

HEARNE & ASSOCIATES, P.C.

Certified Public Accountants & Business Consultants

David J. Hearne, Jr., CPA (1928-2014) Founder
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Matthew R. Truschka, Account Mgr.
Haley A. Richey - Sr. Accountant
David A. Phelan - Sr. Auditor

January 17, 2024

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, 2023, 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 January 17, 2024, 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.

Sincerely,

Hearne & Associates, P.C.

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

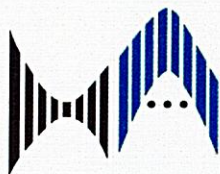
Accounting Procedures Manual

The Village had begun development of an accounting procedures manual in prior years. During 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.

Old Outstanding Checks

In our review of the bank reconciliations, we noted that the General Fund checking account has outstanding checks that are over a year old in the amount of \$56,000. We recommend that Village review its old outstanding checks and determine the best course of action to address them. That is, determine if the outstanding item should be reissued, voided and/or if deemed unclaimed property determine if further reporting with the State of Illinois is needed.



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AUDITOR'S COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

January 17, 2024

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, 2023. 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 May 18, 2023. 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. As described in Notes 5 and 6 to the financial statements, the Village of Crestwood adopted Governmental Accounting Standards (GASB Statement) No. 87, Leases during the current fiscal year ending April 30, 2023. 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 the lease activity (right of use assets, receivable and liabilities) is based on the present value of the contractual rights. 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 during our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 17, 2024.

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 the financial statements themselves.

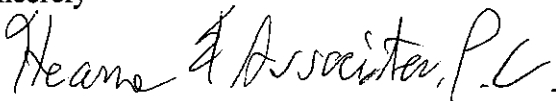
We were not engaged to report the other supplementary information, which accompanies the financial statements, but are not RSI. We did not audit or perform other procedures on this information, and we do not express an opinion or provide any assurance on it.

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 the 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.

Sincerely

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

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

Ord. 2712-24

VILLAGE OF CRESTWOOD, ILLINOIS

ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
APRIL 30, 2023**

Prepared By:

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

Village of Crestwood, Illinois

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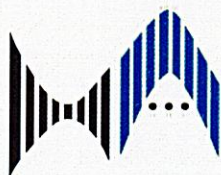
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Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Crestwood, Illinois (the Village) as of and for the year ended April 30, 2023, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village, as of April 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government 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 and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The combining and individual nonmajor fund financial statements and schedules (including the Illinois Grant Accountability and Transparency Act Consolidated Year End Financial Report), and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

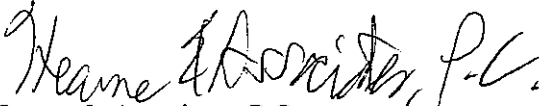
The combining and individual nonmajor fund financial statements and schedules (including the Illinois Grant Accountability and Transparency Act Consolidated Year End Financial Report) are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules (including the Illinois Grant Accountability and Transparency Act Consolidated Year End Financial Report) 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 thereon.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2024 on our consideration of the Village's internal controls over financial reporting and on our tests of its compliance with certain provision of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

January 17, 2024
Mokena, IL


Heame & Associates, P.C.
Certified Public Accountants

Village of Crestwood, Illinois
Management's Discussion and Analysis
April 30, 2023

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 14).

Financial Highlights

- **Net Position** The Village's total Net Position at fiscal year-end was \$58.4 million, an increase of \$2.5 million (4.47%) during the current fiscal year. The Net Position for governmental activities at fiscal year-end was \$36 million, an increase of \$1.9 million during the current fiscal year. The Net Position for business-type activities was \$22.4 million, an increase of \$.6 million. The overall increase in net position is mainly attributable to increased operating and capital grants received.
- **General Fund summary** The Village's General Fund reported an increase of \$0.2 million in fund balance for the current fiscal year mainly due to loan proceeds received. The prior year had an increase of \$2 million. The General Fund's cash position increased to \$5.2 million from last year's \$4.7 million. The Village also has a short-term investment in property held for sale.
- **Budget summary** The Village's General Fund actual revenues were less than budgeted amounts by \$1.9 million while actual expenditures were less than budgeted amounts by less than \$4.6 million. Budgeted revenues were more than actual revenues due mainly to the Village receiving less than expected grant revenues.
- **Debt outstanding** The balance of TIF bond debt as of April 30, 2023 is \$26.4 million (plus the unamortized bond premium of \$1.9 million). Additionally, the Village has a general obligation (alternate revenue) bond outstanding for \$13.8 million (plus the unamortized bond premium of \$0.5 million). The open lines of credit balance as of April 30, 2023 is \$1.3 million and \$3.0 million, respectively. During the current fiscal year, the Village added notes payable in the amount of \$2.1 million. At the end of the fiscal year, the Village had an outstanding balance of \$1.9 million for note payables. The Village had Lease Obligations outstanding in the amount of \$6 million as of April 30, 2023.
- **Fiduciary Fund summary** The Village's Police and Fire Pension Funds reported increases of \$21,758 and \$18,947, respectively in fund balance for the current fiscal year. The most recent actuarial valuation as of April 30, 2023 reported a 74.53% and 140% 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 14-15 and 16) 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 17. 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, 2023

Government -Wide

The government-wide financial statements (pages 14-16) 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 16) 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 17-25 and 64-68). 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 79 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 26.

Village of Crestwood, Illinois
Management's Discussion and Analysis
April 30, 2023

Other Information

In addition to the Basic Financial Statements and accompanying notes, this report also presents certain required supplementary information beginning on page 64. 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 79. 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>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Assets						
Current & Other Assets	\$ 28.3	\$ 28.6	\$ 4.0	\$ 1.2	\$ 32.3	\$ 29.8
Capital Assets	<u>70.7</u>	<u>71.0</u>	<u>34.9</u>	<u>30.2</u>	<u>105.6</u>	<u>101.2</u>
Total Assets	<u>99.0</u>	<u>99.6</u>	<u>38.9</u>	<u>31.4</u>	<u>137.9</u>	<u>131.0</u>
Deferred Outflows	<u>2.5</u>	<u>1.0</u>	<u>0.2</u>	<u>0.1</u>	<u>2.7</u>	<u>1.1</u>
Liabilities						
Long-term Liabilities	47.7	48.9	12.2	9.3	59.9	58.2
Other Liabilities	<u>10.7</u>	<u>10.6</u>	<u>4.5</u>	<u>0.4</u>	<u>15.2</u>	<u>11.0</u>
Total Liabilities	<u>58.4</u>	<u>59.5</u>	<u>16.7</u>	<u>9.7</u>	<u>75.1</u>	<u>69.2</u>
Deferred Inflows	<u>7.1</u>	<u>7.0</u>	<u>-</u>	<u>-</u>	<u>7.1</u>	<u>7.0</u>
Net Position						
Net Investment in Capital Assets	42.9	47.9	22.3	20.7	65.2	68.6
Restricted	8.8	9.0	-	-	8.8	9.0
Unrestricted	<u>(15.7)</u>	<u>(22.8)</u>	<u>0.1</u>	<u>1.1</u>	<u>(15.6)</u>	<u>(21.7)</u>
Total Net Position	<u>\$ 36.0</u>	<u>\$ 34.1</u>	<u>\$ 22.4</u>	<u>\$21.8</u>	<u>\$ 58.4</u>	<u>\$ 55.9</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.

Village of Crestwood, Illinois
Management's Discussion and Analysis
April 30, 2023

- ***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 \$2.5 million from \$55.9 million to \$58.4 million. Net Position of the Village's governmental activities increased \$1.9 million to \$36 million. Net Position of the Village's business-type activities increased by \$.6 million to \$22.4 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 \$7.1 million. The Village's unrestricted Net Position of the business-type activities, available to finance the continuing operation of the Water and Sewer Fund, decreased by \$1 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	
	2023	2022	2023	2022	2023	2022
REVENUES						
Program revenues:						
Charges for services	\$ 4.5	\$ 4.6	\$ 3.8	\$ 4.2	\$ 8.3	\$ 8.8
Operating grants	1.5	-	-	-	1.5	-
Capital grants	-	-	0.4	-	0.4	-
General revenues:						
Property Taxes	3.3	3.6	-	-	3.3	3.6
Sales Tax	9.9	9.7	-	-	9.9	9.7
Other	<u>3.6</u>	<u>3.9</u>	<u>1.0</u>	<u>-</u>	<u>4.6</u>	<u>3.9</u>
Total Revenues	<u>22.8</u>	<u>21.8</u>	<u>5.2</u>	<u>4.2</u>	<u>28.0</u>	<u>26.0</u>

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Table 2
CONDENSED STATEMENT OF ACTIVITIES
(in millions)

	Governmental Activities		Business- Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
EXPENSES						
General government	\$ 2.6	\$ 3.0	\$ -	\$ -	\$ 2.6	\$ 3.0
Public Safety	7.4	6.5	-	-	7.4	6.5
Street and bridge	3.2	3.0	-	-	3.2	3.0
Sanitation	1.0	0.9	-	-	1.0	0.9
Recreation	1.8	1.8	-	-	1.8	1.8
Tax increment financing costs	2.4	1.4	-	-	2.4	1.4
Water and Sewer	-	-	4.6	4.2	4.6	4.2
Interest on long-term debt	2.5	2.1	-	-	2.5	2.1
Total expenses	<u>20.9</u>	<u>18.7</u>	<u>4.6</u>	<u>4.2</u>	<u>25.5</u>	<u>22.9</u>
Changes in Net Position	1.9	3.1	0.6	-	2.5	3.1
Net Position, May 1,	<u>34.1</u>	<u>31.0</u>	<u>21.8</u>	<u>21.8</u>	<u>56.9</u>	<u>53.1</u>
Net Position, April 30	<u>\$ 36.0</u>	<u>\$ 34.1</u>	<u>\$ 22.4</u>	<u>\$ 21.8</u>	<u>\$ 58.4</u>	<u>\$ 55.9</u>

For more detailed information, see the Statement of Activities.

Normal Impacts – Statement of 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 improvement 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 \$22.8 million compared to \$21.8 million from the prior year. Operating and capital grants increased by \$1.5 and \$0.4 million, respectively.

For the current fiscal year, expenditures from Governmental Activities totaled \$20.9 million compared to \$18.7 million from the prior year. The main reasons were street and bridge expenses increased by \$1.4 million, general government costs increased by \$0.5 million.

Current Year Impacts – Net Position (Proprietary Fund)

For the current fiscal year, revenues from Business-type Activities totaled \$5.2 million, which was \$1 million more than the prior year that totaled \$4.2 million. The main increase of \$1 million was due to transfer funds received from the general fund in the amount of \$950,000.

For the current fiscal year, expenses from Business-type Activities totaled \$4.6 million which was an increase of \$0.4 million compared to the prior year. The reason for the increased expenses were mainly due to an increase of depreciation in the amount of \$272,891 and water tank maintenance in the amount of \$194,598. Depreciation increased due to projects originally classified as construction in progress being placed into service.

Financial Analysis of the Village's Funds

The Governmental Funds, as presented on pages 17-20, reported a combined total fund balance of \$18.2 million, which is in line with the prior year. The total fund balance of \$18.2 million is comprised of the following components:

- ***Nonspendable Fund Balance*** of \$1.0 million represents prepaid expenditures.
- ***Restricted Fund Balance*** of \$7.8 million represents the portion of fund balance that is subject to external enforceable legal restrictions; \$4.3 million for TIF redevelopment, \$1.9 million for debt service and \$1.6 million for motor fuel tax projects.
- ***Unassigned Fund Balance*** of \$9.4 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.

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General Fund budgeted revenues were \$1.9 million more than actual amounts and actual expenditures were \$4.4 million less than budgeted amounts.

The tax increment financing 135th and Cicero TIF Fund had \$0.3 million less actual revenue compared to budgeted revenue and \$0.2 million more of actual expenditures compared to budget expenditures for the fiscal year.

The Route 83 TIF Fund had \$0.4 million less in actual revenue compared to budget revenue and \$0.8 million less actual expenditures compared to budget expenditures.

The Water and Sewer Fund had revenue of \$5.2 million and expenditures of \$4.6 million. The fund received loan proceeds of \$3,877,744 and the fund spent \$5,880,261 on the purchase of capital assets. The Village also reclassified \$6,743,647 from construction in progress with the completion of the Playfield project.

