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# **Village of Bolingbrook, Illinois**

## **Annual Financial Report**

April 30, 2022

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**Village of Bolingbrook, Illinois**  
**Annual Financial Report**  
**April 30, 2022**

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## **Independent Auditor's Report**



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## Independent Auditor's Report

Honorable Mayor  
Board of Trustees  
Village of Bolingbrook, Illinois  
Bolingbrook, 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 Bolingbrook, Illinois (Village) as of and for the year ended April 30, 2022, and the related notes to financial statements which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2022, 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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.

#### *Emphasis of Matter*

As discussed in Note 14 to the financial statements, the 2021 financial statements have been restated to correct misstatements. Our opinions are not modified with respect to this matter.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 GAAS 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 GAAS 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, budgetary comparison, pension and other postemployment benefit information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing

standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary 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 financial statements as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements as listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2023, on our consideration of Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 Village's internal control over financial reporting and compliance.

**FORVIS,LLP**

Oakbrook Terrace, Illinois  
September 27, 2023

## **Management's Discussion and Analysis**

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

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As management of the Village of Bolingbrook ("Village"), we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended April 30, 2022. This narrative is intended to provide the reader a better understanding of the accompanying financial statements. It also highlights several important aspects of the Village's financial condition and reviews the relationship between the types of financial statements presented.

**Financial Highlights**

- The assets and deferred outflows of the Village exceeded its liabilities and deferred inflows at April 30, 2022, resulting in a total net position of \$190,413,084.
- The Village's total net position decreased by \$8,513,105 during the fiscal year after accounting for effects of restatements. Governmental net position decreased by \$8,888,579 and business-type net position increased by \$375,454.
- The Village's governmental funds reported combined ending fund balances of \$143,634,381, an increase of \$25,827,835, or 21.9%, as compared to prior fiscal year after accounting for effects of restatements.
- As of April 30, 2022, unassigned fund balance in the General Fund was \$82,830,086 or 117.2% of total General Fund expenditures. General Fund cash and investments totaled \$79,975,235, or 113.2%, of total General Fund expenditures.

**REPORT STRUCTURE**

***Government-Wide Financial Statements***

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

The *Statement of Net Position* presents information on all of the Village's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position. This statement combines and consolidates the Village's current financial resources (short-term, spendable resources) with capital assets and long-term obligations using the accrual basis of accounting which maintains its measurement focus on economic resources rather than spendable financial resources. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The *Statement of Activities* presents information showing how the Village's net position has changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The Statement of Activities also reports the extent to which various expenses for governmental or business-type functions are dependent upon user-charges, grant sources, or general tax and other revenues.

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

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Both of the government-wide financial statements differentiate functions of the Village which are principally supported by taxes and intergovernmental revenues (governmental activities) from those functions which are intended to recover all or a significant portion of their costs through user-fees and charges (business-type activities). The governmental activities of the Village include general government, public safety, public works, sanitation, culture and recreation and economic development. The business-type activities of the Village include water and sewer services, airport and the westside regional stormwater activities.

Excluded from the government-wide financial statements are fiduciary funds, such as the Village's Police and Firefighters' Pension Funds and custodial funds. Fiduciary funds are used to report net position held in a trustee or agency capacity for others and therefore cannot be used to support Village services.

The government-wide financial statements can be found on pages 16 through 19 of this report.

***Fund Financial Statements***

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

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

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

*Proprietary Funds* account for those activities primarily supported by user fees. The Village maintains two types of proprietary funds (*enterprise funds and internal service funds*). Proprietary funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements and use the economic measurement focus and accrual basis of accounting. The Village's proprietary funds are the Waterworks and Sewerage Fund, Airport Fund and Westside Regional Stormwater Fund. The internal service fund accounts for the Village's Medical Insurance, Workers' Compensation, and Retiree funds activity.

*Fiduciary funds* account for financial resources held for the benefit of parties outside the Village, such as the Village's Police and Firefighters' Pension funds and custodial funds. The accounting used for fiduciary funds is similar to that used by proprietary funds.

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

The fund financial statements begin on page 20.

**Notes to the Financial Statements.**

The notes to the financial statements provide information necessary for the full understanding of the statements and begin on page 33.

**Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report also includes certain *required supplementary information* and can be found starting on page 94. Other supplemental information may also be found beginning on page 108.

**CONDENSED FINANCIAL INFORMATION AND ANALYSIS**

**Government-Wide Financial Analysis**

Comparative amounts for 2021 in the tables below have not been updated for the effects of the restatements that are discussed in Note 14.

**Village of Bolingbrook's Statement of Net Position**  
**April 30, 2022 and 2021**  
**(in Millions)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Current Assets	\$ 166.2	\$ 137.1	9.5	9.5	175.7	146.6
Other Assets	8.9	3.6	5.4	0.6	14.3	4.2
Capital Assets	281.8	288.3	166.7	170.3	448.5	458.6
Total Assets	<u>456.9</u>	<u>429.0</u>	<u>181.6</u>	<u>180.4</u>	<u>638.5</u>	<u>609.4</u>
Deferred Outflows of Resources	<u>57.7</u>	<u>29.5</u>	<u>0.2</u>	<u>0.1</u>	<u>57.9</u>	<u>29.6</u>
Total Assets and Outflows of Resources	<u>514.6</u>	<u>458.5</u>	<u>181.8</u>	<u>180.5</u>	<u>696.4</u>	<u>639.0</u>
Current Liabilities	28.6	30.2	2.5	1.9	31.1	32.1
Noncurrent Liabilities	430.6	364.6	0.2	0.2	430.8	364.8
Total Liabilities	<u>459.2</u>	<u>394.8</u>	<u>2.7</u>	<u>2.1</u>	<u>461.9</u>	<u>396.9</u>
Deferred Inflows of Resources	<u>42.8</u>	<u>42.1</u>	<u>1.4</u>	<u>1.0</u>	<u>44.2</u>	<u>43.1</u>
Total Liabilities and Deferred Inflows of Resources	<u>502.0</u>	<u>437.0</u>	<u>4.1</u>	<u>3.1</u>	<u>506.1</u>	<u>440.1</u>
Net Position						
Net Investment in Capital Assets	90.4	102.8	166.7	170.1	257.1	272.9
Restricted	26.0	22.5	1.3	0.6	27.3	23.1
Unrestricted	(103.8)	(103.8)	9.7	6.7	(94.1)	(97.1)
Total Net Position	<u>\$ 12.6</u>	<u>\$ 21.5</u>	<u>177.7</u>	<u>177.4</u>	<u>190.3</u>	<u>198.9</u>

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

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**Normal Impacts**

There are six basic (normal) transactions that will affect the comparability of the Statement of Net Position summary presentation.

