (after net payment of \$925,834 in bond insurance premium, underwriting fees, issuance costs and interest) were remitted by the Series 2016B trustee to the above Series 2004 trustee for the redemption of the \$26,980,000 refunded bonds. The remaining \$10,400,000 was deposited with the Village as project revenue to be used in the development of the Route 83 and Cicero Redevelopment Project Area. \$2,565,000 serial bonds have an interest rate of 2.00%; \$6,180,000 serial bonds have a rate of 4.00%; \$24,930,000 serial bonds have a rate of 5.00% with interest paid semi-annually on June 15 and December 15. Principal is paid annually with a final maturity date of December 15, 2035. These bonds, together with interest, are limited obligations of the Village, payable solely from the collection of "tax receipts" (i.e., incremental property taxes distributed to the Village within the 135th and Cicero TIF District, all collections distributed to the Village from Non-Home Rule sales taxes and *ad valorem* taxes, if needed, levied against all of the taxable property in the Village). Bonds outstanding as of April 30, 2022 are \$27,885,000 and carries an AA rating by Standard & Poor's.

General Obligation Bonds

On January 28, 2016, the Village issued \$9,000,000 tax-exempt General Obligation Bond (Alternate Revenue), Series 2016A at a premium of \$757,512. Net proceeds of \$8,710,461 (after payment of \$289,539 in underwriting fees and issuance costs) were deposited with the Village for the purpose of paying tort judgements and settlements. The bonds are dated February 3, 2016 and have an interest rate of 4.5% with interest payable semi-annually on June 15 and December 15. Principal is paid annually with a final maturity date of December 15, 2029. These bonds, together with interest, are limited obligations of the Village, payable solely from the collection of "tax receipts" (i.e., all collections distributed to the Village from Non-Home Rule sales taxes and *ad valorem* taxes, if needed, levied against all of the taxable property in the Village). Bonds outstanding as of April 30, 2022 are \$6,275,000 and carries an AA rating by Standard and Poor's.

On January 16, 2020, the Village issued \$4,300,000 tax-exempt General Obligation Bond (Alternate Revenue), Series 2020A at a premium of \$368,552. Net proceeds of \$4,627,702 (after payment of \$91,891 in underwriting fees and issuance costs) were deposited with the Village for the purpose of the current refunding of the 2018 issuance of debt. The bonds are dated February 20, 2020 and have a variable interest rate with interest payable semi-annually on June 15 and December 15. Principal is paid annually with a final maturity date of December 15, 2034. These bonds, together with interest, are limited obligations of the Village, payable solely from the collection of pledged revenues and pledged taxes. Bonds outstanding as of April 30, 2022 are \$3,305,000 and carries an AA rating by Standard and Poor's.

Village of Crestwood, Illinois

Notes to the Financial Statements

April 30, 2022

E. LONG-TERM DEBT (continued)

On January 16, 2020, the Village issued \$6,000,000 tax-exempt General Obligation Bonds (Alternate Revenue), Series 2020B at a premium of \$130,114. Net proceeds of \$6,000,000 (after payment of \$130,114 in underwriting fees and issuance costs) were deposited with the Village for the purpose of paying for Village planned construction projects. The bonds are dated February 20, 2020 and have an interest rate of 4% with interest payable semi-annually on June 15 and December 15. Principal is paid annually with a final maturity date of December 15, 2034. These bonds, together with interest, are limited obligations of the Village, payable solely from the collection of pledged revenues and pledged taxes. Bonds outstanding as of April 30, 2022 are \$5,660,000 and carries an AA rating by Standard and Poor's.

Loans Payable

On August 31, 2015, the Village obtained a line of credit from First Midwest Bank in the amount of \$3,000,000 to acquire, construct and install certain public improvements. Interest on the loan is paid on a monthly basis at a variable rate 0.25 percentage points below the Prime Rate. For the fiscal year ended 2022, the rate was 4.75%. Principal on the line of credit is due on January 10, 2023. As the line of credit can be called due at any time, the entire balance is considered to be due within one year. The balance of the line of credit as of April 30, 2022 is \$2,993,164. This line of credit is dated November 1, 2020 and matures on January 10, 2023.

On April 21, 2022, the Village obtained a line of credit from Old National Bank in the amount of \$1,350,000 to acquire an investment property the Village holds to sell. The Village is looking to encourage business expansion within the Village. Interest on the loan is paid on a monthly basis at a variable rate 0.25 percentage points below the Prime Rate. For the fiscal year ended April 30, 2022, the rate was 2.250%. Principal on the line of credit is due on April 21, 2023. As the line of credit can be called due at any time, the entire balance is considered to be due within one year. The balance of the line of credit as of April 30, 2022 is \$1,350,000.

Business-Type Activities:

IEPA Loans

During fiscal year 2020, the Village was approved for two loans from the Illinois Environmental Protection Agency (IEPA). The first note carried an amount due of \$1,295,794. This loan is to be paid with principal and interest payments semi-annually with an interest rate of 1.38%. Payments are due in February and August and mature February 2040. The balance on the loan as of April 30, 2022 was \$987,052.

The second loan during fiscal year 2020 carried an amount due of \$5,539,531. This loan is to be paid with principal and interest payments semi-annually with an interest rate of 1.38%. Payments are due in May and November and mature November 2039. In the current year the loan was subject to forgiveness and received \$1,500,000 in principal forgiveness. The balance due on the loan as of April 30, 2022 was \$3,723,761.

Village of Crestwood, Illinois

Notes to the Financial Statements
April 30, 2022

E. LONG-TERM DEBT (continued)

During fiscal year 2021, the Village was approved for a third loan from the Illinois Environmental Protection Agency (IEPA). The note was in the amount of \$2,384,400 and as of April 30, 2022, \$2,384,400 has been received for this loan, which has been recorded as a note payable. This loan is to be paid with principal and interest payments semi-annually and are due in February and August at an interest rate of 1.50%. The final payment is due February 2041. The balance of the loan as of April 30, 2022 was \$ 1,973,229. In the current year the loan was subject to forgiveness and received \$348,593 in principal forgiveness.

During the current year, the Village was approved for a fourth loan from the Illinois Environmental Protection Agency (IEPA). The note was in the amount of \$5,998,070 and as of April 30, 2022, \$2,120,326 has been received for this loan, which has been recorded as a note payable. This loan is to be paid with principal and interest payments semi-annually and are due in May and November at an interest rate of 1.01%. The final payment is due November 2042. The balance of the loan as of April 30, 2022 was \$ 2,120,326. Since the project has not yet been completed and the final determination of the forgiveness of loan amount has not been determined, the Village has disclosed this loan at its full amount (not net of the forgiveness). The forgiveness of debt will be recorded as an-other source of revenue at the time of completion of the project.

During the current year, the Village was approved for a fifth loan from the Illinois Environmental Protection Agency (IEPA). The note was in the amount of \$756,706 and is to be paid with principal and interest payments semi-annually and are due in March and September at an interest rate of 1.01%. The final payment is due September 2041. The balance of the loan as of April 30, 2022 was \$636,380. In the current year the loan was subject to forgiveness and received \$121,468 in principal forgiveness.

Debt Service to Maturity

The annual debt service requirements to retire outstanding bonds as of April 30, 2022 are estimated as follows:

Governmental Activities:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 2,900,000	\$ 1,929,020	\$ 4,829,020
2024	3,040,000	1,808,720	4,848,720
2025	3,185,000	1,682,770	4,867,770
2026	3,365,000	1,536,670	4,901,670
2027	3,490,000	1,386,595	4,876,595
2028-2032	15,655,000	4,687,329	20,342,329
2033-2037	11,490,000	1,193,210	12,683,210
	<u>\$ 43,125,000</u>	<u>\$ 14,224,314</u>	<u>\$ 57,349,314</u>

Village of Crestwood, Illinois

Notes to the Financial Statements

April 30, 2022

E. LONG-TERM DEBT (continued)

Business-Type Activities:

Fiscal Year	Principal	Interest	Total
2023	\$ 299,864	\$ 82,319	\$ 382,183
2024	462,776	116,934	579,710
2025	468,823	110,887	579,710
2026	474,950	104,760	579,710
2027	481,159	98,551	579,710
2028-2032	2,610,030	407,975	3,018,005
2033-2037	2,675,598	222,952	2,898,550
2038-2042	1,952,897	50,888	2,003,785
2043-2047	14,652	74	14,726
	<u>\$ 9,440,749</u>	<u>\$ 1,195,340</u>	<u>\$ 10,636,089</u>

The Village's legal debt margin as of April 30, 2022 is as follows:

Equalized Assessed Valuation (EAV)	\$ 346,199,892
Maximum Rate (65 ILCS 5/8-5-1)	8.625%
Legal Debt Limit	<u>\$ 29,859,741</u>

Since the TIF and Alternate Revenue bonds are neither general obligation bonds nor the subject of a tax levy they are not included in the legal debt limit calculation.

Total Outstanding Bonds	\$ 43,125,000
Less: TIF Bonds	(27,885,000)
Less: Alternate Revenue Bonds	<u>(15,240,000)</u>
Net Debt Outstanding	<u>\$ -</u>

F. 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. These risks, along with medical claims for employees, are provided for through private insurance coverage. There were no significant changes in insurance coverage from the prior year and settlements did not exceed coverage for the current year and prior three years.