Capital Assets

At the end of fiscal year 2023, the Village had \$105.6 million (net of depreciation and amortization) 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 4 of the report for the capital asset activity for the year. In the General Fund, the Village had budgeted approximately \$3.3 million for capital expenditures in fiscal year 2023.

Table 3
 CONDENSED CAPITAL ASSETS
 (in millions)

<u>Governmental</u>	<u>2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>2023</u>
Land	\$ 18.1	\$ 10.8	\$ -	\$ 28.9
Construction in Progress	15.1	1.1	11.3	4.9
Land Improvements	1.0	-	-	1.0
Infrastructure	41.0	0.5	-	41.5
Buildings	15.1	-	-	15.1
Building Improvements	1.0	-	-	1.0
Equipment, Furniture & Fixtures	3.5	-	-	3.5
Vehicles	4.1	1.9	-	6.0
Less: Accumulated Depreciation	<u>(34.8)</u>	<u>(2.3)</u>	<u>-</u>	<u>(37.1)</u>
Total Net of Depreciation	<u>\$ 64.1</u>	<u>\$ 12.0</u>	<u>\$ 11.3</u>	<u>\$ 64.8</u>
Right-of-Use				
MWRD Land Lease	\$ 6.9	\$ -	\$ -	\$ 6.9
Accumulated Amortization	<u>-</u>	<u>(1.0)</u>	<u>-</u>	<u>(1.0)</u>
Total Net of Amortization	<u>\$ 6.9</u>	<u>\$ (1.0)</u>	<u>\$ -</u>	<u>\$ 5.9</u>
<u>Business- Type</u>				
Construction in Progress	\$ 6.8	\$ -	\$ 6.8	\$ -
Water & Sewer System	36.6	12.6	-	49.2
Equipment	0.3	-	-	0.3
Accumulated Depreciation	<u>(13.4)</u>	<u>(1.2)</u>	<u>-</u>	<u>(14.6)</u>
Total Net of Depreciation	<u>\$ 30.3</u>	<u>\$ 11.4</u>	<u>\$ 6.8</u>	<u>\$ 34.9</u>

Village of Crestwood, Illinois
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Debt Administration

At the end of fiscal year 2023, for Governmental Activities, the Village had \$42.7 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, \$28.3 million is debt from the tax increment financing (TIF) district, namely the Alternate Revenue Source Bonds, Series 2016 B (\$37.4 million), \$14.3 million is debt from the General Fund, namely Alternate Revenue Source Bonds, Series 2016 A, Series 2020A, and Series 2020B.

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, 2023.

The Village has notes payable in the amount of \$1.9 million outstanding as of April 30, 2023.

The Village has Lease Obligations in the amount of \$6 million outstanding as of April 30, 2023.

For Business-Type Activities, the Village has loans from the IEPA in the amount of \$12.6 million.

Please refer to Note 5 of the report for information regarding debt.

Note 5 calculates the legal debt limit of the Village as of April 30, 2023, which is \$29.7 million.

The following table shows the changes in long-term debt during the year:

Table 4
 CHANGES IN LONG-TERM DEBT

	<u>April 30, 2022</u>	<u>Issuances/ Deletions</u>	<u>April 30, 2023</u>
Governmental Activities:			
TIF Bonds	\$ 27,885,000	\$ (1,450,000)	\$ 26,435,000
Alternative Revenue Bonds	15,240,000	(1,450,000)	13,790,000
Unamortized Premium	2,840,116	(413,810)	2,426,306
Note Payable	-	1,872,061	1,872,061
Lease Obligation	6,912,756	(955,299)	5,957,457
Line of Credit	4,343,164	-	4,343,164
Net Pension Obligation	(221,656)	1,959,555	1,737,899
Compensated Absences	221,944	(23,104)	198,840
Total Governmental Activities	<u>\$ 57,221,324</u>	<u>\$ (460,597)</u>	<u>\$ 56,760,727</u>
Business-Type Activities: Bonds			
Bonds	\$ 9,440,749	\$ 3,116,080	\$ 12,556,829
Net Pension Obligation	120,782	78,144	198,926
Total Business-Type Activities	<u>\$ 9,561,531</u>	<u>\$ 3,194,224</u>	<u>\$ 12,755,755</u>

Village of Crestwood, Illinois
Management's Discussion and Analysis
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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 the 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 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 in the 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 continues its long-term capital project plans involving various projects as noted below. The Village moved 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.

The Village completed 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.

Village of Crestwood, Illinois
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Subsequent Events

In December 2023, the Village approved an ordinance declaring surplus funds in the General Fund in an amount equal to the Village's portion of 2022 property tax bills. It is estimated that \$400,000 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, 2023

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets			
Cash and Cash Equivalents	\$ 10,895,773	\$ 3,286,461	\$ 14,182,234
Prepaid Bond Insurance	332,573	-	332,573
Prepaid Rent	627,441	-	627,441
Security Deposit	191,414	-	191,414
Receivables			
Property Taxes	2,556,791	-	2,556,791
Sales Tax	1,496,416	-	1,496,416
Income Tax	382,536	-	382,536
Intergovernmental	229,142	-	229,142
Ambulance Service	118,815	-	118,815
Unbilled Water and Sewer	-	449,136	449,136
Safe Speed	274,079	-	274,079
Leases	4,020,998	-	4,020,998
Other	26,602	317,545	344,147
Investments - Held for Sale	3,405,409	-	3,405,409
Due from Fiduciary Funds	752	-	752
Internal Balances	3,721,903	(3,721,903)	-
Capital Assets	64,860,675	34,882,541	99,743,216
Right-of-Use Assets	5,830,578	-	5,830,578
Total Assets	98,971,897	35,213,780	134,185,677
Deferred Outflows of Resources			
Related to Pension	2,510,442	167,890	2,678,332
Liabilities			
Accounts Payable	341,354	162,851	504,205
GEMT Reimbursement Obligation	266,491	-	266,491
Accrued Salaries	332,673	23,471	356,144
Accrued Interest Payable	654,607	-	654,607
Deposits	1,000	-	1,000
Long-term Obligations, due within one year:			
Note Payables	402,250	-	402,250
Tax Increment Financing Bonds	1,535,000	-	1,535,000
Alternative Revenue Bonds	1,505,000	-	1,505,000
Illinois Environmental Protection Agency Loan	-	531,618	531,618
Bond Premium	380,873	-	380,873
Line of Credit	4,343,164	-	4,343,164
Lease Obligation	917,723	-	917,723
Long-term Obligations, due in more than one year:			
Note Payables	1,469,811	-	1,469,811
Tax Increment Financing Bonds	12,255,000	-	12,255,000
Alternative Revenue Bonds	24,930,000	-	24,930,000
Illinois Environmental Protection Agency Loan	-	12,025,211	12,025,211
Bond Premium	2,045,433	-	2,045,433
Lease Obligation	5,039,735	-	5,039,735
Net Pension Liability	1,737,899	198,926	1,936,825
Compensated Absences	198,840	-	198,840
Total Liabilities	58,356,853	12,942,077	71,298,930

See Notes to the Basic Financial Statements

Village of Crestwood, Illinois
Statement of Net Position
April 30, 2023

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Deferred Inflows of Resources			
Pension Related	903,752	34,389	938,141
Unavailable Property Taxes	2,211,805	-	2,211,805
Unavailable Lease Revenue	4,020,998	-	4,020,998
Total Deferred Inflows of Resources	<u>7,136,555</u>	<u>34,389</u>	<u>7,170,944</u>
Net Position			
Net Investment in Capital Assets	42,882,272	22,325,712	65,207,984
Restricted for Debt Service	1,947,532	-	1,947,532
Restricted for Motor Fuel	1,560,713	-	1,560,713
Restricted for TIF Redevelopment	5,305,250	-	5,305,250
Unrestricted	(15,706,836)	79,492	(15,627,344)
Total Net Position	<u>\$ 35,988,931</u>	<u>\$ 22,405,204</u>	<u>\$ 58,394,135</u>

See Notes to the Basic Financial Statements

Village of Crestwood, Illinois
Statement of Activities
Year Ended April 30, 2023

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	\$ 2,553,039	\$ 702,062	\$ 47,732	\$ -	\$ (1,803,245)	\$ -	\$ (1,803,245)
Public Safety	7,433,664	2,915,150	-	-	(4,518,514)	-	(4,518,514)
Streets & Bridge	3,228,859	-	1,456,170	-	(1,772,689)	-	(1,772,689)
Sanitation	961,797	-	-	-	(961,797)	-	(961,797)
Recreation	1,775,080	683,228	-	-	(1,091,852)	-	(1,091,852)
Tax Increment Financing Cost	2,406,317	199,488	-	-	(2,206,829)	-	(2,206,829)
Interest on Long-term Debt	2,584,899	-	-	-	(2,584,899)	-	(2,584,899)
Total Governmental Activities	20,943,655	4,499,928	1,503,902	-	(14,939,825)	-	(14,939,825)
Business-Type Activities:							
Water & Sewer	4,626,065	3,821,575	-	400,000	-	(404,490)	(404,490)
Total Primary Government	\$ 25,569,720	\$ 8,321,503	\$ 1,503,902	\$ -	(14,939,825)	(404,490)	(15,344,315)
General Revenues:							
Taxes:							
Property					3,301,031	-	3,301,031
Sales					9,912,705	-	9,912,705
Income					1,788,144	-	1,788,144
Motor Fuel					850,310	-	850,310
Other Taxes					1,407,755	-	1,407,755
Unrestricted Investment Income					74,478	-	74,478
Other General Revenues					619,445	-	619,445
Total General Revenues					17,953,868	-	17,953,868
Special Items and Transfers:							
Transfers to Fiduciary Funds					(206,012)	-	(206,012)
Transfers to Enterprise Funds					(950,000)	-	(950,000)
Transfers from Governmental Funds					-	950,000	950,000
Total Special Items and Transfers					(1,156,012)	950,000	(206,012)
Change in Net Position					1,858,031	545,510	2,403,541
Net Position, Beginning of Year					34,130,900	21,859,694	55,990,594
Net Position, End of Year					\$ 35,988,931	\$ 22,405,204	\$ 58,394,135

See Notes to the Basic Financial Statements

Village of Crestwood, Illinois

Balance Sheet

Governmental Funds

April 30, 2023

Major Governmental Funds

	General	135th & Cicero Tax Increment Financing	Rt. 83 & Cicero Tax Increment Financing	Nonmajor Governmental Funds	Total
Assets					
Cash and Cash Equivalents	\$ 5,213,957	\$ 1,812,758	\$ 854,119	\$ 3,014,939	\$ 10,895,773
Prepaid Bond Insurance	-	332,573	-	-	332,573
Prepaid Rent	-	-	627,441	-	627,441
Security Deposit	-	-	191,414	-	191,414
Receivables					
Property Taxes	1,094,443	1,400,475	61,873	-	2,556,791
Sales Tax	1,047,319	288,387	-	160,710	1,496,416
Income Tax	-	-	-	382,536	382,536
Intergovernmental	172,660	-	-	56,482	229,142
Ambulance Services	118,815	-	-	-	118,815
Safe Speed	274,079	-	-	-	274,079
Leases	41,884	-	3,979,114	-	4,020,998
Other	26,602	-	-	-	26,602
Investments - Held for Sale	3,405,409	-	-	-	3,405,409
Due from Other Funds	2,886,491	58,643	826,810	671,586	4,443,530
Total Assets	<u>\$ 14,281,659</u>	<u>\$ 3,892,836</u>	<u>\$ 6,540,771</u>	<u>\$ 4,286,253</u>	<u>\$ 29,001,519</u>
Liabilities					
Accounts Payable	\$ 262,417	\$ -	\$ 21,803	\$ 57,134	\$ 341,354
GEMT Reimbursement Obligation	266,491	-	-	-	266,491
Accrued Salaries	332,673	-	-	-	332,673
Deposits	1,000	-	-	-	1,000
Line of Credit	2,900,000	-	-	-	2,900,000
Due to Other Funds	-	-	-	720,875	720,875
Total Liabilities	<u>3,762,581</u>	<u>-</u>	<u>21,803</u>	<u>778,009</u>	<u>4,562,393</u>
Deferred Inflows of Resources					
Unavailable Property Taxes	1,084,364	1,065,568	61,873	-	2,211,805
Unavailable Lease Revenue	41,884	-	3,979,114	-	4,020,998
Total Deferred Inflows of Resources	<u>1,126,248</u>	<u>1,065,568</u>	<u>4,040,987</u>	<u>-</u>	<u>6,232,803</u>
Fund Balances					
Nonspendable					
Prepaid Items	-	332,573	627,441	-	960,014
Restricted					
TIF Redevelopment	-	2,494,695	1,850,540	-	4,345,235
Debt Service	-	-	-	1,947,532	1,947,532
Motor Fuel	-	-	-	1,560,712	1,560,712
Unassigned	9,392,830	-	-	-	9,392,830
Total Fund Balances	<u>9,392,830</u>	<u>2,827,268</u>	<u>2,477,981</u>	<u>3,508,244</u>	<u>18,206,323</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 14,281,659</u>	<u>\$ 3,892,836</u>	<u>\$ 6,540,771</u>	<u>\$ 4,286,253</u>	<u>\$ 29,001,519</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, 2023