*Net Results of Activities* – which will impact (increase/decrease) current assets and unrestricted net position.

*Borrowing for Capital* – which will increase current assets and long-term liabilities.

*Spending Borrowed Proceeds on New Capital* – which will reduce current assets and increase capital assets. There is a second impact, an increase in the investment in capital assets and an increase in related net debt which will not change the net investment in capital assets (net of debt).

*Spending on Non-borrowed Current Assets on New Capital* – which will (a) reduce current assets and increase capital assets and (b) reduce unrestricted net position and increase the net investment in capital assets.

*Principal Payment on Debt* – which will (a) reduce current assets and reduce long-term liabilities and (b) reduce unrestricted net position and increase the net investment in capital assets.

*Reduction of Capital Assets through Depreciation* – which will reduce capital assets and the net investment in capital assets.

**Current Year Impacts**

The Village's assets and deferred outflows exceeded its liabilities and deferred inflows by \$190.4 million as of April 30, 2022. The Village's net investment in capital assets was \$257.1 million, which includes related debt and depreciation. Restricted net position totaled \$27.3 million and includes amounts that are subject to external constraints. Unrestricted net position was negative \$94.1 million due to the inclusion of \$430.8 million in noncurrent liabilities. The net pension liability includes \$90.6 million for the Village's police pension plan, \$74.7 million for the Village's firefighters' pension plan and \$235.1 million for the Village's bond payable.

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

The following table represents a condensed summary of changes in net position for the years ended April 30, 2022 and 2021:

<b>Village of Bolingbrook's Change in Net Position</b>							
<b>For the Year Ended April 30, 2022</b>							
<b>(in Millions)</b>							
	<b>Governmental</b>		<b>Business-Type</b>		<b>Total</b>		
	<b>Activities</b>		<b>Activities</b>		<b>2022 2021</b>		
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	
<b>Revenues:</b>							
Program Revenues							
Charges for Services	\$ 21.9	\$ 15.7	13.6	9.9	35.5	25.6	
Operating grants and contributions	7.3	6.3			7.3	6.3	
Capital Grants and Contributions	2.5	5.5	4.6	0.3	7.1	5.8	
General Revenues							
Property Taxes	20.8	20.9			20.8	20.9	
Other Taxes	76.4	63.4			76.4	63.4	
Others	(1.6)	0.6	(0.3)	0.4	(1.9)	1.0	
Total revenues	<u>127.3</u>	<u>112.4</u>	<u>17.9</u>	<u>10.6</u>	<u>145.2</u>	<u>123.0</u>	
<b>Expenses:</b>							
General Government	10.1	11.1			10.1	11.1	
Public Safety	58.2	50.3			58.2	50.3	
Public Works	16.5	16.6			16.5	16.6	
Sanitation	5.9	5.9			5.9	5.9	
Capital Projects							
Culture and Recreation	3.0	2.4			3.0	2.4	
Economic Development	0.3	5.2			0.3	5.2	
Interest on Long-Term Debt	10.1	9.5			10.1	9.5	
Water and Sewer			8.2	7.5	8.2	7.5	
Westside Regional Stormwater			8.3	4.9	8.3	4.9	
Airport			1.1	1.2	1.1	1.2	
Total expenses	<u>104.1</u>	<u>101.0</u>	<u>17.6</u>	<u>13.6</u>	<u>121.7</u>	<u>114.6</u>	
Increase (Decrease) in Net Position							
Before Transfers	23.2	11.4	0.3	(3.0)	23.5	8.4	
Transfers		4.1		(4.1)			
Increase (Decrease) in Net Position	23.2	15.5	0.3	(7.1)	23.5	8.4	
<b>Net Position</b>							
Net Position, Beginning of Year							
as previously reported	21.5	6.0	177.4	184.5	198.9	190.5	
Restatement (see Note 14)	(32.1)				(32.1)		
Net Position, Beginning as Restated	<u>(10.6)</u>	6.0	<u>177.4</u>	<u>184.5</u>	<u>166.8</u>	<u>190.5</u>	
Ending	<u>\$ 12.6</u>	<u>\$ 21.5</u>	<u>\$ 177.7</u>	<u>\$ 177.4</u>	<u>\$ 222.4</u>	<u>\$ 198.9</u>	

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

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**Normal Impacts**

There are eight basic impacts on revenues and expenses as reflected below that affect the comparability of the Statement of Activities summary presentation:

**Revenues:**

*Economic Condition* – which can reflect a declining, stable or growing economic environment and has a substantial impact on state income, sales, and utility tax revenue, as well as public spending habits for building permits, elective user fees, and volumes of consumption.

*Increase/Decrease in Village Board Approved Rates* – while certain tax rates are set by statute, the Village Board has significant authority to impose and periodically increase/decrease rates (water, wastewater, impact fee, building fees, etc.).

*Changing Patterns in Intergovernmental and Grant Revenue (both recurring and nonrecurring)* – certain recurring revenues (state shared revenues, etc.) may experience significant changes periodically while nonrecurring (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 a similar average maturity to most governments. Market conditions may cause investment income to fluctuate.

**Expenses:**

*Introduction of New Programs* – within the functional expense categories (general government, public safety, highways and streets, etc.) individual programs may be added or deleted to meet changing community needs.

*Increase in Authorized Personnel* – changes in service demand may cause the Village Board to increase/decrease authorized staffing. Staffing costs (salary and related benefits) represent a significant portion of the Village's operating costs.

*Salary Increases (cost of living and merit)* – the ability to attract and retain intellectual resources requires the Village to strive to approach a competitive salary range position in the marketplace.

*Inflation* – while overall inflation continues to be modest, the Village is a major consumer of certain commodities such as fuel and supplies that may experience unusual commodity specific increases.