Village of Crestwood, Illinois

Notes to the Financial Statements

April 30, 2022

G. CONDUIT DEBT OBLIGATION

In December 2010, the Village issued \$24,025,000 Adjustable-Rate Demand Revenue Bonds (Trinity Christian College Association, Series 2010). The proceeds from the sale of the bonds were lent by the Village to Trinity Christian College through a promissory note in the above principal amount. This loan has been supplemented and amended by a first supplemental bond and loan agreement dated as of November 18, 2015.

The college used the bonds to refund prior debt and finance, refinance or reimburse itself for all or a portion of the costs of the acquisition, construction, renovation, improvement, remodeling and equipping of certain educational facilities. RBS Citizens Bank (now U. S. Bank National Association) has issued, on behalf of the owners of the bonds, an irrevocable transferable direct pay letter of credit securing the bonds. Neither the Village, nor the State nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

H. COMMITMENTS AND CONTINGENCIES

General Litigation

The Village monitors all claims and lawsuits on a case-by-case basis. If a claim is asserted and a probable loss is reasonably estimable, the Village recognizes a liability in the financial statements. The Village is currently a defendant in multiple cases. Although the outcome of these cases is not presently determinable, in the opinion of the Village, the resolution of these matters will not have a material adverse effect on the financial condition of the Village.

Commitments

In December 2022, the Village approved an Ordinance declaring surplus funds in the General Fund in an amount equal to the Village's portion of 2021 property tax bills. It is estimated that \$372,400 will be refunded in accordance with 35 ILCS 200/30-20.

Lease Liabilities

The Village has three leases outstanding for property it rents from the Metropolitan Water Reclamation District as follows:

Lease 1 -- The term of this lease is sixty years beginning on September 15, 2017 and ending on September 14, 2077. During the ten-year period from September 15, 2017 through September 15, 2027, the annual rental shall be \$158,000 payable in annual installments due on the annual commencement date of this lease. Thereafter, on each periodic ten-year anniversary following the effective date of this lease, and every ten-year periodic anniversary thereafter, the fixed annual rental to be paid shall be adjusted and predetermined per a fair market valuation. The amount of the annual rent payment will be based on the fair market value determined times 6.077%.

Village of Crestwood, Illinois

Notes to the Financial Statements

April 30, 2022

H. COMMITMENTS AND CONTINGENCIES (continued)

Lease 2 – The term of this lease is sixty years beginning on January 1, 2019 and ending on December 31, 2079. During the ten-year period from January 1, 2019 through January 31, 2029, the annual rental shall be \$169,000 payable in annual installments due on the annual commencement date of this lease. Thereafter, on each periodic ten-year anniversary following the effective date of this lease, and every ten-year periodic anniversary thereafter, the fixed annual rental to be paid shall be adjusted and predetermined per a fair market valuation. The amount of the annual rent payment will be based on the fair market value determined times 6.0%.

Lease 3 - The term of this lease is ninety-nine years beginning on October 15, 2019 and ending on October 14, 2118. During the ten-year period from October 15, 2019 through October 15, 2029, the annual rental shall be \$820,626 payable in annual installments due on the annual commencement date of this lease. Thereafter, on each periodic ten-year anniversary following the effective date of this lease, and every ten-year periodic anniversary thereafter, the fixed annual rental to be paid shall be adjusted and predetermined per a fair market valuation. The amount of the annual rent payment will be based on the fair market value determined times 6.0%.

The following table shows the first ten-year commitments of the leases above:

<u>Year</u>	<u>Lease 1</u>	<u>Lease 2</u>	<u>Lease 3</u>	<u>Total</u>
2023	\$ 158,000	\$ 169,000	\$ 820,626	\$ 1,147,626
2024	158,000	169,000	820,626	1,147,626
2025	158,000	169,000	820,626	1,147,626
2026	158,000	169,000	820,626	1,147,626
2027	-	169,000	820,626	989,626
2028-2031	-	169,000	1,641,252	1,810,252
	<u>\$ 632,000</u>	<u>\$ 1,014,000</u>	<u>\$ 5,744,382</u>	<u>\$ 7,390,382</u>

I. GRANTS

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, especially the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that 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 Crestwood, Illinois

Notes to the Financial Statements

April 30, 2022

J. INDIVIDUAL FUND DISCLOSURES

Internal (interfund) balances as of April 30, 2022 were as follows:

Fund	Internal Balances	
	Receivable	Payable
General Fund	\$ 4,363,228	\$ 1,122,874
135th & Cicero TIF Fund	9,101	-
Route 83 & Cicero TIF Fund	826,810	-
Motor Fuel Tax Fund	150,640	-
Debt Service	131,280	950
Route 83 Debt Service Fund	-	194,420
Water & Sewer	-	4,168,808
Police Pension	5,993	-
Grand Total	<u>\$ 5,487,052</u>	<u>\$ 5,487,052</u>

The outstanding balances between funds result mainly from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made. These funds are expected to be paid back within the subsequent year.

Transfers

The General Fund made a transfer of \$461,520 to the Police Pension Fund which represents fifty percent of the proceeds from the video gaming revenues.

The General Fund made a transfer of \$33,097 to the Fire Pension Fund for an estimate of the Village's pension contribution prior to the actuarial report.

The Route 83 TIF Fund made a transfer of \$1,450 to the General Fund.

K. EMPLOYEE RETIREMENT PLANS

The Village contributes to three defined benefit pension plans, the Police Pension Plan, the Firefighters' Pension Plan, which are single-employer pension plans, and the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer's public employee retirement system. The benefits, benefit levels, employee contributions and employer contributions for all three plans are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly. IMRF issues a publicly available Comprehensive Annual Financial report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information (RSI). That report may be obtained online at www.imrf.org.

Village of Crestwood, Illinois

Notes to the Financial Statements
April 30, 2022

K. EMPLOYEE RETIREMENT PLANS (continued)

	Net Pension	Deferred	Deferred
	Liability (Asset)	Outflows	Inflows
	<u>of Resources</u>	<u>of Resources</u>	<u>of Resources</u>
Police Pension	\$ (650,602)	\$ 461,631	\$ 870,607
Firefighters' Pension	(61,371)	11,026	56,763
IMRF Pension	611,099	692,537	228,388
	<u>\$ (100,874)</u>	<u>\$ 1,165,194</u>	<u>\$ 1,155,758</u>

POLICE PENSION

Plan Description

The Police Pension Plan is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits as well as the employee and employer contribution levels are governed by Illinois Compiled Statutes and may be amended only by the Illinois legislature. The plan provides retirement benefits as well as death and disability benefits. The plan does not issue a separate stand-alone report.

Plan Membership

As of April 30, 2022, the measurement date, membership consisted of:

Inactive Plan Members:	
Currently Receiving Benefits	3
Entitled to, but not yet Receiving Benefits	4
Active Plan Members	<u>16</u>
Total	<u>23</u>

Benefits Provided

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half 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 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% 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 3.00% of the original pension and 3.00% compounded annually thereafter.

Village of Crestwood, Illinois

Notes to the Financial Statements

April 30, 2022

K. EMPLOYEE RETIREMENT PLANS (continued)

POLICE PENSION (continued)

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten 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 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of 1/2 of the annual change in the Consumer Price Index or 3.00% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., 1/2% for each month under 55).

The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later.

Non-compounding increases occur annually, each January thereafter. The increase is the lesser of 3.00% or 1/2 of the change in the Consumer Price Index for the proceeding calendar year.

Contributions

Employees are required by ILCS 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. Effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. For the year ended April 30, 2022, the Village's contribution was 30.75% of covered payroll.

Investment Policy

Illinois Compiled Statutes (ILCS) limit the Police Pension Fund's (the Fund) investments to those allowable by ILCS and require the Fund's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees. The Fund's investment policy authorizes the Fund to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, investment grade corporate bonds and Illinois Funds. The Fund may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, Illinois insurance company general and separate accounts, mutual funds and corporate equity securities and real estate investment trusts.

Village of Crestwood, Illinois

Notes to the Financial Statements
April 30, 2022

K. EMPLOYEE RETIREMENT PLANS (continued)

POLICE PENSION (continued)

The Fund's investment policy, in accordance with ILCS establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Certificates of Deposit	0%	0.50%
State, Local and Corporate Obligations	0%	2.00%
U.S. Government and Agency Obligations	0%	1.50%
Mutual Funds	0%	4.50%
Common and Preferred Stock	0%	5.00%
Illinois Police Officers' Pension Investment Fund	100%	4.20%
Cash and Cash Equivalents	0%	0.50%
Total	100%	

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 blended asset class is comprised of all other asset classes to allow for rebalancing the portfolio.

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 September 2013 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 expected inflation. Best estimates or arithmetic real rates of return excluding inflation for each major asset class included in the Fund's target asset allocation as of April 30, 2022 are listed in the table above.

Investment Valuations

The Police Pension Fund has the following recurring fair value measurement as of April 30, 2022. The Mutual Funds are valued using quoted prices in active markets for identical assets (Level 1 inputs). The Corporate Bonds, Certificates of Deposit are valued using quoted pricing models (Level 2 inputs).