Total Fund Balances - Governmental Funds	\$	18,206,323
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Amounts reported for governmental activities in the Statement of
Net Position are different because:

Capital Assets and Right-of-Use Assets used in governmental activities are not financial
resources
therefore are not reported in governmental funds:

Capital Assets (Net of Accumulated Depreciation)		64,860,675
Right-of-Use Assets (Net of Accumulated Amortization)		5,830,578

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		2,510,442
Deferred Inflows of Resources Related to Pensions		(903,752)
Net Pension Liability		(1,737,899)
Tax Increment Financing Bonds		(13,790,000)
Revenue Bonds Payable		(26,435,000)
Bond Premium		(2,426,306)
Line of Credit Payable		(1,443,164)
Lease Obligation		(5,957,458)
Notes Payable		(1,872,061)
Compensated Absences		(198,840)

Accrued interest on long-term liabilities is shown as a liability on the Statement of
Net Position.

		(654,607)
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Net Position of Governmental Activities	\$	35,988,931
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Village of Crestwood, Illinois
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended April 30, 2023

	<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	\$ 1,631,693	\$ 1,550,423	\$ 118,915	\$ -	\$ 3,301,031
Sales Tax	7,408,960	1,456,861	-	1,046,884	9,912,705
State Income Tax	-	-	-	1,788,144	1,788,144
Motor Fuel Tax	-	-	-	850,310	850,310
Other Taxes	1,407,755	-	-	-	1,407,755
Intergovernmental	1,503,902	-	-	-	1,503,902
Licenses and Permits	696,212	-	-	-	696,212
Fines and Penalties	2,092,385	-	-	-	2,092,385
Charges for Services	689,078	-	199,488	-	888,566
Advanced Life Support	822,765	-	-	-	822,765
Miscellaneous	341,880	-	1,577	275,988	619,445
Interest	2,491	655	70,800	532	74,478
Total Revenues	<u>16,597,121</u>	<u>3,007,939</u>	<u>390,780</u>	<u>3,961,858</u>	<u>23,957,698</u>
Expenditures					
Current:					
General Government	3,385,697	227,651	1,019	950	3,615,317
Public Safety	7,081,744	-	-	-	7,081,744
Parks and Recreation	1,412,379	-	-	-	1,412,379
Street and Bridge	1,537,312	-	-	150,944	1,688,256
Garbage Disposal	961,797	-	-	-	961,797
Surplus Fund Expenditures	407,435	-	-	-	407,435
Debt Service					
Principal	243,357	1,450,000	955,299	1,450,000	4,098,656
Interest and Fees	284,289	1,364,700	336,790	599,120	2,584,899
Capital Outlay	1,895,177	-	-	1,163,794	3,058,971
Total Expenditures	<u>17,209,187</u>	<u>3,042,351</u>	<u>1,293,108</u>	<u>3,364,808</u>	<u>24,909,454</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(612,066)</u>	<u>(34,412)</u>	<u>(902,328)</u>	<u>597,050</u>	<u>(951,756)</u>
Other Financing Sources (Uses)					
Loan Proceeds	2,115,418	-	-	-	2,115,418
Transfers In	-	-	-	118,128	118,128
Transfers Out	(1,274,140)	-	-	-	(1,274,140)
Total Other Financing Sources (Uses)	<u>841,278</u>	<u>-</u>	<u>-</u>	<u>118,128</u>	<u>959,406</u>
Net Change in Fund Balance	229,212	(34,412)	(902,328)	715,178	7,650
Fund Balance, Beginning of Year	9,163,618	2,861,680	3,380,309	2,793,066	18,198,673
Fund Balance, End of Year	<u>\$ 9,392,830</u>	<u>\$ 2,827,268</u>	<u>\$ 2,477,981</u>	<u>\$ 3,508,244</u>	<u>\$ 18,206,323</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, 2023

Net change in fund balance	\$	7,650
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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.		3,109,970
This is the amount of depreciation recorded in the current period.		(2,359,700)
This is the amount of Right-of-Use amortization recorded in the current period.		(1,082,178)

Repayment of debt principal is an expenditure in the governmental funds, but
the repayment reduced long-term liabilities in the Statement of Net Position.

Bond Principal		2,900,000
Premium Amortization		413,810
Note Payable Principal		243,357
Lease Obligation Expense		955,299

The issuance of new debt is recorded as other financing sources in the governmental funds, but the issuance of new debt increases long-term liabilities in the Statement of Net Position.		(2,115,418)
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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		37,683
Net Pension Obligation		(270,546)
Compensated Absences		23,104
Bad Debt Expense		(5,000)

Change in net position of governmental activities	\$	1,858,031
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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, 2023

	<u>Proprietary Fund</u> <u>Water & Sewer Fund</u>
<u>Assets</u>	
Current Assets	
Cash and Investments	\$ 3,286,461
Receivables	
Accounts, net of allowance	317,545
Unbilled Water and Sewer Charges	449,136
Total Current Assets	<u>4,053,142</u>
Noncurrent Assets	
Water and Sewer System	49,208,466
Equipment	270,446
Subtotal	<u>49,478,912</u>
Less: Accumulated Depreciation	(14,596,371)
Total Noncurrent Assets	<u>34,882,541</u>
Total Assets	<u>38,935,683</u>
<u>Deferred Outflows of Resources</u>	
Pension Related	<u>167,890</u>
<u>Liabilities</u>	
Current Liabilities	
Accounts Payable	162,851
Accrued Salaries	23,471
Due to General Fund	3,721,903
Loan Payable - Current Portion	531,618
Noncurrent Liabilities	
Loan Payable	12,025,211
Net Pension Liability	198,926
Total Liabilities	<u>16,663,980</u>
<u>Deferred Inflows of Resources</u>	
Pension Related	<u>34,389</u>
<u>Net Position</u>	
Net Investment in Capital Assets	22,325,712
Unrestricted	79,492
Total Net Position	<u>\$ 22,405,204</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, 2023

	<u>Proprietary Fund</u> <u>Water & Sewer</u>
<u>Operating Revenues Received</u>	
Charges for Services	
Water and Sewer	\$ 3,134,692
Penalties	29,527
Tap-In and Connection Fees	8,000
Capital Improvements	634,196
Miscellaneous	13,990
Total Operating Revenues Received	<u>3,820,405</u>
<u>Operating Expenses Disbursed</u>	
Operations	3,342,936
Depreciation	<u>1,183,856</u>
Total Operating Expenses Disbursed	<u>4,526,792</u>
Operating Income (Loss)	<u>(706,387)</u>
<u>Nonoperating Revenue</u>	
Interest Income	1,170
Loan Forgiveness	400,000
Interest Expense	(99,273)
Transfer From General Fund	<u>950,000</u>
Total Nonoperating Revenue	<u>1,251,897</u>
Change in Net Position	545,510
Net Position, Beginning of the Year	<u>21,859,694</u>
Net Position, End of the Year	<u>\$ 22,405,204</u>

See Notes to the Basic Financial Statements

Village of Crestwood, Illinois
Proprietary Fund
Statement of Cash Flows
For the Year Ended April 30, 2023

	Enterprise Fund Water & Sewer
<u>Cash Flows from Operating Activities</u>	
Cash Received from Customers	\$ 3,797,076
Cash Payments for Goods and Services	(3,190,792)
Cash Payments to Employees for Services	(476,774)
Net Cash Provided by Operating Activities	<u>129,510</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Purchase of Capital Assets	(5,880,260)
Transfer Proceeds	950,000
Loan Proceeds	3,877,744
Principal Payments	(361,664)
Interest Payments	(99,273)
Net Cash Provided by Noncapital Financing Activities	<u>(1,513,453)</u>
<u>Cash Flows from Investing Activities</u>	
Interest	<u>1,170</u>
Net Cash (Used in) Capital and Related Financing Activities	<u>1,170</u>
Net Increase (Decrease) in Cash	(1,382,773)
Cash, Beginning of the Year	<u>4,669,234</u>
Cash, End of the Year	<u><u>\$ 3,286,461</u></u>
 Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income (Loss)	\$ (706,387)
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Provided by Operating Activities	
Depreciation Expense	1,183,856
Changes in Assets/Liabilities	
Accounts/Unbilled Receivables	(23,329)
Interfund Accounts	(446,905)
Accrued Salaries	1,513
Accounts Payable	84,364
Net Pension Liability	<u>36,398</u>
Total Adjustments	<u>835,897</u>
Net Cash Provided by (Used in) Operating Activities	<u><u>\$ 129,510</u></u>

See Notes to the Basic Financial Statements

FIDUCIARY FUNDS

Village of Crestwood, Illinois
Fiduciary Funds
Statement of Fiduciary Net Position
April 30, 2023

	Pension Trust Funds		
	Fire Pension Fund	Police Pension Fund	Total
<u>Assets</u>			
Cash and Cash Equivalents	\$ 173,603	\$ 292,101	\$ 465,704
Investments, at Fair Value	-	2,549,993	2,549,993
Property Tax Receivable	-	39,910	39,910
Due From Participants	-	443	443
Total Assets	<u>\$ 173,603</u>	<u>\$ 2,882,447</u>	<u>\$ 3,056,050</u>
<u>Liabilities</u>			
Accounts Payable	\$ -	\$ 10,959	\$ 10,959
Due to General Fund	-	752	752
	-	11,711	11,711
<u>Deferred Inflows of Resources</u>			
Deferred Property Taxes	-	39,489	39,489
<u>Net Position</u>			
Restricted for Pension Benefits	<u>\$ 173,603</u>	<u>\$ 2,831,247</u>	<u>\$ 3,004,850</u>

See Notes to the Basic Financial Statements

Village of Crestwood, Illinois
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
April 30, 2023

	Pension Trust Funds		
	Fire Pension Fund	Police Pension Fund	Total
<u>Additions</u>			
Employer Contributions			
Property Tax	\$ -	\$ 64,932	\$ 64,932
Plan Member Contributions	-	131,533	131,533
Net Change in Investments	32	23,599	23,631
Total Additions	32	220,064	220,096
<u>Deductions</u>			
Filing and Miscellaneous Fees	2,513	27,155	29,668
Pension Benefits	-	355,711	355,711
Total Deductions	2,513	382,866	385,379
Excess of Additions over Deductions	(2,481)	(162,802)	(165,283)
<u>Other Financing Sources</u>			
Transfers In	21,428	184,584	206,012
Net Increase in Net Position	18,947	21,782	40,729
<u>Net Position Restricted for Pension</u>			
Beginning of the Year	154,656	2,809,465	2,964,121
End of the Year	\$ 173,603	\$ 2,831,247	\$ 3,004,850

See Notes to the Basic Financial Statements

Village of Crestwood, Illinois

Notes to the Financial Statements

April 30, 2023

1. 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).

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.

Village of Crestwood, Illinois

Notes to the Financial Statements

April 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

Village of Crestwood, Illinois

Notes to the Financial Statements

April 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

Village of Crestwood, Illinois

Notes to the Financial Statements

April 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

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 includes 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.