**Current Year Impacts**

**Governmental Activities – Revenues**

Governmental revenues increased by \$14.8 million, or 13.2%, over prior fiscal year, an increase of \$6.1 million in charges for services, an increase of \$1 million in operating grants and contributions, a decrease of \$3.0 million in capital grants and contributions, and an increase of \$13 million in other taxes. The Village received a total of \$4.6 million in ARPA Funds to reimburse for public safety salaries.

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

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The Village received \$56.4 million from the State for intergovernmental taxes (\$49.4 million in prior fiscal year); this represents 44.3% of the total governmental revenues. The largest intergovernmental tax is the state sales tax. In the current year, the state sales tax revenue was \$41.5 million (\$37 million in prior fiscal year). The second largest intergovernmental tax revenue source was derived from the state income tax and the revenue was \$14.6 million (\$12.2 million in prior fiscal year).

Charges for services amounted to \$21.9 million or 17.2% of total governmental revenues and an increased \$6.1 million from the prior fiscal year, when it was 13.5% of total governmental revenues. The leading revenue source, \$4.5 million, was for ambulance fees.

Property taxes are 16.4% of the Village's governmental activities' revenue. In the current year, we received \$20.8 million in property taxes (\$20.9 million prior fiscal year). There was relatively no change from prior fiscal year. The Village's equalized assessed valuation increased 4.3%, from \$2,274,174,440 to \$2,372,865,677.

**Governmental Activities – Expenses**

Total expense increased by \$3 million, or 3%, to \$104.1 million. The largest part of this expense, 56%, or \$58.2 million, relates to public safety. This includes required contributions to the Police and Firefighters' Pensions, as well as salaries for all Fire and Police personnel and associated benefits. Public Works made up 15.8%, or \$16.5 million of total governmental activities' expenditures. This includes salaries and associated benefits.

There was restatement of \$32.1 million reducing the beginning net position. Adjustments to correct the property taxes recognized in advance of the period for which the taxes were levied for the debt service was a \$4.5 million reduction, for the police pension it was \$2.2 million reduction and for the fire pension it was \$1.9 million reduction. A \$26.1 million reduction was made to recognize the 2005 Sales Tax Revenue Bonds and related accrued interest payable not previous reported. A \$2.6 million increase adjustment to remove sales tax payable related to taxes collected in advance of scheduled debt service payments on 2005 Sales Tax Revenue Bonds. More details on these adjustments can be found in Note 14 Restatement. More information on the 2005 Sales Tax Revenue Bond can be found in Note 5: Long-Term Obligations, Note 6: Commitments, Development Agreements, Tax Abatements, Pledge Revenues and Contingent Liability and Note 14: Restatements.

**Business-Type Activities – Revenues.** The total business-type revenues were \$17.9 million. Tap-on fees are obtained through new connections to the Village's water reclamation facilities. During the year we received \$4.6 million in tap-on fees. We also received \$3.9 million in revenue from our wastewater service charge. This is a fee charged to residents, apartment units, commercial and industrial users for each gallon of treatment and collection.

There was an increase of \$4 million to the Westside Regional Stormwater Fund revenues for a total of \$9.2 million.

**Business-Type Activities – Expenses.** The total expenses were \$17.6 million. Of this amount, \$4.5 million relates to depreciation expense, and the remaining balance relates to the water sewer fund for salaries and utilities, westside regional stormwater and airport expenses.

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

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**Fund Financial Statement Analysis**

**Governmental Funds**

The focus of the Village's governmental funds, which includes the General Fund, Debt Service Fund, Refuse and Recycling Fund and 14 other nonmajor funds, is to provide information on near-term inflows, outflows, and balances of spendable resources. These nonmajor funds are included on the combined balance sheet found on page 108. Governmental funds utilize the modified accrual basis of accounting designed to measure current financial resources. Consequently, the reader will notice the balance sheet does not show fixed assets or long-term liabilities. The related income statements (combined statement of revenues, expenditures and changes in fund balances) are found on page 111. At the end of the current fiscal year, the governmental funds reported combined total fund balances of \$143.6 million, which is a 21.9% increase from the beginning of the year's total of \$117.8 million.

The General Fund is used to account for most of the Village's governmental operating activity. This includes administration, finance, building, public safety, and public services. Including the effect of restatements, the General Fund balance increased by \$33.5 million. Revenues were up 21.7% (\$105.8 million compared to \$86.9 million), expenditures decreased by 3% (\$70.7 million compared to \$77.2 million). The increase in revenues can be attributed to an increase in real estate transfer tax, state income tax, other charges for services. General Fund expenditures finished the year \$15.7 million or 18% under budget. The General Fund budget was amended during the year from \$84.4 to \$86.4 million.

The Refuse and Recycling Fund ended fiscal year 2022 with a deficit fund balance of \$1.4 million.

The Debt Service Fund paid schedule debt service obligations and received property tax revenue. There was a restatement that resulted in a decrease of beginning fund balance of \$4.5 million for an ending deficit balance of \$1.2 million.

**Proprietary Funds**

The Village of Bolingbrook's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The financial statements for the proprietary funds begin on page 26.

At April 30, 2022, the business-type activities reported combined total net assets of \$177.8 million, which is a .2% increase from the beginning of the year's total of \$177.3 million. Of the total net position balance, \$166.7 million is invested in capital assets, net of related debt.

The Village reports the Waterworks and Sewerage, Airport, and Westside Regional Stormwater funds as proprietary funds. Wastewater and sewer treatment service is provided at a rate of \$2.43 per thousand gallons of usage. The Waterworks and Sewerage Fund recorded an Operating loss before depreciation of \$1 million, depreciation expense was \$3.1 million.

In December 2018, the Village executed a 10-year management contract with Kemper Management Inc. in December 2018 to provide operating services at the Village owned Golf Course. For an annual fee, the firm employs and trains the proper staffing levels, maintains the course and clubhouse, operates the half

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

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way houses and develops and markets the golf course activities and promotions. All revenues are the Village's, and operating expenses are incurred in accordance with the contract and an annual budget approved by the Village. This is the fifth consecutive year lots were sold. The Westside Regional Stormwater fund recorded operating income before depreciation of \$1.7 million, depreciation expense was \$0.8 million. Included in the activity of the fund for the current year was the sale of eleven lots sold for \$1.1 million compared to ten lots sold in fiscal year 2021 for \$783,580. In addition, the Westside Regional Stormwater fund collected \$1.2 million for the regional stormwater management facility fee.