Village of Crestwood, Illinois

Notes to the Financial Statements

April 30, 2022

K. EMPLOYEE RETIREMENT PLANS (continued)

POLICE PENSION (continued)

Investment Concentrations

Investments (other than United States Government guaranteed obligations) in any one organization represent 5% or more of the Fund's investments as of April 30, 2022 are as follow:

<u>Investment Description</u>	<u>Investment Amount</u>	<u>% of Assets</u>
Vanguard S&P 500 ETF	\$ 561,991	23.92%
Barclays	201,279	8.57%
Doubleline Shiller Enhan	180,397	7.68%
Ishares MSCI	161,476	6.87%
Goldman Sachs	120,443	5.13%

Investment Rate of Return

For the year ended April 30, 2022, the annual money-weighted rate of return on pension plan investments was (5.89%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the change in amounts invested.

Custodial Credit Risk

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Fund's deposits may not be returned to them. The Fund's investment policy requires all bank balances to be covered by federal depository insurance.

Interest Rate Risk

The Police Pension Fund has limited its exposure to interest rate risk by structuring the portfolio to provide liquidity for cash requirements for ongoing operations in money market funds. This Fund does not have any debt investments or other investments that are highly sensitive to changes in interest rates.

The following table presents the investments and maturities of the Police Pension Fund's cash and investments as of April 30, 2022.

Cash and Investment Type	Fair Value	Investment Maturities		
		Less Than One Year	One to Five Years	Five to Ten Years
Cash & Cash Equivalents	\$ 465,531	\$ 465,531	\$ -	\$ -
U.S. Treasury Notes	1,007,564	-	588,412	419,152
U.S. Agency Securities	20,810	-	-	20,810
Corporate Bonds	321,722	201,279	120,443	-
Exchange Traded Funds	818,911	818,911	-	-
Mutual Funds	180,398	180,398	-	-
Total Cash and Investments	<u>\$ 2,814,936</u>	<u>\$ 1,666,119</u>	<u>\$ 708,855</u>	<u>\$ 439,962</u>

Village of Crestwood, Illinois

Notes to the Financial Statements

April 30, 2022

K. EMPLOYEE RETIREMENT PLANS (continued)

POLICE PENSION (continued)

Credit Risk

The Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government, securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government, and investment grade corporate bonds rated at or above BBB- by Standard and Poor's, Baa3 by Moody's, and BBB- by Fitch by at least two of the three rating agencies. As of April 30, 2022, the Plan's investments in U.S. Government agencies were rated AAA by Standard and Poor's and Aaa by Moody's Investors Service. The Bond Credit ratings are listed in the following table:

Type of Investment	Rating	Amount
Corporate Bonds	BBB+	\$ 120,443
	BBB	201,279
		<u>\$ 321,722</u>
U.S. Agency Securities	AA+	\$ 20,810
		<u>\$ 20,810</u>

Net Pension Liability

Changes in the Net Pension Liability (Asset) are derived from the changes in the total pension liability and changes in the plan net position as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances Beginning at 5/1/2021	<u>\$ 2,429,864</u>	<u>\$ 2,502,723</u>	<u>\$ (72,859)</u>
Charges for the year:			
Service Cost	395,225	-	395,225
Interest	139,474	-	139,474
Actuarial Experience	(221,927)	-	(221,927)
Assumptions Changes	(512,544)	-	(512,544)
Plan Changes	-	-	-
Contributions - Employer	-	413,594	(413,594)
Contributions - Employee	-	132,156	(132,156)
Net Investment Income	-	(161,134)	161,134
Benefit Payments from Trust	(71,229)	(71,229)	-
Administrative Expenses	-	(6,645)	6,645
Other (Net Transfer)	-	-	-
Net Changes	<u>(271,001)</u>	<u>306,742</u>	<u>(577,743)</u>
Balances Ending at 4/30/2022	<u>\$ 2,158,863</u>	<u>\$ 2,809,465</u>	<u>\$ (650,602)</u>

Village of Crestwood, Illinois

Notes to the Financial Statements

April 30, 2022

K. EMPLOYEE RETIREMENT PLANS (continued)

POLICE PENSION (continued)

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of April 30, 2022 using the following actuarial methods and assumptions.

Actuarial valuation date	4/30/22
Actuarial cost method	Entry-age, normal
Amortization period	Level percentage of pay
Remaining amortization period	18 years
Asset valuation period	Market Value
Inflation	2.50%
Significant actuarial investment rate of return	6.80%
Projected salary increases	3.5% - 11.00%
Cost-of-living adjustments	Tier 1 - 3% per year Tier 2 - 1.25% per year

Mortality rates were based on the RP-2014 Mortality Table (BCHA) projected to 2020 using improvement scale MP-2018.

Discount Rate

The discount rate used to measure the total pension liability was 6.80%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine total pension liability.

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 of 6.80% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.80%) and 1 percentage point higher (7.80%) than the current rate:

	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
Net Pension Liability	\$ (282,335)	\$ (650,602)	\$ (943,584)

Village of Crestwood, Illinois

Notes to the Financial Statements

April 30, 2022

K. EMPLOYEE RETIREMENT PLANS (continued)

POLICE PENSION (continued)

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

For the year ended April 30, 2022, the Village recognized Police Pension benefit of \$178,504. As of April 30, 2022, the Village reported deferred outflows of resources and deferred inflows of resources related to the Police Pension from the following sources:

<u>Deferred Amounts Related to Pensions</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 188,525	\$ 283,957
Assumption Changes	25,251	478,100
Net difference between the projected and actual earnings on pension plan investments	247,855	108,550
Total Calculated Deferred Amounts Related to Pensions	<u>\$ 461,631</u>	<u>\$ 870,607</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to Police Pension will be recognized in pension expense (benefit) in future periods as follows:

<u>Year Ending December 31,</u>	<u>Net Deferred Inflows of Resources</u>
2023	\$ (46,320)
2024	(48,955)
2025	(52,379)
2026	(14,619)
2027	(63,285)
Thereafter	(183,418)
Total	<u>\$ (408,976)</u>

FIREFIGHTERS' PENSION

The Firefighters' Pension Plan is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits as well as the employee and employer contributions levels are governed by Illinois Compiled Statutes and may be amended only by the Illinois legislature. The plan provides retirement benefits as well as death and disability benefits. The plan does not issue a separate stand-alone report.

Village of Crestwood, Illinois

Notes to the Financial Statements

April 30, 2022

K. EMPLOYEE RETIREMENT PLANS (continued)

FIREFIGHTERS' PENSION (continued)

Plan Membership

Membership in the plan consisted of the following as of April 30, 2022:

Inactive Plan Members:	
Currently Receiving Benefits	-
Entitled to, but not yet Receiving Benefits	-
Active Plan Members	<u>1</u>
Total	<u>1</u>

Benefits Provided

The Firefighters' Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Employees attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half 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 2.50% of such salary for each additional year of service over 20 years not to exceed 75.00% of such salary.

The monthly benefit of a Firefighters' 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 increased annually, following the first anniversary date of retirement, and be paid upon reaching the age of at least 55 years, by 3.00% of the original pension and 3.00% compounded annually thereafter.

Contributions

Costs of administering the plan are financed through employee and employer contributions. Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. The member rate is determined by state statute. The Village is required to contribute at an actuarially determined rate. The employer contribution is funded by property taxes. Administrative costs are funded by investment earnings. Contributions and benefits are recognized when due and payable. Refunds are recognized as paid.

Investment Policy

Illinois Compiled Statutes (ILCS) limit the Firefighters' Pension Fund's (the Fund) investments to those allowable by ILCS and require the Fund's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees. The Fund's investment policy authorizes the Fund to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest

Village of Crestwood, Illinois

Notes to the Financial Statements

April 30, 2022

K. EMPLOYEE RETIREMENT PLANS (continued)

FIREFIGHTERS' PENSION (continued)

classifications by at least two standard rating services, investment grade corporate bonds and Illinois Funds. The Fund may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, Illinois insurance company general and separate accounts, mutual funds and corporate equity securities and real estate investment trusts.

Asset Class	Long-Term	
	Target	Expected Real Rate of Return
Illinois Firefighters Consolidated Investment Fund	100%	4.50%
Cash and Cash Equivalents	0%	0.00%
Total	100%	

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 assets shown here is from the State of Illinois Department of Insurance Actuarial Experience Study dated September 26, 2012. The best estimate of future real rates of return are developed for each of the major asset classes. Expected inflation is added back in. Adjustment is made to reflect geometric returns.

Investment Valuations

The firefighters' pension does not have any investments as of April 30, 2022. Valuations for investments in the future will be determined by the applicable Level 1, 2 or 3 inputs as deemed applicable.

Investment Rate of Return

For the year ended April 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was .02%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the change in amount invested.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Fund's deposits may not be returned to them. The Fund's investment policy requires all bank balances to be covered by federal depository insurance.

Village of Crestwood, Illinois

Notes to the Financial Statements

April 30, 2022

K. EMPLOYEE RETIREMENT PLANS (continued)

FIREFIGHTERS' PENSION (continued)

Interest Rate Risk

The Firefighters' Pension Fund has limited its exposure to interest rate risk by structuring the portfolio to provide liquidity for cash requirements for ongoing operations in money market funds. The Firefighters' Pension Fund does not have any debt investments or other investments that are highly sensitive to changes in interest rates.

The following table presents the investments and maturities of the Firefighters' Pension Fund's cash and investments as of April 30, 2022.