Village of Crestwood, Illinois

Notes to the Financial Statements

April 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Right-of-Use Assets

Right-of-Use assets, which include property or equipment that are rented or leased from a vendor that the Village maintains control of for over a year. Lease obligations are recorded with a Right-of Use Asset offset. The asset is then amortized over the life of the asset in the Village's possession. Right-of-Use Assets are recorded in the applicable governmental or business-type activities columns in the government-wide financial statements.

Lessor Agreements

In June 2017, the Government Accounting Standards Board issued GASB No. 87, Leases. This new standard supersedes previous lease recording standards. The GASB statement increases comparability and transparency by conforming US GAAP with International Lease standards. The new standard requires all lessors to include income expected from leases on the balance sheet as a lease receivable. The receivable is recorded with an offsetting deferred inflow for the remaining expected income as part of the governmental financial 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.

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.

Village of Crestwood, Illinois
Notes to the Financial Statements
April 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 three sources: property taxes, special assessments and leases. 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 inflow 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, 2023

1. 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, 2023

1. 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.

2. DEPOSITS AND INVESTMENTS

Governmental

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, 2023

2. 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, 2023, 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 \$3,405,409 with the intent of holding short-term and selling them within the next fiscal year. As of April 30, 2023, the carrying value and the expected net residual value is \$3,405,409.

Fiduciary

Police Pension

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.

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.

ILCS limits the Fund's investment 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 classes are comprised of all other asset classes to allow for rebalancing the portfolio.

Village of Crestwood, Illinois

Notes to the Financial Statements
April 30, 2023

2. DEPOSITS AND INVESTMENTS (continued)

Investment Valuations

All investments in the plan are stated at fair value and are recorded as of the trade date. Fair value is based on quoted market prices at May 31 for debt securities, equity securities and mutual funds and contract values for insurance contracts. Illinois Funds, an investment pool created by the state legislature under the control of the State Treasurer, is a money market mutual fund that maintains a \$1 per share value.

Fair Value Measurement

The Police Pension Fund and Firefighters' Pension Fund categorizes fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The Police Pension and Firefighters' Pension Fund held no investments subject to fair value measurement at April 30, 2023.

Net Asset Value

The Net Asset Value (NAV) of the Police Pension Fund's pooled investment in IPOPIF (Illinois Police Officers' Pension Investment Fund) was \$2,495,233 at April 30, 2023. Investments in IPOPIF are valued at IPOPIF's share price, which is the price the investment could be sold. There are no unfunded commitments at April 30, 2023. The fund may redeem shares with a seven day calendar notice. IPOPIF may, at its sole discretion and based on circumstances, process redemption requests with fewer than a seven-calendar day notice. Regular redemptions of the same amount on a particular day of the month may be arranged with IPOPIF.

Investment Rate of Return

For the year ended April 30, 2023, the annual money-weighted rate of return on pension plan investments is 0.65%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the change in amounts invested.

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.

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.

Village of Crestwood, Illinois

Notes to the Financial Statements
April 30, 2023

2. DEPOSITS AND INVESTMENTS (continued)

As of April 30, 2023, the Plan's investments in U.S. Government agencies were rated AAA by Standard and Poor's and Aaa by Moody's Investors Service.

Fire Pension

Investment Rate of Return

For the year ended April 30, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense is .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.

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.

3. PROPERTY TAX

Property taxes for 2022 attach as an enforceable lien on January 1, 2023, 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, 2023, and are payable in two installments, on or about March 1, 2023, and December 30, 2023. 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 2022 levy is intended to partially fund expenditures for fiscal year 2023 to the extent of collections through April 30, 2023, and 60 days subsequent to that date. The remainder of the 2022 levy is deferred as of April 30, 2023.

The 2022 tax levy, which attached as an enforceable lien on property as of January 1, 2023, has not been recorded as a receivable as of April 30, 2023, as the tax has not yet been levied by the Village and will not be levied until December 2023, and, therefore, the levy is not measurable as of April 30, 2023.

Village of Crestwood, Illinois

Notes to the Financial Statements
April 30, 2023

4. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2023 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<i>Governmental Activities:</i>				
Capital Assets, Not Being Depreciated				
Land	\$ 18,159,491	\$ 10,833,705	\$ -	\$ 28,993,196
Construction in Progress	<u>15,114,231</u>	<u>1,158,189</u>	<u>11,335,673</u>	<u>\$ 4,936,747</u>
Total Capital Assets				
Not Being Depreciated	<u>33,273,722</u>	<u>11,991,894</u>	<u>11,335,673</u>	<u>33,929,943</u>
Capital Assets being Depreciated				
Land Improvements	1,046,969	2,364	-	1,049,333
Infrastructure	40,931,386	559,800	-	41,491,186
Buildings	15,083,440	-	-	15,083,440
Buildings Improvements	931,657	-	-	931,657
Equipment, Furniture and Fixtures	3,457,496	40,531	-	3,498,027
Vehicles	<u>4,111,876</u>	<u>1,851,054</u>	<u>-</u>	<u>5,962,930</u>
Capital Assets being Depreciated	65,562,824	2,453,749	-	68,016,573
Less: Accumulated Depreciation	<u>34,726,141</u>	<u>2,359,700</u>	<u>-</u>	<u>37,085,841</u>
Capital Assets being Depreciated, Net of Depreciation	<u>30,836,683</u>	<u>94,049</u>	<u>-</u>	<u>30,930,732</u>
Total Governmental Activities, Capital Assets, Net of Depreciation	<u>\$ 64,110,405</u>	<u>\$ 12,085,943</u>	<u>\$ 11,335,673</u>	<u>\$ 64,860,675</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<i>Right-of-Use Assets</i>				
MWRD Land Lease	\$ 6,912,756	\$ -	\$ -	\$ 6,912,756
Less: Accumulated Amortization	<u>-</u>	<u>1,082,178</u>	<u>-</u>	<u>1,082,178</u>
Right-of-use Assets, Net of Amortization	<u>\$ 6,912,756</u>	<u>\$ (1,082,178)</u>	<u>\$ -</u>	<u>\$ 5,830,578</u>

Depreciation expense was charged to functions as follows:

Governmental Activities:	
General Government	\$ 271,433
Public Safety	311,649
Street and Bridge	1,459,964
Recreation	<u>316,654</u>
Total Governmental Activities Depreciation Expense	<u>\$ 2,359,700</u>

Village of Crestwood, Illinois

Notes to the Financial Statements
April 30, 2023

4. CAPITAL ASSETS (continued)

	<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>\$ 6,743,647</u>	<u>\$ -</u>	<u>\$ 6,743,647</u>	<u>\$ -</u>
Capital Assets being Depreciated				
Water & Sewer System	36,584,559	12,623,907	-	49,208,466
Equipment	<u>270,446</u>	<u>-</u>	<u>-</u>	<u>270,446</u>
Capital Assets, Gross	36,855,005	12,623,907	-	49,478,912
Less: Accumulated Depreciation	<u>13,412,515</u>	<u>1,183,856</u>	<u>-</u>	<u>14,596,371</u>
Capital Assets being Depreciated, Net of Depreciation	<u>23,442,490</u>	<u>11,440,051</u>	<u>-</u>	<u>34,882,541</u>
Total Business-Type Activities, Capital Assets, Net of Depreciation	<u>\$30,186,137</u>	<u>\$11,440,051</u>	<u>\$ 6,743,647</u>	<u>\$34,882,541</u>
Business-type Activities:				
Water and Sewer			<u>\$ 1,183,856</u>	

5. LONG-TERM DEBT

During the year ended April 30, 2023, the following changes occurred in liabilities reported in the Statement of Net Position:

	<u>5/1/2022 Balances</u>	<u>Additions</u>	<u>Reductions</u>	<u>4/30/2023 Balances</u>	<u>Within One year</u>
<i>Governmental Activities:</i>					
Bonds					
TIF Bonds	\$27,885,000	\$ -	\$ 1,450,000	\$26,435,000	\$1,505,000
GO Bonds	<u>15,240,000</u>	<u>-</u>	<u>1,450,000</u>	<u>13,790,000</u>	<u>1,535,000</u>
Subtotal Bonds	43,125,000	-	2,900,000	40,225,000	3,040,000
Add Unamortized Premium	<u>2,840,116</u>	<u>-</u>	<u>413,810</u>	<u>2,426,306</u>	<u>380,873</u>
Total Bonds	45,965,116	-	3,313,810	42,651,306	3,420,873
Line of Credit	4,343,164	-	-	4,343,164	4,343,164
Notes Payable	-	2,115,418	243,357	1,872,061	402,250
Lease Obligation	6,912,756	-	955,299	5,957,457	917,723
Net Pension Liability (Asset)	(221,656)	1,959,555	-	1,737,899	-
Compensated absences	<u>221,944</u>	<u>-</u>	<u>23,104</u>	<u>198,840</u>	<u>-</u>
Total Long-Term Debt	<u>\$57,221,324</u>	<u>\$ 4,074,973</u>	<u>\$ 4,535,570</u>	<u>\$56,760,727</u>	<u>\$9,084,010</u>

Village of Crestwood, Illinois

Notes to the Financial Statements
April 30, 2023

5. LONG-TERM DEBT (continued)

Business-Type Activities:

IEPA Loan	\$ 9,440,749	\$ 3,877,744	\$ 761,664	\$ 12,556,829	\$ -
Net Pension Liability	<u>120,782</u>	<u>78,144</u>	<u>-</u>	<u>198,926</u>	<u>-</u>
Total Long-Term Debt	<u>\$ 9,561,531</u>	<u>\$ 3,955,888</u>	<u>\$ 761,664</u>	<u>\$ 12,755,755</u>	<u>\$ -</u>

The following is a summary of long-term debt of the Village of April 30, 2023:

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, 2023 are \$26,435,000 and carries an AA rating by Standard & Poor's.

Alternative Revenue 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 judgments 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, 2023 are \$5,695,000 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

Village of Crestwood, Illinois

Notes to the Financial Statements
April 30, 2023

5. LONG-TERM DEBT (continued)

taxes. Bonds outstanding as of April 30, 2023 are \$2,790,000 and carries an AA rating by Standard and Poor's.

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, 2023 are \$5,305,000 and carries an AA rating by Standard and Poor's.

Debt Service to Maturity

The annual debt service requirements to retire outstanding bonds as of April 30, 2023 are estimated as follows:

<u>Fiscal</u> <u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	3,675,000	1,228,770	4,903,770
2029-2033	14,785,000	3,990,369	18,775,369
2034-2038	8,685,000	661,400	9,346,400
	<u>\$ 40,225,000</u>	<u>\$ 12,295,294</u>	<u>\$ 52,520,294</u>

Line of Credit

On August 31, 2015, the Village obtained a line of credit from Old National 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 above the Prime Rate. For the fiscal year ended 2023, the rate is 8.25% with the percentage increase. Principal on the line of credit is due on January 10, 2024. 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, 2023 is \$2,993,164.

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 above the Prime Rate. For the fiscal year ended April 30, 2023, the rate is 8.25% with the percentage increase. Principal on the line of credit is due on April 30, 2024. 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, 2023 is \$1,350,000. The Seneca investment property has a total balance of \$2,900,000 allocated between the two lines of credit.

Village of Crestwood, Illinois

Notes to the Financial Statements
April 30, 2023

5. LONG-TERM DEBT (continued)

Note Payables

On June 27, 2022, the Village obtained a promissory note from Old National Bank in the amount of \$1,300,000 to acquire two fire trucks. The Village will pay 60 monthly payments with a fixed interest rate of 5.29%. The promissory note fully matures on June 27, 2027. The balance of the note payable as of April 30, 2023, is \$1,106,309.

On June 27, 2022, the Village obtained a promissory note from Old National Bank in the amount of \$196,886 to acquire a rescue truck. The Village will pay 60 monthly payments with a fixed interest rate of 5.29%. The promissory note fully matures on June 27, 2027. The balance of the note payable as of April 30, 2023, is \$167,551.

On September 22, 2022, the Village obtained a promissory note from Old National Bank in the amount of \$37,522 to acquire a police squad car. The Village will pay 48 monthly payments with a fixed interest rate of 5.64%. The promissory note fully matures on September 22, 2026. The balance of the note payable as of April 30, 2023, is \$32,562.