In April 2004, the Village purchased Clow International Airport. In April 2017, the Village executed a month-to-month basis management agreement with Clow International Airport, LLC effective through May 1, 2022. They will supervise, manage, direct and operate the Airport on behalf of the Village. This includes general daily operations, service work, repairs, and marketing. The Airport Fund ended fiscal year 2022 with a fund balance of \$17 million down \$0.6 million from the prior year.

### **Fiduciary Funds**

The financial statements for the Village's fiduciary funds, the Police and Firefighter's Pension Funds, begin on page 114. The change in net position for the Police Pension fund was a decrease of \$8.9 million and for the Firefighters' Pension fund decrease of \$6 million. This includes effects of restatements of \$2.2 million and \$1.9 million reducing the beginning net position for the police and fire pension respectively. The restatements were due to correct property taxes recognized in advance of the period for which the taxes were levied. More details can be found in Note 14: Restatements.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### **Capital Assets**

The Village's investment in capital assets for its governmental and business-type activities as of April 30, 2022, equals \$448.5 million (net of accumulated depreciation). The governmental activities net capital assets decreased by \$6.4 million, or 2.2% as depreciation exceeded new capital outlay. Major governmental capital expenditures included:

- Ten vehicles assigned to the police department; 1 mini excavator, 1 street sweeper and 2 vehicles assigned to Public Works department (governmental activities)
- Autopulse platform resuscitation system EMS (governmental activities)
- Canterbury Lane Culvert replacement (government activities)
- Building replacement and maintenance, Roof replacement for fire station 5 and Stairwell enclosure for fire station 1 (government activities)
- Airport Taxiway and Apron improvement finalized (business type activities)

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In accordance with the Village's projected road replacement program, street improvements include resurfacing of 68,391 linear feet of road (35.93 of lane miles).

	Change in Capital Assets (in millions)					
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
<b>Non-Depreciable Assets:</b>						
Land	\$ 186.1	\$ 186.1	47.4	47.0	233.5	233.1
CIP	1.6	11.4	17.5	18.6	19.1	30.0
<b>Other Capital Assets:</b>						
Land Improvements	17.0	16.9	11.3	10.6	28.3	27.5
Infrastructure	168.8	158.1	137.9	137.9	306.7	296.0
Buildings	47.0	46.9	43.5	43.2	90.5	90.1
Machinery and Equipment	24.2	23.3	17.8	17.2	42.0	40.5
Vehicles			-	-	-	-
Accumulated Depreciation on Capital Assets	<u>(162.9)</u>	<u>(154.5)</u>	<u>(108.7)</u>	<u>(104.3)</u>	<u>(271.6)</u>	<u>(258.8)</u>
	<u>\$ 281.8</u>	<u>\$ 288.2</u>	<u>166.7</u>	<u>170.2</u>	<u>448.5</u>	<u>458.4</u>

In the past, various developers had continued to install and dedicate linear feet of storm sewer and sanitary sewer lines to the Village. In 2022, there were no linear feet of storm sewer and no linear feet of sanitary sewer lines were dedicated to the Village. See Note 4 for additional information on capital assets.

**Village of Bolingbrook, Illinois**  
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**Debt Administration**

At April 30, 2022, the Village had outstanding debt as follows:

	<b>Obligations Outstanding (Restated) May 1, 2021</b>	<b>Debt Additions</b>	<b>Interest Accretion</b>	<b>Debt Reductions</b>	<b>Obligations Outstanding April 30, 2022</b>	<b>Due Within One Year</b>
<b>Governmental Activities:</b>						
1999C Capital Appreciation Bonds	\$ 29,627,115	-	1,523,046	3,430,000	27,720,161	3,895,000
2002B Capital Appreciation Bonds	36,759,506	-	1,485,440	1,040,000	37,204,946	1,765,000
2005 Sales Tax Revenue Bonds	25,605,000	-	-	2,770,000	22,835,000	4,235,000
2014A General Obligation						
Current Interest Bonds	44,485,000	-	-	1,980,000	42,505,000	265,000
2018A General Obligation						
Refunding Bonds	33,000,000	-	-	440,000	32,560,000	460,000
2019A General Obligation						
Refunding Bonds	21,455,000	-	-	-	21,455,000	1,290,000
2020A General Obligation						
Refunding Bonds	44,950,000	-	-	-	44,950,000	-
Bond Premium	6,559,364	-	-	712,621	5,846,743	-
Compensated Absences	5,913,782	3,095,695	-	3,302,749	5,706,728	2,957,268
Net Pension Liability - police	57,218,504	38,661,680	-	5,241,840	90,638,344	-
Net Pension Liability - firefighters'	50,417,333	28,364,919	-	4,127,122	74,655,130	-
Net Pension Liability - IMRF	163,072	182,866	-	202,261	143,677	-
Total OPEB liability	45,256,367	-	-	4,540,569	40,715,798	1,503,939
<b>Total Governmental Activities</b>	<b>\$ 401,410,043</b>	<b>70,305,160</b>	<b>3,008,486</b>	<b>27,787,162</b>	<b>446,936,527</b>	<b>16,371,207</b>
<b>Business-Type Activities:</b>						
Capital Leases Payable	\$ 179,853	-	-	179,853	-	-
Compensated Absences	178,539	127,159	-	99,682	206,016	118,302
Total OPEB liability	140,731	-	-	14,120	126,611	4,677
<b>Total Business-type Activities</b>	<b>\$ 499,123</b>	<b>\$ 127,159</b>	<b>\$ -</b>	<b>\$ 293,655</b>	<b>\$ 332,627</b>	<b>\$ 122,979</b>

As a Home Rule community under the Illinois Constitution, the Village has no legal debt limit. However, the Village has no intention of exceeding a fiscally responsible amount of debt; the Village's credit opinion from Moody's Investors Service on February 28, 2023, was A2. More information on the 2005 Sales Tax Revenue Bond can be found in Note 5: Long-Term Obligations and Note 6: Commitments, Development Agreements, Tax Abatements, Pledge Revenues and Contingent Liability.