	Fair Value	Investment Maturities		
		Less Than One Year	One to Five Years	Five to Ten Years
Cash and Investment Type				
Cash & Cash Equivalents	\$ 154,656	\$ 154,656	\$ -	\$ -
Total Cash and Investments -				
Firefighters' Pension Trust Fund	\$ 154,656			

Credit Risk

The Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government, securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government, and investment grade corporate bonds rated at or above BBB- by Standard and Poor's, Baa3 by Moody's and BBB- by Fitch by at least two of the three rating agencies. As of April 30, 2022, the Plan's investments in U.S. Government agencies were rated AAA by Standard & Poor's and Aaa by Moody's Investors Service. The Plan's investments in the Illinois Funds were rated AAA by Standard & Poor's. The Money Market Mutual Funds, Insurance Contracts and Equities were not rated.

Custodial Credit Risk

For an investment, this is the risk, that in the event of failure of the counterparty, the Fund will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The U.S. Treasury Notes, U.S. agency securities, and insurance contracts are held by the Fund's agent in the Fund's name. The Illinois Funds Investment Pool, Money Market Mutual Funds, and Equity Mutual Funds are not subject to custodial credit risk.

Village of Crestwood, Illinois

Notes to the Financial Statements

April 30, 2022

K. EMPLOYEE RETIREMENT PLANS (continued)

FIREFIGHTERS' PENSION (continued)

Net Pension Liability

Changes in the Net Pension Liability (Asset) are derived from the changes in the total pension liability and changes in the plan net position as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances Beginning at 5/1/2021	<u>\$ 94,522</u>	<u>\$ 125,399</u>	<u>\$ (30,877)</u>
Charges for the year:			
Service Cost	30,370	-	30,370
Interest	6,245	-	6,245
Change in Benefit Terms	-	-	-
Actuarial Experience	(14,926)	-	(14,926)
Assumptions Changes	(22,926)	-	(22,926)
Plan Changes	-	-	-
Contributions - Employer	-	26,973	(26,973)
Contributions - Employee	-	6,124	(6,124)
Contributions - Other	-	-	-
Net Investment Income	-	28	(28)
Benefit Payments from Trust	-	-	-
Administrative Expenses	-	(3,868)	3,868
Other (Net Transfer)	-	-	-
Net Changes	<u>(1,237)</u>	<u>29,257</u>	<u>(30,494)</u>
Balances Ending at 4/30/2022	<u>\$ 93,285</u>	<u>\$ 154,656</u>	<u>\$ (61,371)</u>

See the schedule of changes in the employer's net pension liability and related ratios in the required supplementary information for additional information related to the funded status of the Fund.

Village of Crestwood, Illinois

Notes to the Financial Statements

April 30, 2022

K. EMPLOYEE RETIREMENT PLANS (continued)

FIREFIGHTERS' PENSION (continued)

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of April 30, 2022 using the following actuarial methods and assumptions.

Actuarial valuation date	4/30/22
Actuarial cost method	Entry-age, normal
Amortization period	Level percentage of pay
Remaining amortization period	18 years
Asset valuation period	Market Value
Inflation	2.50%
Significant actuarial investment rate of return	5.00%
Projected salary increases	3.50% - 12.50%
Cost-of-living adjustments	Tier 1 - 3% per year Tier 2 - 1.25% per year

Mortality rates are based on rates developed in the RP 2014 Mortality Table (BCHA) with generational improvements scale MP-2020 applied from 2013.

Discount Rate

The discount rate used to measure the total pension liability was 7.125%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine total pension liability.

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 of 7.125% 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 (6.125%) of 1 percentage point higher (8.125%) than the current rate:

	1% Decrease (6.125%)	Current Discount Rate (7.125%)	1% Increase (8.125%)
Net Pension Liability	\$ (50,700)	\$ (61,371)	\$ (70,538)

Village of Crestwood, Illinois

Notes to the Financial Statements

April 30, 2022

K. EMPLOYEE RETIREMENT PLANS (continued)

FIREFIGHTERS' PENSION (continued)

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Firefighters' Pension

For the year ended April 30, 2022, the Village recognized Firefighters' Pension benefit of \$15,470. As of April 30, 2022, the Village reported deferred outflows of resources and deferred inflows of resources related to the Firefighters' Pension from the following sources:

<u>Deferred Amounts Related to Pensions</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 35,179
Assumption Changes	637	21,584
Net difference between the projected and actual earnings on pension plan investments	10,389	-
Total Calculated Deferred Amounts Related to Pensions	<u>\$ 11,026</u>	<u>\$ 56,763</u>

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

<u>Year Ending December 31,</u>	<u>Net Deferred Inflows of Resources</u>
2023	\$ (16,070)
2024	(16,306)
2025	(14,754)
2026	1,393
2027	-
Thereafter	-
Total	<u>\$ (45,737)</u>

ILLINOIS MUNICIPAL RETIREMENT FUND

IMRF Plan Description

The Village's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. All employees (other than those covered by the Police or Firefighters' Pension Plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. The Village's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the cost-sharing defined benefit multiple-district public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document.

Village of Crestwood, Illinois

Notes to the Financial Statements

April 30, 2022

K. EMPLOYEE RETIREMENT PLANS (continued)

ILLINOIS MUNICIPAL RETIREMENT FUND

Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided

Employees hired prior to 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 members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years of service credit, and 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 (a) 3% of the original pension amount, or (b) ½ the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms

As of December 31, 2021, the following employees were covered by the benefit terms:

Retirees and Beneficiaries currently receiving benefits	1
Inactive Plan Members entitled to but not yet receiving benefits	25
Active Plan Members	<u>52</u>
Total	<u>78</u>

Village of Crestwood, Illinois
Notes to the Financial Statements
April 30, 2022

K. EMPLOYEE RETIREMENT PLANS (continued)

ILLINOIS MUNICIPAL RETIREMENT FUND (continued)

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. The Village's annual contribution rate for calendar year 2021 was 7.99%. For the year ended December 31, 2021, the Village contributed \$220,855 to the plan. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

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

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability as of December 31, 2021:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.25%.
- Salary Increases were expected to be 2.85% to 13.75%, including inflation.
- The Investment Rate of Return was assumed to be 7.25%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2020 valuation according to an experience study from years 2017 to 2019.
- For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using MP-2020.
- For Disabled Retirees, the Pub-2010, Amount-Weighted, below-median income, General Disabled Retirees, Male and Female (both unadjusted) tables, and future mortality improvements projected using MP-2020.
- For Active Members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

Village of Crestwood, Illinois

Notes to the Financial Statements

April 30, 2022

K. EMPLOYEE RETIREMENT PLANS (continued)

ILLINOIS MUNICIPAL RETIREMENT FUND (continued)

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:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	39.00%	4.50%
International Equity	15.00%	5.75%
Fixed Income	25.00%	2.00%
Real Estate	10.00%	5.90%
Alternative Investments	10.00%	4.30%-8.10%
Cash Equivalents	1.00%	1.70%
	<u>100.00%</u>	

Single Discount Rate

Single Discount Rate of 7.25% was used to measure the total pension liability. 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 rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 1.84%, and the resulting single discount rate is 7.25%.

Village of Crestwood, Illinois

Notes to the Financial Statements

April 30, 2022

K. EMPLOYEE RETIREMENT PLANS (continued)

ILLINOIS MUNICIPAL RETIREMENT FUND (continued)

Changes in the Net Pension Liability

Changes in the Net Pension Liability are derived from the changes in total pension liability and changes in the plan net position. The Schedule of Changes in Net Pension Liability and Related Ratios, presents as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances Beginning at 1/1/2021	<u>\$ 2,407,288</u>	<u>\$ 1,596,490</u>	<u>\$ 810,798</u>
Charges for the year:			
Service Cost	241,643	-	241,643
Interest	182,201	-	182,201
Actuarial Experience	(69,511)	-	(69,511)
Contributions - Employer	-	220,855	(220,855)
Contributions - Employee	-	146,454	(146,454)
Net Investment Income	-	222,851	(222,851)
Benefit Payments	(29,984)	(29,984)	-
Other (Net Transfer)	-	(36,128)	36,128
Net Changes	<u>324,349</u>	<u>524,048</u>	<u>(199,699)</u>
Balances Ending at 12/31/2021	<u>\$ 2,731,637</u>	<u>\$ 2,120,538</u>	<u>\$ 611,099</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	Current Single Discount		
	1% Decrease 6.25%	Rate Assumption 7.25%	1% Increase 8.25%
Total Pension Liability	<u>\$ 3,107,643</u>	<u>\$ 2,731,637</u>	<u>\$ 2,461,612</u>
Less: Plan Fiduciary Net Position	<u>2,120,538</u>	<u>2,120,538</u>	<u>2,120,538</u>
Net Pension Liability (Asset)	<u>\$ 987,105</u>	<u>\$ 611,099</u>	<u>\$ 341,074</u>

Village of Crestwood, Illinois

Notes to the Financial Statements

April 30, 2022

K. EMPLOYEE RETIREMENT PLANS (continued)

ILLINOIS MUNICIPAL RETIREMENT FUND (continued)

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

For the year ended April 30, 2022, the Village recognized pension expense of \$108,260. As of April 30, 2022, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Deferred Amounts Related to Pensions</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 591,671	\$ 59,634
Assumption Changes	29,349	58,995
Net difference between the projected and actual earnings on pension plan investments	<u>8,883</u>	<u>109,759</u>
Total	\$ 629,903	\$ 228,388
Pension Contributions made subsequent to the Measurement Date	<u>62,634</u>	<u>-</u>
Total Calculated Deferred Amounts Related to Pensions	<u>\$ 692,537</u>	<u>\$ 228,388</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:

<u>Year Ending December 31,</u>	<u>Net Deferred Outflows of Resources</u>
2022	\$ 143,471
2023	134,586
2024	95,881
2025	31,372
2026	1,795
Thereafter	<u>(5,590)</u>
Total	<u>\$ 401,515</u>

L. TAX INCREMENT FINANCING DISTRICT

On May 2, 2002, the Village adopted ordinances establishing the 135th and Cicero Tax Increment Financing Redevelopment Project Area. This area is located within a parcel of property bounded by 135th Street, Cicero Avenue and Cal Sag Road and developed with retail stores. The TIF was set to expire in 2023. However, by statute it has been extended through 2035 to correspond with repayment of the General Obligation Bonds, Series 2016B.