On February 27, 2023, the Village obtained a promissory note from Old National Bank in the amount of \$385,000 to acquire capital to remodel the police station. The Village will pay 60 monthly payments with a fixed interest rate of 2.25%. The promissory note fully matures on February 27, 2028. The balance of the note payable as of April 30, 2023, is \$372,817.

On March 21, 2023, the Village obtained a promissory note from Old National Bank in the amount of \$106,374 to acquire a vehicle for the public works department. The Village will pay 48 monthly payments with a fixed interest rate of 6.70%. The promissory note fully matures on March 1, 2027. The balance of the note payable as of April 30, 2023, is \$104,450.

On March 21, 2023, the Village obtained a promissory note from Old National Bank in the amount of \$89,636 to acquire a vehicle for the public works department. The Village will pay 60 monthly payments with a fixed interest rate of 6.30%. The promissory note fully matures on March 1, 2028. The balance of the note payable as of April 30, 2023, is \$88,372.

The following table shows the future note payable obligations:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 402,151	\$ 82,508	\$ 484,659
2025	424,242	62,171	486,413
2026	444,957	40,578	485,535
2027	456,515	18,057	474,572
2028	144,196	1,756	145,370
	<u>\$ 1,872,061</u>	<u>\$ 205,070</u>	<u>\$ 2,076,549</u>

Lease Obligations

In June 2017, the Government Accounting Standards Board issued GASB No. 87, Leases. This new standard supersedes previous lease recording standards. The GASB statement increases comparability and transparency by conforming US GAAP with International Lease standards. The new standard

Village of Crestwood, Illinois

Notes to the Financial Statements
April 30, 2023

5. LONG-TERM DEBT (continued)

requires all lessors to include income expected from leases on the balance sheet as a lease receivable. The receivable is recorded with an offsetting deferred inflow for the remaining expected income as part of the governmental financial statements.

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. Annual adjustments are made by multiplying the rental amount in effect for the previous year by the annual percentage of change in the Consumer Price Index for the Chicago Metropolitan Area for the month of October. 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. Due to the difficulty of estimating fair market valuation, the lease is recorded using the ten-year term. The amount of the annual rent payment will be based on the fair market value determined times 6.077%. As of April 30, 2023, the balance of the lease obligation is \$501,127.

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. Annual adjustments are made by multiplying the rental amount in effect for the previous year by the annual percentage of change in the Consumer Price Index for the Chicago Metropolitan Area for the month of October. 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. Due to the difficulty of estimating fair market valuation, the lease is recorded using the ten-year term. The amount of the annual rent payment will be based on the fair market value determined times 6.0%. As of April 30, 2023, the balance of the lease obligation is \$874,633.

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. Annual adjustments are made by multiplying the rental amount in effect for the previous year by the annual percentage of change in the Consumer Price Index for the Chicago Metropolitan Area for the month of October. 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. Due to the difficulty of estimating fair market valuation, the lease is recorded using the ten-year term. The amount of the annual rent payment will be based on the fair market value determined times 6.0%. As of April 30, 2023, the balance of the lease obligation is \$4,581,701.

Village of Crestwood, Illinois

Notes to the Financial Statements
April 30, 2023

5. LONG-TERM DEBT (continued)

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

	<u>Lease 1</u>		<u>Lease 2</u>		<u>Lease 3</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$160,582	\$16,694	\$157,919	\$ 40,145	\$ 680,507	\$192,255	\$ 999,008	\$249,094
2025	166,958	10,318	165,999	32,066	711,768	160,993	1,044,725	203,377
2026	173,587	3,689	174,492	23,573	744,466	128,294	1,092,545	155,556
2027	-	-	183,419	14,646	778,667	94,093	962,086	108,739
2028	-	-	192,804	5,262	814,439	58,322	1,007,243	63,584
2029-2033	-	-	-	-	851,850	20,904	851,850	20,904
Total	<u>\$501,127</u>	<u>\$30,701</u>	<u>\$874,633</u>	<u>\$115,692</u>	<u>\$4,581,701</u>	<u>\$654,861</u>	<u>\$5,957,457</u>	<u>\$801,254</u>

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, 2023 is \$938,390.

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 prior fiscal 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, 2023 is \$3,534,254.

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, 2023, \$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. In the prior fiscal year, the loan was subject to forgiveness and received \$348,593 in principal forgiveness. The balance of the loan as of April 30, 2023 is \$1,879,938.

During fiscal year 2022, 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. 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. In the current fiscal year, the loan was subject to forgiveness and received \$400,000 in principal forgiveness. The balance of the loan as of April 30, 2023 is \$5,598,070.

Village of Crestwood, Illinois

Notes to the Financial Statements
April 30, 2023

5. LONG-TERM DEBT (continued)

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. In the prior year the loan was subject to forgiveness and received \$121,468 in principal forgiveness. The balance of the loan as of April 30, 2023 is \$606,177.

Debt Service to Maturity

The annual debt service requirements to retire outstanding bonds as of April 30, 2023 are estimated as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 531,618	\$ 126,940	\$ 658,558
2025	634,404	144,276	778,680
2026	642,208	136,472	778,680
2027	650,110	128,569	778,679
2028	658,113	120,567	778,680
2029-2033	3,703,811	479,204	4,183,015
2034-2038	3,644,983	263,376	3,908,359
2039-2043	2,091,582	54,289	2,145,871
	<u>\$ 12,556,829</u>	<u>\$ 1,453,693</u>	<u>\$ 14,010,522</u>

The Village's legal debt margin as of April 30, 2023 is as follows:

Equalized Assessed Valuation (EAV)	\$ 344,567,164
Maximum Rate (65 ILCS 5/8-5-1)	8.625%
Legal Debt Limit	<u>\$ 29,718,918</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	\$ 40,225,000
Less: TIF Bonds	(26,435,000)
Less: Alternate Revenue Bonds	<u>(13,790,000)</u>
Net Debt Outstanding	<u>\$ -</u>

Village of Crestwood, Illinois

Notes to the Financial Statements
April 30, 2023

6. LESSOR ACTIVITY

In June 2017, the Government Accounting Standards Board issued GASB No. 87, Leases. This new standard supersedes previous lease recording standards. The GASB statement increases comparability and transparency by conforming US GAAP with International Lease standards. The new standard requires all lessors to include income expected from leases on the balance sheet as a lease receivable. The receivable is recorded with an offsetting deferred inflow for the remaining expected income as part of the governmental financial statements.

The Village entered into a lease agreement on January 24, 2016 to lease cell tower space. Payments of \$1,361 are due to the Village in monthly installments through January 2026. The agreement includes a provision to reassess every five years. With the included provision, the lease agreement concludes February 2114. The lease agreement was recorded with an incremental borrowing rate of 2.85%. During the fiscal year, the Village collected \$16,330 and recognized a \$14,905 reduction in the related deferred inflow of resources. The remaining lease receivable and offsetting deferred inflow of resources for this agreement is \$41,884, respectively as of April 30, 2023. The following table show the expected revenue to be received:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 15,335	\$ 994	\$ 16,329
2025	15,778	552	16,330
2026	10,771	115	10,886
	<u>\$ 41,884</u>	<u>\$ 1,661</u>	<u>\$ 43,545</u>

The Village entered into a lease agreement in March 2021 to sublease property originally leased from the Metropolitan Water Reclamation District. The agreement is for 20 years and was recorded with an incremental borrowing rate of 1.74%. Payments of \$10,583 are due to the Village in monthly installments through February 2041. The agreement includes a provision that allows for renewals in five-year increments after the completion of the 20-year lease. The agreement also has a provision to increase rental amounts every five years. During the fiscal year, the Village collected \$127,000 and recognized a \$86,560 reduction in the related deferred inflow of resources. The remaining lease receivable and offsetting deferred inflow of resources for this agreement is \$2,277,117, respectively as of April 30, 2023.

The Village entered into a lease agreement in July 2018 to sublease property originally leased from the Metropolitan Water Reclamation District. The agreement is for 15 years and was recorded with an incremental borrowing rate of 1.58%. Payments of \$10,833 are due to the Village in monthly installments through April 2036. The agreement includes a provision that allows for renewals in five-year increments after the completion of the 15-year lease. The agreement also includes a provision to increase rental amounts every five years. During the fiscal year, the Village collected \$130,000 and recognized a \$102,231 reduction in the related deferred inflow of resources. The remaining lease receivable and offsetting deferred inflow of resources for this agreement is \$1,701,997, respectively as of April 30, 2023.

Village of Crestwood, Illinois

Notes to the Financial Statements
April 30, 2023

6. LESSOR ACTIVITY (continued)

The following table show the expected revenue to be received for both leases:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 191,936	\$ 65,064	\$ 257,000
2025	195,134	61,866	257,000
2026	200,503	58,613	259,116
2027	227,625	55,075	282,700
2028	231,418	51,282	282,700
2029-2033	1,276,125	196,243	1,472,368
2034-2038	1,189,377	85,449	1,274,826
2039-2041	466,996	11,944	478,940
	<u>\$3,979,114</u>	<u>\$585,536</u>	<u>\$4,564,650</u>

7. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; 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.

8. 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 outstanding balance for the bonds as of April 30, 2023, is not determinable.

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.

Village of Crestwood, Illinois

Notes to the Financial Statements
April 30, 2023

9. 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 2023, the Village approved an Ordinance declaring surplus funds in the General Fund in an amount equal to the Village's portion of 2022 property tax bills. It is estimated that \$400,000 will be refunded in accordance with 35 ILCS 200/30-20.

10. 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.

11. INDIVIDUAL FUND DISCLOSURES

Internal (interfund) balances as of April 30, 2023 were as follows:

Fund	Internal Balances	
	Receivable	Payable
General Fund	\$ 2,886,491	\$ -
135th & Cicero TIF Fund	58,643	-
Route 83 & Cicero TIF Fund	826,810	-
Motor Fuel Tax Fund	239,978	-
Debt Service	218,216	950
Route 83 Debt Service Fund	213,392	719,925
Water & Sewer	-	3,721,903
Police Pension	-	752
Grand Total	<u>\$ 4,443,530</u>	<u>\$ 4,443,530</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.

Village of Crestwood, Illinois

Notes to the Financial Statements

April 30, 2023

11. INDIVIDUAL FUND DISCLOSURES (continued)

Transfers

Internal (interfund) transfer balances as of April 30, 2023 were as follows:

<u>Fund</u>	<u>Transfers Out</u>	<u>Transfers In</u>
General Fund	\$ 1,274,140	\$ -
Motor Fuel Tax Fund	-	118,128
Water & Sewer	-	950,000
Police Pension	-	184,584
Fire Pension	-	21,428
Grand Total	<u>\$ 1,274,140</u>	<u>\$ 1,274,140</u>

12. 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.

	<u>Net Pension</u>	<u>Deferred</u>	<u>Deferred</u>
	<u>Liability (Asset)</u>	<u>Outflows</u>	<u>Inflows</u>
	<u>of Resources</u>	<u>of Resources</u>	<u>of Resources</u>
Police Pension	\$ 967,398	\$ 1,806,853	\$ 728,754
Firefighters' Pension	(49,394)	17,121	36,991
IMRF Pension	1,018,821	854,358	172,396
	<u>\$ 1,936,825</u>	<u>\$ 2,678,332</u>	<u>\$ 938,141</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.

Village of Crestwood, Illinois

Notes to the Financial Statements
April 30, 2023

12. EMPLOYEE RETIREMENT PLANS (continued)

POLICE PENSION (continued)

Plan Membership

As of April 30, 2023, the measurement date, membership consisted of:

Inactive Plan Members:	
Currently Receiving Benefits	4
Entitled to, but not yet Receiving Benefits	5
Active Plan Members	<u>14</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.

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.

Village of Crestwood, Illinois

Notes to the Financial Statements
April 30, 2023

12. EMPLOYEE RETIREMENT PLANS (continued)

POLICE PENSION (continued)

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, 2023, the Village's contribution was 18.43% of covered payroll.