**ECONOMIC FACTORS**

The Village is located at the interchange of Interstate Route 55 on the south and the north/south extension of the Illinois Tollway system, I-355 on the east. Presently the Village consists of 25.6 square miles. In fiscal year 2022 the EAV increased by 4.3%.

The extension of North/South Tollway (I-355) from Route 55 at the southeast edge of Bolingbrook south of I-80 has made Bolingbrook one of the most centralized suburbs in the southwest Chicago area.

**Village of Bolingbrook, Illinois**  
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The Village has experienced rapid growth in commercial and residential real estate development over the past ten years. Much of this growth can be attributed to the pro-growth sentiments of the Village; the proximity of the Village to the City of Chicago; the provision of necessary infrastructure improvements including roads, water and sewer services, and relatively low property taxes.

In fiscal year 2022, the Village issued 3,854 housing permits versus 4,443 from a year ago. There were 26 industrial new/buildout constructions in fiscal year 2022 versus 12 from a year ago. There were 41 new/buildout commercial construction permits in 2022, compared to a year ago of 24. There were no subdivisions that was accepted in the 2022 fiscal year.

**CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Village's finances. Questions concerning this report or requests for additional financial information should be directed to the Finance Director, Village of Bolingbrook, 375 West Briarcliff Road, Bolingbrook, Illinois, 60440.

## **Basic Financial Statements**

**Village of Bolingbrook, Illinois**  
**Statement of Net Position**  
**April 30, 2022**

<b>Assets</b>	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Current Assets</b>			
Cash, cash equivalents and investments	\$ 98,476,615	\$ 22,747,356	\$ 121,223,971
Property tax receivable	21,867,888	-	21,867,888
Other taxes receivable	1,220,073	-	1,220,073
Accounts receivable	4,618,695	574,008	5,192,703
Accrued interest receivable	76,283	16,368	92,651
Intergovernmental receivable	13,609,462	-	13,609,462
Internal balances	14,155,622	(14,155,622)	-
Prepaid items	-	23,299	23,299
Inventories	32,236	360,917	393,153
Restricted cash	12,132,363	-	12,132,363
Total current assets	<u>166,189,237</u>	<u>9,566,326</u>	<u>175,755,563</u>
<b>Noncurrent Assets</b>			
Other assets	-	1,400	1,400
Land held for resale	-	4,034,660	4,034,660
Net pension asset	8,937,720	1,335,521	10,273,241
Capital assets			
Capital assets not being depreciated	187,703,263	64,946,957	252,650,220
Capital assets being depreciated, net	94,069,500	101,763,947	195,833,447
Total noncurrent assets	<u>290,710,483</u>	<u>172,082,485</u>	<u>462,792,968</u>
Total assets	<u>456,899,720</u>	<u>181,648,811</u>	<u>638,548,531</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows related to pensions	42,302,354	226,916	42,529,270
Deferred outflows related to OPEB	6,265,161	19,482	6,284,643
Unamortized loss on refunding	9,181,491	-	9,181,491
Total deferred outflows of resources	<u>57,749,006</u>	<u>246,398</u>	<u>57,995,404</u>

(Cont.)

**Village of Bolingbrook, Illinois**  
**Statement of Net Position**  
**April 30, 2022**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable	\$ 3,254,617	\$ 778,448	\$ 4,033,065
Accrued payroll	104,206	101,491	205,697
Claims payable	2,056,634	-	2,056,634
Deposits payable	2,607,448	997,215	3,604,663
Interest payable	2,447,259	-	2,447,259
Other payables	498,414	110,542	608,956
Due to pension funds	1,083,751	-	1,083,751
Unearned revenue	216,929	402,168	619,097
Long-term obligations due within one year			
Compensated absences	2,957,268	118,302	3,075,570
Bonds payable	11,910,000	-	11,910,000
Total OPEB liability	1,503,939	4,677	1,508,616
Total current liabilities	<u>28,640,465</u>	<u>2,512,843</u>	<u>31,153,308</u>
<b>Noncurrent Liabilities</b>			
Compensated absences	2,749,460	87,714	2,837,174
Bonds payable	223,166,850	-	223,166,850
Total OPEB liability	39,211,859	121,934	39,333,793
Net pension liability	165,437,151	-	165,437,151
Total noncurrent liabilities	<u>430,565,320</u>	<u>209,648</u>	<u>430,774,968</u>
Total liabilities	<u>459,205,785</u>	<u>2,722,491</u>	<u>461,928,276</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows related to pensions	13,250,872	1,393,245	14,644,117
Deferred inflows related to OPEB	7,370,932	22,921	7,393,853
Deferred property taxes	21,863,623	-	21,863,623
Unamortized gain on refunding	300,982	-	300,982
Total deferred inflows of resources	<u>42,786,409</u>	<u>1,416,166</u>	<u>44,202,575</u>
<b>Net Position</b>			
Net investment in capital assets	90,389,014	166,710,904	257,099,918
Restricted for streets	12,773,078	-	12,773,078
Restricted for public safety	198,332	-	198,332
Restricted for debt service	2,735,359	-	2,735,359
Restricted for capital projects	1,429,713	-	1,429,713
Restricted for pensions	8,937,720	1,335,521	10,273,241
Unrestricted (deficit)	(103,806,684)	9,710,127	(94,096,557)
Total net position	<u>\$ 12,656,532</u>	<u>\$ 177,756,552</u>	<u>\$ 190,413,084</u>

**Village of Bolingbrook, Illinois**  
**Statement of Activities**  
**Year Ended April 30, 2022**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
General government	\$ 10,081,873	\$ 4,433,445	\$ -	\$ 2,459,328
Public safety	58,237,362	8,732,936	4,933,396	-
Public works	16,452,389	2,714,746	2,357,897	-
Sanitation	5,912,795	5,990,600	-	-
Culture and recreation	3,006,353	-	-	-
Economic development	276,520	-	-	-
Interest on long-term debt and bond issue costs	10,113,937	-	-	-
Total governmental activities	<u>104,081,229</u>	<u>21,871,727</u>	<u>7,291,293</u>	<u>2,459,328</u>
<b>Business-Type Activities</b>				
Waterworks and sewerage	8,228,031	4,048,555	-	4,593,200
Westside regional stormwater	8,299,892	9,202,340	-	-
Airport	1,083,591	405,025	-	44,722
Total business-type activities	<u>17,611,514</u>	<u>13,655,920</u>	<u>-</u>	<u>4,637,922</u>
Total primary government	<u>\$ 121,692,743</u>	<u>\$ 35,527,647</u>	<u>\$ 7,291,293</u>	<u>\$ 7,097,250</u>