Village of Crestwood, Illinois

Notes to the Financial Statements

April 30, 2022

L. TAX INCREMENT FINANCING DISTRICT (continued)

On August 24, 2014, the Village adopted ordinances establishing the Route 83 and Cicero Tax Increment Financing Redevelopment Project Area. This area is located within the parcels of property north of Route 83, divided by Cicero Avenue into a west section and east section. Currently, the bond proceeds of \$12,000,000 (Series 2016B and 2016C) are being used to develop the area with retail businesses.

M. SUBSEQUENT EVENTS

On December 1, 2022, the Village approved an Ordinance declaring surplus funds in the General Fund in an amount equal to the Village's portion of 2021 property tax bills. It is estimated that \$372,400 will be refunded in accordance with 35 ILCS 200/30-20.

N. PRIOR PERIOD ADJUSTMENT

The Village has recorded prior period adjustments for the fiscal year ending April 30, 2022. The impact to the financial statements is as follows:

The Village reclassified capitalized amounts of the construction in progress from the Government-Wide assets to the Water and Sewer Proprietary Fund. The fund balance and the capital assets have been restated accordingly. See the following table for all prior period adjustments in the Government-Wide Net Position:

Governmental Net Position as previously reported, April 30, 2021	\$31,319,698
Reclassification of Construction in Progress to Proprietary Fund	<u>(341,335)</u>
Governmental Fund Net Position as restated, April 30, 2022	<u>\$30,978,363</u>

The Village reclassified capitalized amounts of the construction in progress from the Government-Wide assets to the Water and Sewer Proprietary Fund. The fund balance and the capital assets have been restated accordingly. Additionally in the prior year, the Village capitalized assets that were included in the construction in progress totals. The assets and the accumulated depreciation associated with these assets have been reversed in the current year. See the following table for all prior period adjustments in the Proprietary Fund Net Position:

Proprietary Fund Net Position as previously reported, April 30, 2021	\$21,810,217
Reclassification of Construction in Progress from Governmental Fund	341,335
Reclassification of Capital Assets from Proprietary Fund	(340,381)
Reclassification of Accumulated Depreciation from Proprietary Fund	<u>5,040</u>
Proprietary Fund Net Position as restated, April 30, 2022	<u>\$21,816,211</u>

REQUIRED SUPPLEMENTARY INFORMATION

Village of Crestwood, Illinois
General Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For The Year Ended April 30, 2022

	Original and Final Budget	Actual	Variance From Final Budget Over (Under)
<u>Revenues</u>	\$ 14,561,600	\$ 16,322,755	\$ 1,761,155
<u>Expenditures</u>			
Current			
General Government			
General and Administrative	1,886,700	2,235,260	348,560
Legal, Litigation and Audit	688,000	386,594	(301,406)
Public Transportation	107,350	90,635	(16,715)
Information Technology	275,000	191,840	(83,160)
Other	105,000	148,657	43,657
Total General Government	3,062,050	3,052,986	(9,064)
Public Safety			
Police	3,464,200	3,709,003	244,803
Fire	3,011,000	2,674,835	(336,165)
Emergency Services	43,200	43,394	194
School Crossing Guards	30,000	19,552	(10,448)
Total Public Safety	6,548,400	6,446,784	(101,616)
Other Expenditures			
Parks and Recreation	1,274,700	1,418,828	144,128
Streets and Bridge	2,031,600	1,390,821	(640,779)
Garbage Disposal	900,000	933,011	33,011
Surplus Fund Expenditures	500,000	372,400	(127,600)
Total Other Current Expenditures	4,706,300	4,115,060	(591,240)
Total Current Expenditures	14,316,750	13,614,830	(701,920)
Debt Service			
Interest Expense	-	55,916	55,916
Capital Outlay			
General Government			
Information Technology	20,000	43,499	23,499
Other	50,000	43,092	(6,908)
Public Safety			
Police	160,000	96,568	(63,432)
Fire	279,500	-	(279,500)
Emergency Services	13,500	-	(13,500)
Other Expenditures			
Parks and Recreation	315,000	20,004	(294,996)
Streets and Bridge	1,400,000	38,733	(1,361,267)
Total Capital Outlay	2,238,000	241,896	(1,996,104)
Total Expenditures	16,554,750	13,912,642	(2,642,108)

(Continued)

See the accompanying notes to the required supplementary information.

Village of Crestwood, Illinois
General Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For The Year Ended April 30, 2022

	Original and Final Budget	Actual	Variance From Final Budget Over (Under)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,993,150)	2,410,113	4,403,263
<u>Other Financing Sources (Uses)</u>			
Sale of Capital Asset	2,800,000	690,765	(2,109,235)
Bank Loan Proceeds	1,250,000	-	(1,250,000)
Transfers In	-	1,450	1,450
Transfers Out	(256,000)	(362,461)	(106,461)
Total Other Financing Sources (Uses)	3,794,000	329,754	(3,464,246)
Net Changes in Fund Balance	<u>\$ 1,800,850</u>	2,739,867	<u>\$ 939,017</u>
Fund Balance, Beginning of the Year		7,151,460	
Fund Balance, End of the Year		<u>\$ 9,891,327</u>	

See the accompanying notes to the required supplementary information.

Village of Crestwood, Illinois
General Fund
Schedule of Revenues
Budget and Actual
For The Year Ended April 30, 2022

	Original and Final Budget	Actual	Variance Over (Under)
<u>Taxes</u>			
Property Tax	\$ 1,870,000	\$ 1,857,102	\$ (12,898)
Sales Tax	6,300,000	7,035,889	735,889
State Income Tax	550,000	683,407	133,407
Off-Track Betting Tax	260,000	216,651	(43,349)
Video Poker Tax	550,000	829,574	279,574
Miscellaneous Taxes:			
Replacement Tax	40,000	79,734	39,734
Hotel-Motel Tax	120,000	153,056	33,056
Foreign Fire Insurance Tax	18,000	21,992	3,992
Total Tax Revenue	9,708,000	10,877,405	1,169,405
<u>Intergovernmental</u>			
Regional Transportation Authority	10,500	3,726	(6,774)
Grants	100,000	741,782	641,782
Total Intergovernmental Revenue	110,500	745,508	635,008
<u>Licenses and Permits</u>			
Vehicle Stickers	80,000	79,055	(945)
Building Permits & Subcontractor Fees	118,000	178,701	60,701
Business and Liquor Licenses	235,000	276,281	41,281
Franchise Fees	209,000	191,863	(17,137)
Miscellaneous	12,500	14,950	2,450
Total Licenses and Permits Revenue	654,500	740,850	86,350
<u>Fines and Penalties</u>			
Police Fines	2,550,000	2,280,550	(269,450)
Forfeitures	2,000	1,113	(887)
Total Fines and Penalties	2,552,000	2,281,663	(270,337)
<u>Parks and Recreation</u>			
Municipal Events	2,500	22,051	19,551
Recreational	408,200	480,500	72,300
Total Parks and Recreation	410,700	502,551	(91,851)
<u>Miscellaneous</u>			
Rental Income	151,000	107,603	(43,397)
Theater Rental Fee	150,000	174,272	24,272
Advanced Life Support	500,000	696,333	196,333
Miscellaneous	323,900	195,324	(128,576)
Total Miscellaneous Revenue	1,124,900	1,173,532	48,632
<u>Interest</u>			
Interest Revenue	1,000	1,246	246
Total Revenues	\$ 14,561,600	\$ 16,322,755	\$ 1,761,155

See the accompanying notes to the required supplementary information.

Village of Crestwood, Illinois
135th and Cicero Tax Increment Financing Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For The Year Ended April 30, 2022

	Original and Final Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Taxes			
Property Tax	\$ 1,800,000	\$ 1,716,035	\$ (83,965)
Sales Tax	1,500,000	1,507,504	7,504
Interest	1,000	637	(363)
Total Revenues	<u>3,301,000</u>	<u>3,224,176</u>	<u>(76,824)</u>
<u>Expenditures</u>			
Current:			
General Government			
General and Administrative	5,000	25,583	20,583
Debt Service			
Principal	1,390,000	1,390,000	-
Interest and Fees	1,420,300	1,420,300	-
Total Expenditures	<u>2,815,300</u>	<u>2,835,883</u>	<u>20,583</u>
Net Change in Fund Balance	<u>\$ 485,700</u>	388,293	<u>\$ (97,407)</u>
Fund Balance, Beginning of Year		<u>2,473,387</u>	
Fund Balance, End of Year		<u>\$ 2,861,680</u>	

See the accompanying notes to the required supplementary information.