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 5/1/2022	<u>\$ 2,158,863</u>	<u>\$ 2,809,465</u>	<u>\$ (650,602)</u>
Charges for the year:			
Service Cost	301,379	-	301,379
Interest	155,841	-	155,841
Actuarial Experience	1,519,471	-	1,519,471
Assumptions Changes	-	-	-
Plan Changes	-	-	-
Contributions - Employer	-	249,491	(249,491)
Contributions - Employee	-	131,533	(131,533)
Net Investment Income	-	18,225	(18,225)
Benefit Payments from Trust	(336,933)	(336,933)	-
Administrative Expenses	-	(40,558)	40,558
Other (Net Transfer)	-	-	-
Net Changes	<u>1,639,758</u>	<u>21,758</u>	<u>1,618,000</u>
Balances Ending at 4/30/2023	<u>\$ 3,798,621</u>	<u>\$ 2,831,223</u>	<u>\$ 967,398</u>

Village of Crestwood, Illinois

Notes to the Financial Statements

April 30, 2023

12. 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, 2023 using the following actuarial methods and assumptions.

Actuarial valuation date	4/30/23
Actuarial cost method	Entry-age, normal
Amortization period	Level percentage of pay
Remaining amortization period	17 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 Pub-2010 Public Safety Employee Mortality Table with generational Improvement Scale MP-2021 applied from 2010.

Discount Rate

The discount rate used to measure the total pension liability is 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	\$ 1,503,106	\$ 967,398	\$ 536,946

Village of Crestwood, Illinois

Notes to the Financial Statements
April 30, 2023

12. 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, 2023, the Village recognized Police Pension expense of \$130,925. As of April 30, 2023, 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	\$ 1,467,363	\$ 238,312
Assumption Changes	18,935	418,075
Net difference between the projected and actual earnings on pension plan investments	320,555	72,367
Total Calculated Deferred Amounts Related to Pensions	<u>\$ 1,806,853</u>	<u>\$ 728,754</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 April 30,</u>	<u>Net Deferred Inflows of Resources</u>
2024	\$ 202,700
2025	199,276
2026	237,036
2027	188,369
2028	153,782
Thereafter	96,936
Total	<u>\$ 1,078,099</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, 2023

12. EMPLOYEE RETIREMENT PLANS (continued)

FIREFIGHTERS' PENSION (continued)

Plan Membership

Membership in the plan consisted of the following as of April 30, 2023:

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 classifications by at least two standard rating services, investment grade corporate bonds and Illinois

Village of Crestwood, Illinois

Notes to the Financial Statements
April 30, 2023

12. EMPLOYEE RETIREMENT PLANS (continued)

FIREFIGHTERS' PENSION (continued)

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.

Village of Crestwood, Illinois

Notes to the Financial Statements
April 30, 2023

12. 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 5/1/2022	<u>\$ 93,285</u>	<u>\$ 154,656</u>	<u>\$ (61,371)</u>
Charges for the year:			
Service Cost	22,080	-	22,080
Interest	8,220	-	8,220
Change in Benefit Terms	-	-	-
Actuarial Experience	406	-	406
Assumptions Changes	217	-	217
Plan Changes	-	-	-
Contributions - Employer	-	15,285	(15,285)
Contributions - Employee	-	6,143	(6,143)
Contributions - Other	-	-	-
Net Investment Income	-	31	(31)
Benefit Payments from Trust	-	-	-
Administrative Expenses	-	(2,513)	2,513
Other (Net Transfer)	-	-	-
Net Changes	<u>30,923</u>	<u>18,946</u>	<u>11,977</u>
Balances Ending at 4/30/2023	<u>\$ 124,208</u>	<u>\$ 173,602</u>	<u>\$ (49,394)</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.

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of April 30, 2023, using the following actuarial methods and assumptions.

Actuarial valuation date	4/30/23
Actuarial cost method	Entry-age, normal
Amortization period	Level percentage of pay
Remaining amortization period	17 years
Asset valuation period	Market Value
Inflation	2.50%
Expected Long-Term Rate of Return	7.125%
Projected salary increases	4.00% - 12.50%
Cost-of-living adjustments	Tier 1 - 3% per year Tier 2 - 1.25% per year

Village of Crestwood, Illinois

Notes to the Financial Statements
April 30, 2023

12. EMPLOYEE RETIREMENT PLANS (continued)

FIREFIGHTERS' PENSION (continued)

Mortality rates are based on rates developed in the Pub-2010 Public Safety Employee Mortality Table without adjustment, with generational improvements scale MP-2021 applied from 2010.

Discount Rate

The discount rate used to measure the total pension liability is 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	\$ (35,713)	\$ (49,394)	\$ (61,161)

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

For the year ended April 30, 2023, the Village recognized Firefighters' Pension benefit of \$13,890. As of April 30, 2023, the Village reported deferred outflows of resources and deferred inflows of resources related to the Firefighters' Pension from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 304	\$ 23,350
Assumption Changes	588	13,641
Net difference between the projected and actual earnings on pension plan investments	16,229	-
Total Calculated Deferred Amounts Related to Pensions	\$ 17,121	\$ 36,991

Village of Crestwood, Illinois

Notes to the Financial Statements
April 30, 2023

12. EMPLOYEE RETIREMENT PLANS (continued)

FIREFIGHTERS' PENSION (continued)

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:

Year Ending April 30,	Net Deferred Inflows of Resources
2024	\$ (13,818)
2025	(12,266)
2026	3,880
2027	2,334
2028	-
Thereafter	-
Total	<u>\$ (19,870)</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.

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.

Village of Crestwood, Illinois
Notes to the Financial Statements
April 30, 2023

12. EMPLOYEE RETIREMENT PLANS (continued)

ILLINOIS MUNICIPAL RETIREMENT FUND (continued)

Employees hired on or after January 1, 2011 are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating 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. The 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, 2022, the following employees were covered by the benefit terms:

Retirees and Beneficiaries currently receiving benefits	2
Inactive Plan Members entitled to but not yet receiving benefits	25
Active Plan Members	<u>56</u>
Total	<u>83</u>

Contributions

As set by statute, the Village's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual contribution rate for calendar year 2022 is 7.80%. For the year ended December 31, 2022, the Village contributed \$227,252 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, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Village of Crestwood, Illinois

Notes to the Financial Statements
April 30, 2023

12. EMPLOYEE RETIREMENT PLANS (continued)

ILLINOIS MUNICIPAL RETIREMENT FUND (continued)

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability as of December 31, 2022:

- 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, 2023

12. 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	35.50%	6.50%
International Equity	18.00%	7.60%
Fixed Income	25.50%	4.90%
Real Estate	10.50%	6.20%
Alternative Investments	9.50%	6.25%-9.90%
Cash Equivalents	1.00%	4.00%
	<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 4.05%, and the resulting single discount rate is 7.25%.

Village of Crestwood, Illinois

Notes to the Financial Statements
April 30, 2023

12. 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 1/1/2022	<u>\$ 2,731,637</u>	<u>\$ 2,120,538</u>	<u>\$ 611,099</u>
Charges for the year:			
Service Cost	240,003	-	240,003
Interest	205,221	-	205,221
Actuarial Experience	132,523	-	132,523
Contributions - Employer	-	227,252	(227,252)
Contributions - Employee	-	131,075	(131,075)
Net Investment Income	-	(145,426)	145,426
Benefit Payments	(42,011)	(42,011)	-
Other (Net Transfer)	-	(42,876)	42,876
Net Changes	<u>535,736</u>	<u>128,014</u>	<u>407,722</u>
Balances Ending at 12/31/2022	<u>\$ 3,267,373</u>	<u>\$ 2,248,552</u>	<u>\$ 1,018,821</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>\$ 3,722,404</u>	<u>\$ 3,267,373</u>	<u>\$ 2,940,934</u>
Less: Plan Fiduciary Net Position	<u>2,248,552</u>	<u>2,248,552</u>	<u>2,248,552</u>
Net Pension Liability (Asset)	<u>\$ 1,473,852</u>	<u>\$ 1,018,821</u>	<u>\$ 692,382</u>

Village of Crestwood, Illinois

Notes to the Financial Statements
April 30, 2023

12. 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, 2023, the Village recognized pension expense of \$189,909. As of April 30, 2023, 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	\$ 519,037	\$ 49,757
Assumption Changes	21,648	45,485
Net difference between the projected and actual earnings on pension plan investments	<u>247,262</u>	<u>77,154</u>
Total	\$ 787,947	\$ 172,396
Pension Contributions made subsequent to the Measurement Date	<u>66,411</u>	<u>-</u>
Total Calculated Deferred Amounts Related to Pensions	<u>\$ 854,358</u>	<u>\$ 172,396</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>
2023	\$ 218,679
2024	179,974
2025	115,465
2026	85,890
2027	15,119
Thereafter	<u>424</u>
Total	<u>\$ 615,551</u>

Village of Crestwood, Illinois

Notes to the Financial Statements
April 30, 2023

13. 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.

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.

14. SUBSEQUENT EVENTS

On December 1, 2023, the Village approved an Ordinance declaring surplus funds in the General Fund in an amount equal to the Village's portion of 2022 property tax bills. It is estimated that \$400,000 will be refunded in accordance with 35 ILCS 200/30-20.

On May 5, 2023, the Village purchased a building in the amount of \$225,000. The purpose of the purchase is to provide additional storage for the Village.

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, 2023

	Original and Final Budget	Actual	Variance From Final Budget Over (Under)
<u>Revenues</u>	\$ 18,452,700	\$ 16,597,121	\$ (1,855,579)
<u>Expenditures</u>			
Current			
General Government			
General and Administrative	1,912,000	2,490,928	578,928
Legal, Litigation and Audit	385,000	376,256	(8,744)
Public Transportation	111,110	78,568	(32,542)
Information Technology	110,000	184,710	74,710
Other	555,000	255,235	(299,765)
Total General Government	3,073,110	3,385,697	312,587
Public Safety			
Police	4,234,200	3,552,288	(681,912)
Fire	6,673,818	3,455,852	(3,217,966)
Emergency Services	44,226	61,475	17,249
School Crossing Guards	30,900	12,129	(18,771)
Total Public Safety	10,983,144	7,081,744	(3,901,400)
Other Expenditures			
Parks and Recreation	1,429,701	1,412,379	(17,322)
Streets and Bridge	1,732,300	1,537,312	(194,988)
Garbage Disposal	875,000	961,797	86,797
Surplus Fund Expenditures	450,000	407,435	(42,565)
Total Other Current Expenditures	4,487,001	4,318,923	(168,078)
Total Current Expenditures	18,543,255	14,786,364	(3,756,891)
Debt Service			
Principal Expense	-	243,357	243,357
Interest Expense	-	284,289	284,289
Total Debt Service Expenditures	-	527,646	527,646
Capital Outlay			
General Government			
Information Technology	230,000	34,579	(195,421)
Other	50,000	14,975	(35,025)
Public Safety			
Police	284,000	114,133	(169,867)
Fire	1,577,444	1,508,989	(68,455)
Emergency Services	20,000	-	(20,000)
Other Expenditures			
Parks and Recreation	365,000	-	(365,000)
Streets and Bridge	765,000	222,501	(542,499)
Total Capital Outlay	3,291,444	1,895,177	(1,396,267)
Total Expenditures	21,834,699	17,209,187	(4,625,512)

(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, 2023

	Original and Final Budget	Actual	Variance From Final Budget Over (Under)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,381,999)	(612,066)	2,769,933
<u>Other Financing Sources (Uses)</u>			
Sale of Capital Asset	2,800,000	-	(2,800,000)
Bank Loan Proceeds	3,829,944	2,115,418	(1,714,526)
Transfers Out	(256,000)	(1,274,140)	(1,018,140)
Total Other Financing Sources (Uses)	6,373,944	841,278	(5,532,666)
Net Changes in Fund Balance	<u>\$ 2,991,945</u>	229,212	<u>\$ (2,762,733)</u>
Fund Balance, Beginning of the Year		9,163,618	
Fund Balance, End of the Year		<u>\$ 9,392,830</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, 2023