**General Revenues**

Taxes  
Property taxes levied for general purpose  
Property taxes levied for debt service  
Telecommunication  
Other taxes  
Intergovernmental  
Sales tax  
Income tax  
Personal property replacement tax  
Unrestricted investment loss  
Miscellaneous revenues  
Gain on sale of capital assets  
Total general revenues

**Change in Net Position**

**Net Position, Beginning of Year  
as Previously Reported**

**Restatement (see Note 14)**

**Net Position (Deficit), Beginning  
of Year as Restated**

**Net Position, End of Year**

**Net (Expense) Revenue and Changes in Net Position**

<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ (3,189,100)	\$ -	\$ (3,189,100)
(44,571,030)	-	(44,571,030)
(11,379,746)	-	(11,379,746)
77,805	-	77,805
(3,006,353)	-	(3,006,353)
(276,520)	-	(276,520)
<u>(10,113,937)</u>	<u>-</u>	<u>(10,113,937)</u>
<u>(72,458,881)</u>	<u>-</u>	<u>(72,458,881)</u>
-	413,724	413,724
-	902,448	902,448
-	(633,844)	(633,844)
<u>-</u>	<u>682,328</u>	<u>682,328</u>
<u>(72,458,881)</u>	<u>682,328</u>	<u>(71,776,553)</u>
10,119,469	-	10,119,469
10,720,207	-	10,720,207
1,051,318	-	1,051,318
18,993,979	-	18,993,979
41,486,303	-	41,486,303
14,550,626	-	14,550,626
388,696	-	388,696
(1,819,362)	(306,854)	(2,126,216)
157,270	-	157,270
50,742	-	50,742
<u>95,699,248</u>	<u>(306,854)</u>	<u>95,392,394</u>
23,240,367	375,474	23,615,841
<u>21,545,111</u>	<u>177,381,078</u>	<u>198,926,189</u>
<u>(32,128,946)</u>	<u>-</u>	<u>(32,128,946)</u>
<u>(10,583,835)</u>	<u>177,381,078</u>	<u>166,797,243</u>
<u>\$ 12,656,532</u>	<u>\$ 177,756,552</u>	<u>\$ 190,413,084</u>

**Village of Bolingbrook, Illinois**  
**Balance Sheet – Governmental Funds**  
**April 30, 2022**

	General Fund	Debt Service Fund	Refuse and Recycling Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash, cash equivalents and investments	\$ 79,975,235	\$ -	\$ 1,872,630	\$ 16,628,750	\$ 98,476,615
Property tax receivable	10,347,502	11,516,121	-	4,265	21,867,888
Other taxes receivable	1,220,073	-	-	-	1,220,073
Accounts receivable	2,908,620	-	1,403,186	170,607	4,482,413
Accrued interest receivable	72,723	-	-	3,560	76,283
Intergovernmental receivable	13,116,323	-	-	493,139	13,609,462
Advances to other funds	35,701,886	2,289,221	-	1,382,448	39,373,555
Inventories	32,236	-	-	-	32,236
Restricted cash	-	-	-	12,132,363	12,132,363
Total assets	<u>\$ 143,374,598</u>	<u>\$ 13,805,342</u>	<u>\$ 3,275,816</u>	<u>\$ 30,815,132</u>	<u>\$ 191,270,888</u>
<b>Liabilities</b>					
Accounts payable	1,876,026	500	16,586	115,723	2,008,835
Accrued payroll	97,449	-	-	6,757	104,206
Deposits payable	2,607,448	-	-	-	2,607,448
Due to other funds	395,822	-	-	-	395,822
Due to pension funds	1,083,751	-	-	-	1,083,751
Unearned revenue	216,929	-	-	-	216,929
Other payables	353,639	-	-	144,775	498,414
Advances from other funds	1,067,460	3,474,255	4,707,983	5,777,108	15,026,806
Total liabilities	<u>7,698,524</u>	<u>3,474,755</u>	<u>4,724,569</u>	<u>6,044,363</u>	<u>21,942,211</u>
<b>Deferred Inflows of Resources</b>					
Unavailable property taxes	10,347,502	11,516,121	-	-	21,863,623
Unavailable other taxes	3,830,673	-	-	-	3,830,673
Total deferred inflows of resources	<u>14,178,175</u>	<u>11,516,121</u>	<u>-</u>	<u>-</u>	<u>25,694,296</u>
<b>Fund Balances</b>					
Nonspendable					
Advances	35,701,886	-	-	-	35,701,886
Inventories	32,236	-	-	-	32,236
Restricted for					
Streets	-	-	-	12,773,078	12,773,078
Public safety	198,332	-	-	-	198,332
Debt service	2,735,359	-	-	-	2,735,359
Capital projects	-	-	-	13,562,076	13,562,076
Unassigned	82,830,086	(1,185,534)	(1,448,753)	(1,564,385)	78,631,414
Total fund balances (deficit)	<u>121,497,899</u>	<u>(1,185,534)</u>	<u>(1,448,753)</u>	<u>24,770,769</u>	<u>143,634,381</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 143,374,598</u>	<u>\$ 13,805,342</u>	<u>\$ 3,275,816</u>	<u>\$ 30,815,132</u>	<u>\$ 191,270,888</u>

**Village of Bolingbrook, Illinois**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
**April 30, 2022**

<b>Total Fund Balances - Governmental Funds</b>		\$ 143,634,381
Amounts reported for governmental activities in the statement of net position are different because		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets, at cost	444,756,366	
Accumulated depreciation	<u>(162,983,603)</u>	
Net capital assets		281,772,763
Net pension asset does not provide current financial resources and, therefore, is not reported in the governmental funds.		
		8,937,720
Some liabilities reported in the statement of net position do not require the use of current financial resources and, therefore, are not reported as a liability in governmental funds. These liabilities consist of		
General obligation bonds payable	(229,230,107)	
Bond premiums	(5,846,743)	
Bond discounts	-	
Total OPEB liability	(40,715,798)	
Net pension liability	(165,437,151)	
Compensated absences	(5,706,728)	
Interest payable	<u>(2,447,259)</u>	
Total long-term liabilities		(449,383,786)
Deferred outflows of resources related to pensions are recorded on the statement of net position.		
		42,302,354
Deferred outflows of resources related to OPEB are recorded on the statement of net position.		
		6,265,161
Deferred inflows of resources related to pensions are recorded on the statement of net position.		
		(13,250,872)
Deferred inflows of resources related to OPEB are recorded on the statement of net position.		
		(7,370,932)
Losses on refunding are not recognized in the governmental funds, but are capitalized and amortized over the life of the refunded bond in the statement of net position.		
		9,181,491
Gains on refunding are not recognized in the governmental funds, but are capitalized and amortized over the life of the refunded bond in the statement of net position.		
		(300,982)

(Cont.)