Village of Crestwood, Illinois
Route 83 and Cicero Tax Increment Financing Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For The Year Ended April 30, 2022

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Taxes			
Property Taxes	\$ 500,000	\$ 13,007	\$ (486,993)
Sale of Stone	1,000	6,613	5,613
Rental Income	260,000	258,500	(1,500)
Interest	1,000	384	(616)
Total Revenues	<u>762,000</u>	<u>278,504</u>	<u>(483,496)</u>
<u>Expenditures</u>			
Current:			
General Government			
General and Administrative	904,000	1,194,000	290,000
Capital Outlay	<u>300,000</u>	<u>5,711</u>	<u>(294,289)</u>
Total Expenditures	<u>1,204,000</u>	<u>1,199,711</u>	<u>(4,289)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(442,000)</u>	<u>(921,207)</u>	<u>(479,207)</u>
<u>Other Financing Sources (Uses)</u>			
Transfer to General Fund	<u>-</u>	<u>(1,450)</u>	<u>(1,450)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(1,450)</u>	<u>(1,450)</u>
Net Change in Fund Balance	<u>\$ (442,000)</u>	<u>(922,657)</u>	<u>\$ (480,657)</u>
Fund Balance, Beginning of Year		<u>4,302,966</u>	
Fund Balance, End of Year		<u>\$ 3,380,309</u>	

See the accompanying notes to the required supplementary information.

Village of Crestwood
Police Pension Fund
Schedule of Employer Contributions
Last Ten Fiscal Years
 (schedule to be built prospectively from 2015)

Calendar Year Ending April 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2015	\$ 48,281	\$ 164,611	\$ (116,330)	\$ 286,120	57.53 %
2016	86,310	201,573	(115,263)	325,840	61.86 %
2017	109,485	237,680	(128,195)	514,125	46.23 %
2018	140,938	308,936	(167,998)	557,710	55.39 %
2019	169,463	293,671	(124,208)	548,642	53.53 %
2020	177,667	239,944	(62,277)	821,642	29.20 %
2021	292,804	367,134	(74,330)	1,116,811	32.87 %
2022	328,466	413,594	(85,128)	1,345,071	30.75 %

The information directly above is formatted to comply with the requirements of GASB Statement No. 67. The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, information is presented for those years for which information is available.

See accompanying notes to the required supplementary information.

Village of Crestwood, Illinois

Police Pension Fund

Schedule of Changes in the Employer's Net Pension Liability and Related Ratios

April 30, 2022

(schedule to be built prospectively from 2016)

	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability							
Service Cost	\$ 395,225	\$ 319,291	\$ 203,800	\$ 169,927	\$ 164,562	\$ 110,686	\$ 93,048
Interest	139,474	107,128	91,475	79,445	69,953	65,088	49,495
Change of Benefit Terms	-	-	1,009	-	-	-	-
Differences Between Expected and Actual Experience	(221,927)	235,657	(19,501)	(23,902)	(140,894)	69,632	99,980
Changes of Assumptions	(512,544)	(20,239)	(9,470)	49,709	908	(62,151)	159,421
Benefit Payments, Including Refunds of Member Contributions	(71,229)	(70,469)	(69,034)	(67,886)	(81,312)	(90,616)	(89,565)
Net Change in Total Pension Liability	(271,001)	571,368	198,279	207,293	13,217	92,639	312,379
Total Pension Liability - Beginning	2,429,864	1,858,496	1,660,217	1,452,924	1,439,707	1,347,068	1,034,689
Total Pension Liability - Ending	\$ 2,158,863	\$ 2,429,864	\$ 1,858,496	\$ 1,660,217	\$ 1,452,924	\$ 1,439,707	\$ 1,347,068
Plan Fiduciary Net Position							
Contributions - Employer	\$ 413,594	\$ 367,134	\$ 239,944	\$ 293,671	\$ 308,936	\$ 237,680	\$ 201,573
Contributions - Employee	132,156	363,334	61,457	55,122	51,338	37,629	29,822
Net Investment Income	(161,134)	275,960	53,361	42,661	(3,066)	637	96
Benefit Payments, Including Refunds of Member Contributions	(71,229)	(70,469)	(69,034)	(67,886)	(81,312)	(90,616)	(89,565)
Administrative Expense	(6,645)	(8,248)	(8,469)	(3,554)	(6,100)	(6,017)	(5,483)
Other	-	-	-	-	-	-	(40,281)
Net Change in Plan Fiduciary Net Position	306,742	927,711	277,319	320,014	269,796	179,313	96,162
Plan Fiduciary Net Position - Beginning	2,502,723	1,575,012	1,297,693	977,679	707,883	528,570	432,408
Plan Fiduciary Net Position - Ending	\$ 2,809,465	\$ 2,502,723	\$ 1,575,012	\$ 1,297,693	\$ 977,679	\$ 707,883	\$ 528,570
Employer's Net Pension Liability/(Asset)	\$ (650,602)	\$ (72,859)	\$ 283,484	\$ 362,524	\$ 475,245	\$ 731,824	\$ 818,498
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	130.14%	103.00%	84.75%	78.16%	67.29%	49.17%	39.24%
Covered-Valuation Payroll	\$ 1,345,071	\$ 1,116,811	\$ 821,642	\$ 548,642	\$ 557,710	\$ 514,125	\$ 325,840
Employer's Net Pension Liability as a Percentage of Covered Valuation Payroll	(48.37%)	(6.52%)	34.50%	66.08%	85.21%	142.34%	251.20%

See accompanying notes to the required supplementary information.

Village of Crestwood
Police Pension Fund
Schedule of Investment Returns
Last Ten Fiscal Years
(schedule to be built prospectively from 2015)

	2021	2021	2020	2019	2018	2017	2016	2015
Annual Money-Weighted Rate of Return								
Net of Investment Expense	(5.89%)	14.52%	3.80%	3.38%	(0.35%)	0.10%	0.08%	0.20%

See accompanying notes to the required supplementary information.

Village of Crestwood, Illinois
Fire Pension Fund
Schedule of Employer Contributions
Last Ten Fiscal Years
(schedule to be built prospectively from 2017)

<u>Calendar Year</u> <u>Ending April 30,</u>	<u>Actuarially</u> <u>Determined</u> <u>Contribution</u>	<u>Actual</u> <u>Contribution</u>	<u>Contribution</u> <u>Deficiency</u>	<u>Covered</u> <u>Valuation</u> <u>Payroll</u>	<u>Actual</u> <u>Contribution</u> <u>as a % of</u> <u>Covered</u> <u>Valuation</u> <u>Payroll</u>
2017	\$ -	\$ 5,000	\$ (5,000)	\$ 51,158	9.77 %
2018	23,536	18,515	5,021	54,000	34.29 %
2019	27,160	27,160	-	59,500	45.65 %
2020	31,181	31,181	-	61,285	50.88 %
2021	30,261	30,261	-	63,285	47.82 %
2022	26,973	26,973	-	64,806	41.62 %

The information directly above is formatted to comply with the requirements of GASB Statement No. 67. The schedule is presented to illustrate the requirement to show informatoin for 10 years. However, until a full 10 year trend is compiled, information is presented for those years for which information is available.

See the accompanying notes to the required supplementary information.

Village of Crestwood, Illinois

Fire Pension Fund

Schedule of Changes in the Employer's Net Pension Liability and Related Ratios

April 30, 2022

(schedule to be built prospectively from 2017)

	2022	2021	2020	2019	2018	2017
Total Pension Liability						
Service Cost	\$ 30,370	\$ 30,079	\$ 27,703	\$ 22,599	\$ 27,879	\$ -
Interest	6,245	5,234	3,897	3,178	1,385	-
Change of Benefit Terms	-	-	6,818	-	-	-
Differences Between Expected and Actual Experience	(14,926)	(14,692)	(13,861)	(17,971)	(1,945)	-
Changes of Assumptions	(22,926)	(698)	(202)	1,485	(14,057)	-
Benefit Payments, Including Refunds of Member Contributions	-	-	-	-	-	-
Net Change in Total Pension Liability	(1,237)	19,923	24,355	9,291	13,262	-
Total Pension Liability - Beginning	94,522	74,599	50,244	40,953	27,691	-
Total Pension Liability - Ending	\$ 93,285	\$ 94,522	\$ 74,599	\$ 50,244	\$ 40,953	\$ 27,691
Plan Fiduciary Net Position						
Contributions - Employer	\$ 26,973	\$ 30,261	\$ 31,181	\$ 27,160	\$ 18,515	\$ 5,000
Contributions - Employee	6,124	5,966	5,872	5,868	5,015	4,837
Net Investment Income	28	21	1,081	-	-	-
Benefit Payments, Including Refunds of Member Contributions	-	-	-	-	-	-
Administrative Expense	(3,868)	(3,571)	(5,749)	(5,508)	(374)	(176)
Net Change in Plan Fiduciary Net Position	29,257	32,677	32,385	27,520	23,156	9,661
Plan Fiduciary Net Position - Beginning	125,399	92,722	60,337	32,817	9,661	-
Plan Fiduciary Net Position - Ending	\$ 154,656	\$ 125,399	\$ 92,722	\$ 60,337	\$ 32,817	\$ 9,661
Employer's Net Pension Liability/(Asset)	\$ (61,371)	\$ (30,877)	\$ (18,123)	\$ (10,093)	\$ 8,136	\$ 18,030
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	165.79%	132.67%	124.29%	120.09%	80.13%	34.89%
Covered-Valuation Payroll	\$ 64,806	\$ 63,285	\$ 61,285	\$ 59,500	\$ 54,000	\$ 51,158
Employer's Net Pension Liability as a Percentage of Covered Valuation Payroll	(94.70%)	(48.79%)	(29.57%)	(16.96%)	15.07%	35.24%

See the accompanying notes to the required supplementary information.