	Original and Final Budget	Actual	Variance Over (Under)
<u>Taxes</u>			
Property Tax	\$ 2,010,100	\$ 1,631,693	\$ (378,407)
Sales Tax	6,800,000	7,408,960	608,960
State Income Tax	500,000	-	(500,000)
Miscellaneous Taxes:			
Video Poker Tax	765,000	723,993	(41,007)
Off-Track Betting Tax	260,000	191,024	(68,976)
Replacement Tax	75,000	111,779	36,779
Hotel-Motel Tax	150,000	159,595	9,595
Foreign Fire Insurance Tax	18,000	23,919	5,919
Theater Rental Tax	150,000	197,445	47,445
Total Tax Revenue	10,728,100	10,448,408	(279,692)
<u>Intergovernmental</u>			
Regional Transportation Authority	10,500	31,853	21,353
Grants	3,000,000	1,472,049	(1,527,951)
Total Intergovernmental Revenue	3,010,500	1,503,902	(1,506,598)
<u>Licenses and Permits</u>			
Vehicle Stickers	80,000	68,365	(11,635)
Building Permits & Subcontractor Fees	160,000	152,468	(7,532)
Business and Liquor Licenses	235,000	284,797	49,797
Franchise Fees	209,000	183,276	(25,724)
Miscellaneous	12,500	7,306	(5,194)
Total Licenses and Permits Revenue	696,500	696,212	(288)
<u>Fines and Penalties</u>			
Police Fines	2,550,000	2,092,385	(457,615)
Forfeitures	2,000	-	(2,000)
Total Fines and Penalties	2,552,000	2,092,385	(459,615)
<u>Charges for Services</u>			
Biela Center	60,000	61,745	1,745
Recreational	514,200	621,483	107,283
Rental Income	7,500	5,850	(1,650)
Total Charges for Services	581,700	689,078	107,378
<u>Miscellaneous</u>			
Advanced Life Support	500,000	822,765	322,765
Miscellaneous	382,900	341,880	(41,020)
Total Miscellaneous Revenue	882,900	1,164,645	281,745
<u>Interest</u>			
Interest Revenue	1,000	2,491	1,491
Total Revenues	\$ 18,452,700	\$ 16,597,121	\$ (1,855,579)

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, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Taxes			
Property Tax	\$ 1,800,000	\$ 1,550,423	\$ (249,577)
Sales Tax	1,500,000	1,456,861	(43,139)
Interest	1,000	655	(345)
Total Revenues	<u>3,301,000</u>	<u>3,007,939</u>	<u>(293,061)</u>
<u>Expenditures</u>			
Current:			
General Government			
General and Administrative	5,000	227,651	222,651
Debt Service			
Principal	1,390,000	1,450,000	60,000
Interest and Fees	1,420,300	1,364,700	(55,600)
Total Expenditures	<u>2,815,300</u>	<u>3,042,351</u>	<u>227,051</u>
Net Change in Fund Balance	<u>\$ 485,700</u>	(34,412)	<u>\$ (520,112)</u>
Fund Balance, Beginning of Year		<u>2,861,680</u>	
Fund Balance, End of Year		<u>\$ 2,827,268</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, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Taxes			
Property Taxes	\$ 500,000	\$ 118,915	\$ (381,085)
Sale of Stone	1,000	1,577	577
Rental Income	260,000	199,488	(60,512)
Interest	1,000	70,800	69,800
Total Revenues	<u>762,000</u>	<u>390,780</u>	<u>(371,220)</u>
<u>Expenditures</u>			
Current:			
General Government			
General and Administrative	4,000	1,019	(2,981)
Debt Service			
Principal	1,220,412	955,299	(265,113)
Interest and Fees	-	336,790	336,790
Capital Outlay	900,000	-	(900,000)
Total Expenditures	<u>2,124,412</u>	<u>1,293,108</u>	<u>(831,304)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,362,412)</u>	<u>(902,328)</u>	<u>460,084</u>
<u>Other Financing Sources (Uses)</u>			
Net Change in Fund Balance	<u>\$ (1,362,412)</u>	(902,328)	<u>\$ 460,084</u>
Fund Balance, Beginning of Year		<u>3,380,309</u>	
Fund Balance, End of Year		<u>\$ 2,477,981</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)

<u>Calendar Year Ending April 30,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a % of Covered Valuation Payroll</u>
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 %
2023	123,952	249,491	(125,539)	1,353,491	18.43 %

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, 2023

(schedule to be built prospectively from 2016)

	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability								
Service Cost	\$ 301,379	\$ 395,225	\$ 319,291	\$ 203,800	\$ 169,927	\$ 164,562	\$ 110,686	\$ 93,048
Interest	155,841	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	1,519,471	(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	(336,933)	(71,229)	(70,469)	(69,034)	(67,886)	(81,312)	(90,616)	(89,565)
Net Change in Total Pension Liability	1,639,758	(271,001)	571,368	198,279	207,293	13,217	92,639	312,379
Total Pension Liability - Beginning	2,158,863	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	\$ 3,798,621	\$ 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	\$ 249,491	\$ 413,594	\$ 367,134	\$ 239,944	\$ 293,671	\$ 308,936	\$ 237,680	\$ 201,573
Contributions - Employee	131,533	132,156	363,334	61,457	55,122	51,338	37,629	29,822
Net Investment Income	18,225	(161,134)	275,960	53,361	42,661	(3,066)	637	96
Benefit Payments, Including Refunds	(336,933)	(71,229)	(70,469)	(69,034)	(67,886)	(81,312)	(90,616)	(89,565)
Administrative Expense	(40,558)	(6,645)	(8,248)	(8,409)	(3,554)	(6,100)	(6,017)	(5,483)
Other	-	-	-	-	-	-	-	(40,281)
Net Change in Plan Fiduciary Net Position	21,758	306,742	927,711	277,319	320,014	269,796	179,313	96,162
Plan Fiduciary Net Position - Beginning	2,809,465	2,502,723	1,575,012	1,297,693	977,679	707,883	528,570	432,408
Plan Fiduciary Net Position - Ending	\$ 2,831,223	\$ 2,809,465	\$ 2,502,723	\$ 1,575,012	\$ 1,297,693	\$ 977,679	\$ 707,883	\$ 528,570
Employer's Net Pension Liability/(Asset)	\$ 967,398	\$ (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	74.53%	130.14%	103.00%	84.75%	78.16%	67.29%	49.17%	39.24%
Covered-Valuation Payroll	\$ 1,353,491	\$ 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	71.47%	(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)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual Money-Weighted Rate of Return									
Net of Investment Expense	0.65%	(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)

Calendar Year Ending April 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
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 %
2023	15,285	15,285	-	72,029	21.22 %

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, 2023

(schedule to be built prospectively from 2017)

	2023	2022	2021	2020	2019	2018	2017
Total Pension Liability							
Service Cost	\$ 22,080	\$ 30,370	\$ 30,079	\$ 27,703	\$ 22,599	\$ 27,879	\$ -
Interest	8,220	6,245	5,234	3,897	3,178	1,385	-
Change of Benefit Terms	-	-	-	6,818	-	-	-
Differences Between Expected and Actual Experience	406	(14,926)	(14,692)	(13,861)	(17,971)	(1,945)	-
Changes of Assumptions	217	(22,926)	(698)	(202)	1,485	(14,057)	-
Benefit Payments Including Refunds	-	-	-	-	-	-	-
Net Change in Total Pension Liability	30,923	(1,237)	19,923	24,355	9,291	13,262	-
Total Pension Liability - Beginning	93,285	94,522	74,599	50,244	40,953	27,691	-
Total Pension Liability - Ending	\$ 124,208	\$ 93,285	\$ 94,522	\$ 74,599	\$ 50,244	\$ 40,953	\$ 27,691
Plan Fiduciary Net Position							
Contributions - Employer	\$ 15,285	\$ 26,973	\$ 30,261	\$ 31,181	\$ 27,160	\$ 18,515	\$ 5,000
Contributions - Employee	6,143	6,124	5,966	5,872	5,868	5,015	4,837
Net Investment Income	31	28	21	1,081	-	-	-
Benefit Payments Including Refunds	-	-	-	-	-	-	-
Administrative Expense	(2,513)	(3,868)	(3,571)	(5,749)	(5,508)	(374)	(176)
Net Change in Plan Fiduciary Net Position	18,946	29,257	32,677	32,385	27,520	23,156	9,661
Plan Fiduciary Net Position - Beginning	154,656	125,399	92,722	60,337	32,817	9,661	-
Plan Fiduciary Net Position - Ending	\$ 173,602	\$ 154,656	\$ 125,399	\$ 92,722	\$ 60,337	\$ 32,817	\$ 9,661
Employer's Net Pension Liability/(Asset)	\$ (49,394)	\$ (61,371)	\$ (30,877)	\$ (18,123)	\$ (10,093)	\$ 8,136	\$ 18,030
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	139.77%	165.79%	132.67%	124.29%	120.09%	80.13%	34.89%
Covered-Valuation Payroll	\$ 72,029	\$ 64,806	\$ 63,285	\$ 61,285	\$ 59,500	\$ 54,000	\$ 51,158
Employer's Net Pension Liability as a Percentage of Covered Valuation Payroll	(68.58%)	(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)

	2023	2022	2021	2020	2019	2018	2017
Annual Money-Weighted Rate of Return							
Net of Investment Expense	0.02 %	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</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>(Excess)</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>
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 %
2022	220,788*	227,252	(6,464)	2,912,765	7.80 %

* Estimated based on contribution rate of 7.80% and covered valuation payroll of \$2,912,765.

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, 2023

(schedule to be built prospectively from 2016)

Total Pension Liability	2022	2021	2020	2019	2018	2017	2016
Service Cost	\$ 240,003	\$ 241,643	\$ 251,631	\$ 232,116	\$ 173,378	\$ 125,671	\$ 113,529
Interest	205,221	182,201	153,520	124,001	78,859	13,778	4,257
Differences Between Expected and Actual Experience	132,523	(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	(42,011)	(29,984)	(38,808)	(7,744)	(177,523)	-	-
Net Change in Total Pension Liability	535,736	324,349	396,187	412,933	544,643	932,655	120,870
Total Pension Liability - Beginning	2,731,637	2,407,288	2,011,101	1,598,168	1,053,525	120,870	-
Total Pension Liability - Ending	\$ 3,267,373	\$ 2,731,637	\$ 2,407,288	\$ 2,011,101	\$ 1,598,168	\$ 1,053,525	\$ 120,870
Plan Fiduciary Net Position							
Contributions -Employer	\$ 227,252	\$ 220,855	\$ 209,243	\$ 202,574	\$ 144,543	\$ 183,673	\$ 54,570
Contributions - Employee	131,075	146,454	159,280	117,321	273,560	251,931	22,243
Net Investment Income	(145,426)	222,851	125,277	101,939	2,773	11,639	-
Benefit Payments Including Refunds	(42,011)	(29,984)	(38,808)	(7,744)	(177,523)	-	-
Other	(42,876)	(36,128)	(5,704)	(27,323)	16,188	(18,173)	(4,989)
Net Change in Plan Fiduciary Net Position	128,014	524,048	449,288	386,767	259,541	429,070	71,824
Plan Fiduciary Net Position - Beginning	2,120,538	1,596,490	1,147,202	760,435	500,894	71,824	-
Plan Fiduciary Net Position - Ending	\$ 2,248,552	\$ 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	68.82%	77.63%	66.32%	57.04%	47.58%	47.54%	59.42%
Covered-Valuation Payroll	\$ 2,912,765	\$ 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	34.98%	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, 2023

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, 2023. 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	\$ 3,042,351	\$ 227,051
Debt Service	837,225	863,325	26,100

B. ACTUARIAL ASSUMPTIONS

For the Police Pension Plan, the actuarial assumptions used for determining the contribution rate for 2023 are as follows.

Valuation Date:	April 30, 2023
Actuarial Cost Method:	Entry-age, normal
Amortization Period:	Level percentage of pay
Remaining Amort. Period:	17-years
Asset Valuation Method:	5-year smoothing
Investment Return:	6.8% net of expenses
Projected Salary Increases:	3.50% - 11.00%
Inflation:	2.50%
Mortality:	Pub-2010 Public Safety Mortality Table*

*Mortality Table without adjustments, with improvement scale MP-2021 applied generationally from 2010.

Village of Crestwood, Illinois
Notes to the Required Supplementary Information
April 30, 2023

B. ACTUARIAL ASSUMPTIONS (continued)

For the Fire Pension Plan, the actuarial assumptions used for determining the contribution rate for 2023 are as follows.