**Village of Bolingbrook, Illinois**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
**April 30, 2022**

Some of the tax revenues due from the state will be collected after year end but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.	\$ 3,830,673
A portion of the claims liability is not due and payable in the current period and, therefore, is not reported in governmental funds.	(654,392)
Internal service funds are used to manage the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.	<u>(12,307,047)</u>
<b>Net Position of Governmental Activities</b>	<u><u>\$ 12,656,532</u></u>

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

	General Fund	Debt Service Fund	Refuse and Recycling Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Taxes	\$ 30,135,408	\$ 10,720,207	\$ -	\$ 8,806	\$ 40,864,421
Licenses and permits	2,772,718	-	-	-	2,772,718
Charges for services	10,436,193	-	5,990,600	79,040	16,505,833
Fines and forfeitures	1,544,561	-	-	-	1,544,561
Contributions	682,419	-	-	-	682,419
Intergovernmental	57,005,383	-	-	4,696,411	61,701,794
Investment income	(1,633,940)	-	-	(185,422)	(1,819,362)
Miscellaneous	4,811,981	-	-	-	4,811,981
Total revenues	<u>105,754,723</u>	<u>10,720,207</u>	<u>5,990,600</u>	<u>4,598,835</u>	<u>127,064,365</u>
<b>Expenditures</b>					
Current					
General government	11,288,788	-	-	-	11,288,788
Public safety	49,128,926	-	-	-	49,128,926
Highways and streets	6,968,400	-	-	6,031,238	12,999,638
Sanitation	-	-	5,908,682	-	5,908,682
Culture and recreation	3,006,382	-	-	-	3,006,382
Economic development	276,014	-	-	506	276,520
Capital outlay	-	-	-	7,055	7,055
Bad debt	-	-	-	106,934	106,934
Debt service					
Principal	-	9,660,000	-	-	9,660,000
Interest	-	7,034,235	-	-	7,034,235
Total expenditures	<u>70,668,510</u>	<u>16,694,235</u>	<u>5,908,682</u>	<u>6,145,733</u>	<u>99,417,160</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>35,086,213</u>	<u>(5,974,028)</u>	<u>81,918</u>	<u>(1,546,898)</u>	<u>27,647,205</u>
<b>Other Financing Sources (Uses)</b>					
Proceeds from sale of assets	50,742	-	-	-	50,742
Transfers in	-	4,300,131	-	-	4,300,131
Transfers out	(4,300,131)	-	-	-	(4,300,131)
Total other financing sources (uses)	<u>(4,249,389)</u>	<u>4,300,131</u>	<u>-</u>	<u>-</u>	<u>50,742</u>
<b>Net Change in Fund Balances</b>	30,836,824	(1,673,897)	81,918	(1,546,898)	27,697,947
<b>Fund Balances (Deficit), Beginning of Year, as Previously Reported</b>	<u>88,026,835</u>	<u>4,992,715</u>	<u>(1,530,671)</u>	<u>26,317,667</u>	<u>117,806,546</u>
<b>Restatement (See Note 14)</b>	<u>2,634,240</u>	<u>(4,504,352)</u>	<u>-</u>	<u>-</u>	<u>(1,870,112)</u>
<b>Fund Balances (Deficit), Beginning of Year, as Restated</b>	<u>90,661,075</u>	<u>488,363</u>	<u>(1,530,671)</u>	<u>26,317,667</u>	<u>115,936,434</u>
<b>Fund Balances (Deficit), End of Year</b>	<u><b>\$ 121,497,899</b></u>	<u><b>\$ (1,185,534)</b></u>	<u><b>\$ (1,448,753)</b></u>	<u><b>\$ 24,770,769</b></u>	<u><b>\$ 143,634,381</b></u>

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

**Net Change in Fund Balances - Total Governmental Funds** \$ 27,697,947

Amounts reported for governmental activities in the statement of activities are different because

Governmental funds report capital outlays as expenditures while governmental activities capitalize them and report depreciation expense to allocate those expenditures over the life of the assets.

Capital outlay	2,226,186
Depreciation	<u>(8,640,298)</u>

Depreciation in excess of capital outlay	(6,414,112)
--	-------------

The net effect of disposals of capital assets is not recognized in the governmental fund statements.	(16,536)
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Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	9,660,000
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	214,269
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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 recorded in the governmental funds.

Change in compensated absences	207,054
Amortization of discounts	-
Amortization of bond premiums	712,621
Amortization of deferred loss on refunding	(832,160)
Amortization of deferred gain on refunding	32,298
Change in deferred outflows - OPEB	(1,150,562)
Change in deferred inflows - OPEB	(4,394,059)
Change in deferred outflows - pensions	30,210,279
Change in deferred inflows - pensions	13,596,582
Change in net pension asset	5,271,522
Change in net pension liabilities	(53,509,608)
Change in total OPEB liability	4,540,569
Change in accrued interest on debt	<u>16,025</u>

(5,299,439)

(Cont.)