Village of Crestwood, Illinois

Fire Pension Fund

Schedule of Investment Returns

Last Ten Fiscal Years

(schedule to be built prospectively from 2017)

	2022	2021	2020	2019	2018	2017
Annual Money-Weighted Rate of Return						
Net of Investment Expense	0.02 %	0.02 %	1.48 %	- %	- %	- %

See the accompanying notes to the required supplementary information.

Village of Crestwood, Illinois
Schedule of Employer Contributions - Illinois Municipal Retirement Fund
Last Ten Fiscal Years
(schedule to be built prospectively from 2016)

<u>Calendar Year Ending April 30,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a % of Covered Valuation Payroll</u>
2016	\$ -	\$ 54,570	\$ (54,570)	\$ 494,287	11.04 %
2017	-	183,673	(183,673)	1,663,716	11.04 %
2018	137,236	144,543	(7,307)	2,220,653	6.51 %
2019	202,574	202,574	-	2,607,127	7.77 %
2020	209,243	209,243	-	2,645,298	7.91 %
2021	220,854*	220,855	(1)	2,764,128	7.99 %

* Estimated based on contribution rate of 7.99% and covered valuation payroll of \$2,764,128.

See the accompanying notes to the required supplementary information.

Village of Crestwood, Illinois
Illinois Municipal Retirement Fund
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios
April 30, 2022

(schedule to be built prospectively from 2016)

Total Pension Liability	2021	2020	2019	2018	2017	2016
Service Cost	\$241,643	\$251,631	\$232,116	\$173,378	\$125,671	\$113,529
Interest	182,201	153,520	124,001	78,859	13,778	4,257
Differences Between Expected and Actual Experience	(69,511)	84,578	64,560	409,776	845,043	3,084
Changes of Assumptions	-	(54,734)	-	60,153	(51,837)	-
Benefit Payments, Including Refunds of Member Contributions	(29,984)	(38,808)	(7,744)	(177,523)	-	-
Net Change in Total Pension Liability	324,349	396,187	412,933	544,643	932,655	120,870
Total Pension Liability - Beginning	2,407,288	2,011,101	1,598,168	1,053,525	120,870	-
Total Pension Liability - Ending	\$2,731,637	\$2,407,288	\$2,011,101	\$1,598,168	\$1,053,525	\$120,870

Plan Fiduciary Net Position

Contributions - Employer	\$220,855	\$209,243	\$202,574	\$144,543	\$183,673	\$54,570
Contributions - Employee	146,454	159,280	117,321	273,560	251,931	22,243
Net Investment Income	222,851	125,277	101,939	2,773	11,639	-
Benefit Payments, Including Refunds of Member Contributions	(29,984)	(38,808)	(7,744)	(177,523)	-	-
Other	(36,128)	(5,704)	(27,323)	16,188	(18,173)	(4,989)
Net Change in Plan Fiduciary Net Position	524,048	449,288	386,767	259,541	429,070	71,824
Plan Fiduciary Net Position - Beginning	1,596,490	1,147,202	760,435	500,894	71,824	-
Plan Fiduciary Net Position - Ending	\$2,120,538	\$1,596,490	\$1,147,202	\$760,435	\$500,894	\$71,824

Employer's Net Pension Liability

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.63%	66.32%	57.04%	47.58%	47.54%	59.42%
Covered-Valuation Payroll	\$2,764,128	\$2,645,298	\$2,607,127	\$2,220,653	\$1,663,716	\$494,287
Employer's Net Pension Liability as a Percentage of Covered Valuation Payroll	22.11%	30.65%	33.14%	37.72%	33.22%	9.92%

See the accompanying notes to the required supplementary information.

Village of Crestwood, Illinois
Notes to the Required Supplementary Information
April 30, 2022

A. BUDGETS/APPROPRIATIONS

Annual budgets and appropriations are adopted for all governmental, proprietary and fiduciary funds. Budgets and appropriations are adopted on a basis consistent with generally accepted accounting principles. The budget and appropriation ordinances are the same except for additional contingency amounts that are included in the appropriation which does not exceed the budgeted amounts by 10%.

All departments of the Village submit requests for appropriations to the Village Manager so that the budget and appropriations may be prepared. The budget is prepared by fund, department and account, and includes information on the past year and current year estimates. As noted, the appropriations are then prepared based on the budget. All annual appropriations lapse at fiscal year-end.

The proposed budget and appropriations are presented to the governing body for review. The governing body holds public hearings and may add to, subtract from or change the budget and appropriation amounts, but may not change the form of the budget. The budget may be amended throughout the year by the governing body. The appropriation may be amended in accordance with Illinois Statutes.

Expenditures may not legally exceed budgeted appropriations at the fund level. There were no budget or appropriation amendments adopted during the year ended April 30, 2022. In addition, appropriations for debt service are established by bond ordinance.

The following funds have expenditures/deductions in excess of budgeted appropriations and related excess amounts.

Fund	Amount in Excess of		
	Budget	Actual	Excess Over Budget
135th and Cicero TIF	\$ 2,815,300	\$ 2,835,883	\$ 20,583

B. ACTUARIAL ASSUMPTIONS

For the Police Pension Plan, the actuarial assumptions used for determining the contribution rate for 2022 are as follows.

Valuation Date:	April 30, 2022
Actuarial Cost Method:	Entry-age, normal
Amortization Period:	Level percentage of pay
Remaining Amort. Period:	18-years
Asset Valuation Method:	Market Value
Investment Return:	5.0% net of expenses
Projected Salary Increases:	3.50% - 11.00%
Inflation:	2.50%
Mortality:	RP 2014 projected to 2020*

*Mortality Table with a blue collar adjustment, with improvement scale MP-2020 applied generationally from 2013.

Village of Crestwood, Illinois
Notes to the Required Supplementary Information
April 30, 2022

B. ACTUARIAL ASSUMPTIONS (continued)

For the Fire Pension Plan, the actuarial assumptions used for determining the contribution rate for 2022 are as follows.

Valuation Date:	April 30, 2022
Actuarial Cost Method:	Entry-age, normal
Amortization Period:	Level percentage of pay
Remaining Amort. Period:	18-years
Asset Valuation Method:	5-Year Smoothing
Investment Return:	5.0%
Projected Salary Increases:	3.50% - 12.50%
Inflation:	2.50%
Mortality:	RP 2014 *

*See Police Pension on prior page.

For the IMRF Pension Plan, the actuarial assumptions used for determining the contribution rate for 2021 are as follows.

Valuation Date:	December 31, 2021
Actuarial Cost Method:	Aggregate Entry-age, normal
Amortization Period:	Level percentage of payroll
Remaining Amort. Period:	22- year closed period
Asset Valuation Method:	5-year smoothed market, 20% corridor
Investment Return:	7.25% net of expenses
Projected Salary Increases:	3.35% to 14.25% including inflation
Inflation:	2.50%
Mortality:	RP 2014*

*Employee Mortality Table with adjustments to match current IMRF experience.

**Combining and Individual Fund
Statements and Schedules**

Village of Crestwood, Illinois
Combining Balance Sheet
Nonmajor Governmental Funds
April 30, 2022

	<u>Motor Fuel</u>	<u>Debt Service</u>	<u>Route 83 Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>
<u>Assets:</u>				
Cash and Investments	\$ 1,560,510	\$ 707,158	\$ 246,600	\$ 2,514,268
Receivables				
State Income Tax	-	-	31,528	31,528
Sales Tax	-	241,378	-	241,378
Motor Fuel Tax	39,422	-	-	39,422
Due From Other Funds	150,640	131,280	-	281,920
Total Assets	<u>\$ 1,750,572</u>	<u>\$ 1,079,816</u>	<u>\$ 278,128</u>	<u>\$ 3,108,516</u>
<u>Liabilities:</u>				
Accounts Payable	\$ 120,080	\$ -	\$ -	\$ 120,080
Due to Other Funds	-	950	194,420	195,370
Total Liabilities	<u>120,080</u>	<u>950</u>	<u>194,420</u>	<u>315,450</u>
<u>Fund Balances:</u>				
Restricted				
Debt Service	-	1,078,866	83,708	1,162,574
Motor Fuel	1,630,492	-	-	1,630,492
Total Fund Balances	<u>1,630,492</u>	<u>1,078,866</u>	<u>83,708</u>	<u>2,793,066</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 1,750,572</u>	<u>\$ 1,079,816</u>	<u>\$ 278,128</u>	<u>\$ 3,108,516</u>

Village of Crestwood, Illinois
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended April 30, 2022

	<u>Motor Fuel</u>	<u>Debt Service</u>	<u>Route 83 Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>
<u>Revenues</u>				
Taxes				
Motor Fuel Tax	\$ 1,103,214	\$ -	\$ -	\$ 1,103,214
Sales Tax	-	1,110,810	-	1,110,810
Income Tax	-	-	963,727	963,727
Interest	573	-	-	573
Total Revenues	<u>1,103,787</u>	<u>1,110,810</u>	<u>963,727</u>	<u>3,178,324</u>
<u>Expenditures</u>				
Current:				
Street & Sidewalk Maintenance	863,304	-	-	863,304
Miscellaneous	-	950	-	950
Debt Service				
Principal	-	530,000	840,000	1,370,000
Interest	-	306,225	350,345	656,570
Total Expenditures	<u>863,304</u>	<u>837,175</u>	<u>1,190,345</u>	<u>2,890,824</u>
Net Change in Fund Balance	240,483	273,635	(226,618)	287,500
Fund Balance, Beginning of the Year	<u>1,390,009</u>	<u>805,231</u>	<u>310,326</u>	<u>2,505,566</u>
Fund Balance, End of the Year	<u>\$ 1,630,492</u>	<u>\$ 1,078,866</u>	<u>\$ 83,708</u>	<u>2,793,066</u>