Valuation Date:	April 30, 2023
Actuarial Cost Method:	Entry-age, normal
Amortization Period:	Level percentage of pay
Remaining Amort. Period:	17-years
Asset Valuation Method:	5-Year Smoothing
Investment Return:	7.125%, net of expenses
Projected Salary Increases:	4.07% - 12.50%
Inflation:	2.50%
Mortality:	Pub-2010 Public Safety Mortality Table *

*See Police Pension on prior page.

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

Valuation Date:	December 31, 2022
Actuarial Cost Method:	Aggregate Entry-age, normal
Amortization Period:	Level percentage of payroll
Remaining Amort. Period:	21- year closed period
Asset Valuation Method:	5-year smoothed market, 20% corridor
Investment Return:	7.25% net of expenses
Projected Salary Increases:	2.85% to 13.75% including inflation
Inflation:	2.25%
Mortality:	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 scale MP-2020.

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

For active members, the Pub-2010, Amount Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

**Combining and Individual Fund
Statements and Schedules**

Village of Crestwood, Illinois
Combining Balance Sheet
Nonmajor Governmental Funds
April 30, 2023

	<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	\$ 1,321,386	\$ 884,449	\$ 809,104	\$ 3,014,939
Receivables				
Sales Tax	-	160,710	-	160,710
State Income Tax	-	-	382,536	382,536
Motor Fuel Tax	56,482	-	-	56,482
Due From Other Funds	239,978	218,216	213,392	671,586
Total Assets	<u>\$ 1,617,846</u>	<u>\$ 1,263,375</u>	<u>\$ 1,405,032</u>	<u>\$ 4,286,253</u>
<u>Liabilities:</u>				
Accounts Payable	\$ 57,134	\$ -	\$ -	\$ 57,134
Due to Other Funds	-	950	719,925	720,875
Total Liabilities	<u>57,134</u>	<u>950</u>	<u>719,925</u>	<u>778,009</u>
<u>Fund Balances:</u>				
Restricted				
Debt Service	-	1,262,425	685,107	1,947,532
Motor Fuel	1,560,712	-	-	1,560,712
Total Fund Balances	<u>1,560,712</u>	<u>1,262,425</u>	<u>685,107</u>	<u>3,508,244</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 1,617,846</u>	<u>\$ 1,263,375</u>	<u>\$ 1,405,032</u>	<u>\$ 4,286,253</u>

Village of Crestwood, Illinois
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended April 30, 2023

	Motor Fuel	Debt Service	Route 83 Debt Service	Total Nonmajor Governmental Funds
<u>Revenues</u>				
Taxes				
Motor Fuel Tax	\$ 850,310	\$ -	\$ -	\$ 850,310
Sales Tax	-	1,046,884	-	1,046,884
Income Tax	-	-	1,788,144	1,788,144
Interest	532	-	-	532
Miscellaneous	275,988	-	-	275,988
Total Revenues	<u>1,126,830</u>	<u>1,046,884</u>	<u>1,788,144</u>	<u>3,961,858</u>
<u>Expenditures</u>				
Current:				
Street & Sidewalk Maintenance	150,944	-	-	150,944
Miscellaneous	-	950	-	950
Debt Service				
Principal	-	580,000	870,000	1,450,000
Interest	-	282,375	316,745	599,120
Capital Outlay	1,163,794	-	-	1,163,794
Total Expenditures	<u>1,314,738</u>	<u>863,325</u>	<u>1,186,745</u>	<u>3,364,808</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(187,908)	183,559	601,399	597,050
<u>Other Financing Sources (Uses)</u>				
Transfers In	118,128	-	-	118,128
Net Change in Fund Balance	(69,780)	183,559	601,399	715,178
Fund Balance,				
Beginning of the Year	<u>1,630,492</u>	<u>1,078,866</u>	<u>83,708</u>	<u>2,793,066</u>
Fund Balance,				
End of the Year	<u>\$ 1,560,712</u>	<u>\$ 1,262,425</u>	<u>\$ 685,107</u>	<u>3,508,244</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, 2023

	Original and Final Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Motor Fuel Tax	\$ 860,000	\$ 850,310	\$ (9,690)
Interest Income	500	532	32
Miscellaneous Income	240,000	275,988	35,988
Total Revenues	<u>1,100,500</u>	<u>1,126,830</u>	<u>26,330</u>
<u>Expenditures</u>			
Current:			
Street & Sidewalk Maintenance	270,000	150,944	(119,056)
Capital Outlay	1,700,000	1,163,794	(536,206)
Total Expenditures	<u>1,970,000</u>	<u>1,314,738</u>	<u>(655,262)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(869,500)</u>	<u>(187,908)</u>	<u>681,592</u>
<u>Other Financing Sources (Uses)</u>			
Transfers from General Fund	<u>-</u>	<u>118,128</u>	<u>118,128</u>
Net Change in Fund Balance	<u>\$ (869,500)</u>	<u>(69,780)</u>	<u>\$ 799,720</u>
Fund Balance, Beginning of Year		<u>1,630,492</u>	
Fund Balance, End of Year		<u>\$ 1,560,712</u>	

Village of Crestwood, Illinois
Debt Service Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2023

	Original and Final Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Sales Tax	\$ 1,000,000	\$ 1,046,884	\$ 46,884
Total Revenues	<u>1,000,000</u>	<u>1,046,884</u>	<u>46,884</u>
<u>Expenditures</u>			
Current:			
Miscellaneous	1,000	950	(50)
Debt Service			
Principal	530,000	580,000	50,000
Interest and Fees	<u>306,225</u>	<u>282,375</u>	<u>(23,850)</u>
Total Expenditures	<u>837,225</u>	<u>863,325</u>	<u>26,100</u>
Net Change in Fund Balance	<u>\$ 162,775</u>	<u>183,559</u>	<u>\$ 20,784</u>
Fund Balance, Beginning of Year		<u>1,078,866</u>	
Fund Balance, End of Year		<u>\$ 1,262,425</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, 2023

	Original and Final Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Income Tax	\$ 600,000	\$ 1,788,144	\$ 1,188,144
Total Revenues	<u>600,000</u>	<u>1,788,144</u>	<u>1,188,144</u>
<u>Expenditures</u>			
Current:			
Administrative Costs	450	-	(450)
Debt Service			
Principal	840,000	870,000	30,000
Interest and Fees	350,345	316,745	(33,600)
Total Expenditures	<u>1,190,795</u>	<u>1,186,745</u>	<u>(4,050)</u>
Net Change in Fund Balance	<u>\$ (590,795)</u>	601,399	<u>\$ 1,192,194</u>
Fund Balance, Beginning of Year		<u>83,708</u>	
Fund Balance, End of Year		<u>\$ 685,107</u>	

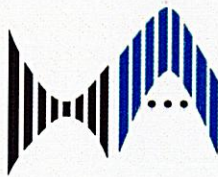
Village of Crestwood, Illinois
Water and Sewer Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2023

	Original and Final Budget	Actual	Variance Over (Under)
<u>Operating Revenues</u>			
Charges for Services			
Water and Sewer	\$ 3,000,000	\$ 3,134,692	\$ 134,692
Penalties	50,000	29,527	(20,473)
Tap-In and Connection Fees	15,000	8,000	(7,000)
Capital Improvements	700,000	634,196	(65,804)
Miscellaneous	18,500	13,990	(4,510)
Total Revenues	<u>3,783,500</u>	<u>3,820,405</u>	<u>36,905</u>
<u>Operating Expenses</u>			
Operations	11,873,420	3,342,936	(8,530,484)
Depreciation	-	1,183,856	1,183,856
Total Expenditures	<u>11,873,420</u>	<u>4,526,792</u>	<u>(7,346,628)</u>
Operating Income (Loss)	<u>(8,089,920)</u>	<u>(706,387)</u>	<u>7,383,533</u>
<u>Nonoperating Revenues (Expenses)</u>			
Interest Income	600	1,170	570
Interest Payments	-	(99,273)	(99,273)
Total Nonoperating Revenues	<u>600</u>	<u>(98,103)</u>	<u>(98,703)</u>
<u>Related Funding</u>			
Proceeds from Loan	8,000,000	-	(8,000,000)
Loan Forgiveness	-	400,000	400,000
Transfer from General Fund	-	950,000	950,000
	<u>8,000,000</u>	<u>1,350,000</u>	<u>(6,650,000)</u>
Net Change in Fund Balance	<u>\$ (89,320)</u>	545,510	<u>\$ 634,830</u>
Fund Balance, Beginning of Year, as restated		<u>21,859,694</u>	
Fund Balance, End of Year		<u>\$ 22,405,204</u>	

Village of Crestwood
Illinois Grant Accountability and Transparency Act
Consolidated Year-End Financial Report
for the Year Ended April 30, 2023

CSFA NUMBER	Program Name	State	Federal	Other	Total
494-00-2356	Local Rebuild Illinois Bond Program	\$ -	\$ -	\$ -	\$ -
494-42-0495	Local Surface Transportation Program	-	-	-	-
532-60-0377	USEPA Capitalization Grants for Drinking Water State Revolving Funds	-	1,169,098	-	1,169,098
	Other Grant Program and Activities	-	1,456,922	-	1,456,922
	All Other Costs not Allocated	-	-	22,283,434	22,283,434
	Totals	\$ -	\$ 2,626,020	\$ 22,283,434	\$ 24,909,454

Supplementary Information



HEARNE & ASSOCIATES, P.C.

Certified Public Accountants & Business Consultants

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

Matthew R. Truschka, Account Mgr.
Haley A. Richey - Sr. Accountant
David A. Phelan - Sr. Auditor

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

January 17, 2024

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

We have examined management's assertion, included in its representation letter dated January 17, 2024, 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, 2023. 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, 2023 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.
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

	<u>2022</u>	<u>2021</u>	<u>2020</u>
<u>Equalized Assessed Valuations</u>	\$ 344,567,164	\$ 346,199,892	\$ 376,153,861
<u>Tax Rates</u>			
General Fund	0.4894	0.4570	0.4434
Recreation Fund	0.0900	0.0900	0.0706
Total Rate	0.5794	0.5470	0.5140
<u>Tax Extensions</u>	\$ 1,995,241	\$ 1,890,479	\$ 1,931,654
<u>Tax Collections</u>	\$ 868,546	\$ 1,728,533	\$ 1,710,665
<u>Tax receivable at 4-30-2023</u>	\$ 1,126,695	\$ -	\$ -
Percent of Extension Collected	43.53%	91.43%	88.56%

OTHER SUPPLEMENTARY INFORMATION

Village of Crestwood, Illinois

Schedule of Direct and Overlapping Debt
As of April 30, 2023

	(1) 2022 Equalized Assessed Valuation	(2) General Obligation Debt Outstanding	Percentage Applicable To Village	Amount Applicable to Village
Overlapping Debt				
Cook County	\$ 184,114,928,598	\$ 2,620,545,000	0.19%	\$ 4,904
South Cook County Mosquito Abatement	18,329,302,185	-	1.88%	-
Metropolitan Water Reclamation District	181,143,172,014	1,758,435	0.19%	3,345
Crestwood Public Library	321,845,090	-	100.00%	-
Moraine Valley Community College District 524	10,498,969,421	61,025,000 (5)	3.28%	2,002,788
Oak Lawn Community High School District 218	2,441,715,486	40,155,000 (4)	14.11%	5,666,547
School District 130	571,843,863	18,813,925	60.26%	11,336,418
Town of Worth	3,399,759,361	-	0.00%	-
Town of Bremen	1,682,566,471	- (5)	0.00%	-
Cook County Forest Preserve	184,114,928,598	119,775,000 (4)	0.23%	274,045
Subtotal, overlapping debt		244,147,905		19,288,047
Direct Debt				
Village of Crestwood	344,567,164	- (6)	100.00%	-
Total Direct and Overlapping Debt		\$ 244,147,905		\$ 19,288,047
		Population of Village (3)		\$ 10,483
		Per Capita Debt		\$ 1,840

- (1) Source: Cook County Clerk - Agency equalized valuation report for tax year 2022.
(<https://www.cookcountyclerkfil.gov/property-taxes/tax-agency-reports>)
- (2) Source: Cook County Treasurer - Taxing district financial statements - Most recent audit report on file for that agency.
(<https://www.cookcountytreasurer.com/taxingdistrictsearchbyname.aspx>)
- (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.