Village of Crestwood, Illinois
Motor Fuel Tax Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2022

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Revenues			
Motor Fuel Tax	\$ 1,000,000	\$ 1,103,214	\$ 103,214
Interest Income	500	573	73
Total Revenues	<u>1,000,500</u>	<u>1,103,787</u>	<u>103,287</u>
Expenditures			
Current:			
Street & Sidewalk Maintenance	1,343,000	863,304	(479,696)
Total Expenditures	<u>1,343,000</u>	<u>863,304</u>	<u>(479,696)</u>
Net Change in Fund Balance	<u>\$ (342,500)</u>	240,483	<u>\$ 582,983</u>
Fund Balance, Beginning of Year		<u>1,390,009</u>	
Fund Balance, End of Year		<u>\$ 1,630,492</u>	

Village of Crestwood, Illinois
Debt Service Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2022

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Sales Tax	\$ 900,000	\$ 1,110,810	\$ 210,810
Total Revenues	<u>900,000</u>	<u>1,110,810</u>	<u>210,810</u>
<u>Expenditures</u>			
Current:			
Miscellaneous	1,000	950	(50)
Debt Service			
Principal	530,000	530,000	-
Interest and Fees	<u>306,225</u>	<u>306,225</u>	<u>-</u>
Total Expenditures	<u>837,225</u>	<u>837,175</u>	<u>(50)</u>
Net Change in Fund Balance	<u>\$ 62,775</u>	273,635	<u>\$ 210,860</u>
Fund Balance, Beginning of Year		<u>805,231</u>	
Fund Balance, End of Year		<u>\$ 1,078,866</u>	

Village of Crestwood, Illinois
Route 83 Debt Service Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2022

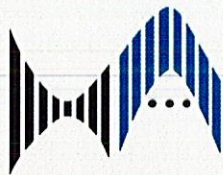
	Original and Final Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Income Tax	\$ 600,000	\$ 963,727	\$ 363,727
Total Revenues	<u>600,000</u>	<u>963,727</u>	<u>363,727</u>
<u>Expenditures</u>			
Current:			
Administrative Costs	450	-	(450)
Debt Service			
Principal	840,000	840,000	-
Interest and Fees	<u>350,345</u>	<u>350,345</u>	<u>-</u>
Total Expenditures	<u>1,190,795</u>	<u>1,190,345</u>	<u>(450)</u>
Net Change in Fund Balance	<u>\$ (590,795)</u>	<u>(226,618)</u>	<u>\$ 364,177</u>
Fund Balance, Beginning of Year		<u>310,326</u>	
Fund Balance, End of Year		<u>\$ 83,708</u>	

Village of Crestwood, Illinois
Water and Sewer Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2022

	Original and Final Budget	Actual	Variance Over (Under)
<u>Operating Revenues</u>			
Charges for Services			
Water and Sewer	\$ 3,000,000	\$ 3,065,480	\$ 65,480
Penalties	50,000	34,785	(15,215)
Tap-In and Connection Fees	15,000	9,571	(5,429)
Capital Improvements	700,000	617,158	(82,842)
Miscellaneous	18,500	20,738	2,238
Total Revenues	<u>3,783,500</u>	<u>3,747,732</u>	<u>(35,768)</u>
<u>Operating Expenses</u>			
Operations	12,703,100	3,162,445	(9,540,655)
Depreciation	-	910,965	910,965
Total Expenditures	<u>12,703,100</u>	<u>4,073,410</u>	<u>(8,629,690)</u>
Operating Income (Loss)	<u>(8,919,600)</u>	<u>(325,678)</u>	<u>8,593,922</u>
<u>Nonoperating Revenues (Expenses)</u>			
Interest Income	600	1,028	428
Interest Payments	-	(101,927)	(101,927)
Total Nonoperating Revenues	<u>600</u>	<u>(100,899)</u>	<u>(101,499)</u>
<u>Related Funding</u>			
Proceeds from Loan	10,000,000	-	(10,000,000)
Loan Forgiveness	-	470,060	470,060
	<u>10,000,000</u>	<u>470,060</u>	<u>(9,529,940)</u>
Net Change in Fund Balance	<u>\$ 1,081,000</u>	43,483	<u>\$ (1,037,517)</u>
Fund Balance, Beginning of Year, as restated		<u>21,816,211</u>	
Fund Balance, End of Year		<u>\$ 21,859,694</u>	

Supplementary Information

11/10/2020 11:10:00



HEARNE & ASSOCIATES, P.C.

Certified Public Accountants & Business Consultants

David J. Hearne, Jr., CPA (1928-2014) Founder
Phillip M. Hearne, CPA
Anthony M. Scott, CPA
John C. Williams, CPA, MST

Matthew R. Truschka, Acct.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH THE REQUIREMENTS APPLICABLE
TO TAX INCREMENT FINANCING DISTRICTS**

December 22, 2022

To the Honorable Mayor and
Board of Trustees
Village of Crestwood, Illinois

We have examined management's assertion, included in its representation letter dated December 22, 2022, that the Village of Crestwood, Illinois (Crestwood), complied with the provisions of subsection (q) of Section 11-74-4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) during the year ended April 30, 2022. Management is responsible for the Village's assertion and for compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the Village's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Village's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Village's compliance with statutory requirements.

In our opinion, management's assertion that the Village of Crestwood, Illinois, complied with the aforementioned requirements for the year ended April 30, 2022 is fairly stated, in all material respects.

This report is intended solely for the information and use of the Mayor, the Board of Trustees, management of the Village, the Illinois State Comptroller's Office, and the joint review boards and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,


Hearne & Associates, P.C.
Certified Public Accountants

Village of Crestwood, Illinois
Schedule of Assessed Valuations, Tax Rates, Tax Extensions,
Tax Collections and Tax Receivable
Last Three Levy Years

	2021	2020	2019
<u>Equalized Assessed Valuations</u>	\$ 346,199,892	\$ 376,153,861	\$ 327,193,249
<u>Tax Rates</u>			
General Fund	0.4570	0.4434	0.4997
Recreation Fund	0.0900	0.0706	0.0778
Total Rate	0.5470	0.5140	0.5775
<u>Tax Extensions</u>	\$ 1,890,479	\$ 1,931,654	\$ 1,794,254
<u>Tax Collections</u>	\$ 1,036,124	\$ 1,710,665	\$ 1,712,617
<u>Tax receivable at 4-30-2022</u>	\$ 854,355	\$ -	\$ -
Percent of Extension Collected	54.81%	88.56%	95.45%

OTHER SUPPLEMENTARY INFORMATION

Village of Crestwood, Illinois

Schedule of Direct and Overlapping Debt

As of April 30, 2022

	(1) 2021 Equalized Assessed Valuation	(2) General Obligation Debt Outstanding	Percentage Applicable To Village	Amount Applicable to Village
<u>Overlapping Debt</u>				
Cook County	\$ 175,454,836,754	\$ 2,658,540,000	0.20%	\$ 5,245,715
South Cook County Mosquito Abatement	18,761,050,568	-	1.85%	-
Metropolitan Water Reclamation District	172,735,189,631	1,813,330	0.20%	3,634
Crestwood Public Library	323,154,068	-	100.00%	-
Moraine Valley Community College District 524	10,677,872,072	61,025,000 (5)	3.24%	1,978,563
Oak Lawn Community High School District 218	2,502,508,483	40,155,000 (4)	13.83%	5,555,087
School District 130	581,987,721	18,813,925	59.49%	11,191,606
Town of Worth	3,472,577,005	-	0.00%	-
Town of Bremen	1,726,096,457	- (5)	0.00%	-
Cook County Forest Preserve	176,326,249,173	116,210,000 (4)	0.23%	265,888
Subtotal, overlapping debt		2,896,557,255		24,240,494
<u>Direct Debt</u>				
Village of Crestwood	346,199,812	- (6)	100.00%	-
<u>Total Direct and Overlapping Debt</u>		<u>\$ 2,896,557,255</u>		<u>\$ 24,240,494</u>
		Population of Village (3)		\$ 10,683
		Per Capita Debt		\$ 2,269

(1) Source: Cook County Clerk - Agency equalized valuation report for tax year 2021.

(2) Source: Cook County Treasurer - Taxing district financial statements - Most recent audit report on file for that agency.

(3) Current estimate based on the 2021 Census.

(4) Excludes principal amounts of outstanding General Obligation (Alternative Revenue Source) Bonds which are expected to be paid from sources other than general taxation. Excludes self-supporting bonds. Excludes debt certificates and TIF bonds. Includes original principal amounts of outstanding Capital Appreciation Bonds.

(5) Excludes General Obligation limited tax debt bonds paid from sources other than general taxation.

(6) Pursuant to the Debt Reform Act, bonds issued as alternative revenue bonds do not count against a governmental entity's statutory debt limit so long as the debt service is abated annually. With respect to the Village of Crestwood all bonds issued are alternative revenue bonds.