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

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.	\$ (137,107)
The decrease in the claims payable liability represents expenditures in the governmental funds in excess of the expenses in the government-wide statement of activities	543,831
The accretion of interest on long-term debt is not reported in the governmental funds; however, it results in an increase in debt principal payable in the statement of net position.	<u>(3,008,486)</u>
<b>Change in Net Position of Governmental Activities</b>	<u><u>\$ 23,240,367</u></u>

**Village of Bolingbrook, Illinois**  
**Statement of Net Position –**  
**Proprietary Funds**  
**April 30, 2022**

	<b>Major Enterprise Funds</b>			<b>Total</b>	<b>Internal Service Fund</b>
	<b>Waterworks and Sewerage Fund</b>	<b>Westside Regional Stormwater Fund</b>	<b>Airport Fund</b>		
<b>Assets</b>					
<b>Current Assets</b>					
Cash and cash equivalents	\$ 12,115,294	\$ 10,131,456	\$ 500,606	\$ 22,747,356	\$ -
Accounts receivable	426	157,942	415,640	574,008	136,282
Accrued interest receivable	16,368	-	-	16,368	-
Due from other funds	-	395,822	-	395,822	-
Prepaid expenses	-	23,299	-	23,299	-
Inventories	-	360,917	-	360,917	-
Total current assets	<u>12,132,088</u>	<u>11,069,436</u>	<u>916,246</u>	<u>24,117,770</u>	<u>136,282</u>
<b>Noncurrent Assets</b>					
Other assets	-	1,400	-	1,400	-
Land held for resale	-	4,034,660	-	4,034,660	-
Net pension asset	1,335,521	-	-	1,335,521	-
Capital assets					
Capital assets not being depreciated	37,027,706	17,465,987	10,453,264	64,946,957	-
Capital assets, net of accumulated depreciation	<u>75,310,222</u>	<u>16,738,324</u>	<u>9,715,401</u>	<u>101,763,947</u>	<u>-</u>
Total noncurrent assets	<u>113,673,449</u>	<u>38,240,371</u>	<u>20,168,665</u>	<u>172,082,485</u>	<u>-</u>
Total assets	<u>125,805,537</u>	<u>49,309,807</u>	<u>21,084,911</u>	<u>196,200,255</u>	<u>136,282</u>
<b>Deferred Outflows of Resources</b>					
Deferred outflows of resources - pension	226,916	-	-	226,916	-
Deferred outflows of resources - OPEB	19,482	-	-	19,482	-
Total deferred outflows of resources	<u>246,398</u>	<u>-</u>	<u>-</u>	<u>246,398</u>	<u>-</u>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Accounts payable	479,004	299,306	138	778,448	1,245,782
Accrued payroll	16,752	84,739	-	101,491	-
Deposits payable	-	986,661	10,554	997,215	-
Unearned revenue	-	402,168	-	402,168	-
Advances to other funds	4,872,447	5,594,861	4,084,136	14,551,444	9,795,305
Other payables	375	110,167	-	110,542	-
Claims payable	-	-	-	-	1,402,242
Long-term obligations, due within one year					
Compensated absences	118,302	-	-	118,302	-
Total OPEB liability	4,677	-	-	4,677	-
Capital leases payable	-	-	-	-	-
Total current liabilities	<u>5,491,557</u>	<u>7,477,902</u>	<u>4,094,828</u>	<u>17,064,287</u>	<u>12,443,329</u>
<b>Noncurrent Liabilities</b>					
Compensated absences	87,714	-	-	87,714	-
Total OPEB liability	<u>121,934</u>	<u>-</u>	<u>-</u>	<u>121,934</u>	<u>-</u>
Total noncurrent liabilities	<u>209,648</u>	<u>-</u>	<u>-</u>	<u>209,648</u>	<u>-</u>
Total liabilities	<u>5,701,205</u>	<u>7,477,902</u>	<u>4,094,828</u>	<u>17,273,935</u>	<u>12,443,329</u>

(Cont.)

**Village of Bolingbrook, Illinois**  
**Statement of Net Position –**  
**Proprietary Funds**  
**April 30, 2022**

	<u>Major Enterprise Funds</u>			Total	Internal Service Fund
	Waterworks and Sewerage Fund	Westside Regional Stormwater Fund	Airport Fund		
<b>Deferred Inflows of Resources</b>					
Deferred inflows of resources - pension	\$ 1,393,245	\$ -	\$ -	\$ 1,393,245	\$ -
Deferred inflows of resources - OPEB	22,921	-	-	22,921	-
Total deferred outflows of resources	<u>1,416,166</u>	<u>-</u>	<u>-</u>	<u>1,416,166</u>	<u>-</u>
<b>Net Position</b>					
Net investment in capital assets	112,337,928	34,204,311	20,168,665	166,710,904	-
Restricted for pensions	1,335,521	-	-	1,335,521	-
Unrestricted (deficit)	5,261,115	7,627,594	(3,178,582)	9,710,127	(12,307,047)
Total net position (deficit)	<u>\$ 118,934,564</u>	<u>\$ 41,831,905</u>	<u>\$ 16,990,083</u>	<u>\$ 177,756,552</u>	<u>\$ (12,307,047)</u>

**Village of Bolingbrook, Illinois**  
**Statement of Revenues, Expenses and Change in Net Position –**  
**Proprietary Funds**  
**Year Ended April 30, 2022**

	Major Enterprise Funds			Total	Internal Service Fund
	Waterworks and Sewerage Fund	Westside Regional Stormwater Fund	Airport Fund		
<b>Operating Revenues</b>					
Charges for services	\$ 4,048,555	\$ 8,769,020	\$ 405,025	\$ 13,222,600	12,956,597
Sale of land	-	433,320	-	433,320	-
Total operating revenues	<u>4,048,555</u>	<u>9,202,340</u>	<u>405,025</u>	<u>13,655,920</u>	<u>12,956,597</u>
<b>Operating Expenses, Excluding Depreciation</b>					
Administrative division	2,004,321	-	-	2,004,321	-
Sewer division	959,896	-	-	959,896	-
Reclamation division	2,145,083	-	-	2,145,083	-
Golf course	-	7,517,722	-	7,517,722	-
Airport	-	-	460,431	460,431	-
Americana estates	-	17,164	-	17,164	-
Internal service expenses	-	-	-	-	13,051,118
Total operating expenses, excluding depreciation	<u>5,109,300</u>	<u>7,534,886</u>	<u>460,431</u>	<u>13,104,617</u>	<u>13,051,118</u>
<b>Operating Income (Loss) Before Depreciation</b>	(1,060,745)	1,667,454	(55,406)	551,303	(94,521)
<b>Depreciation</b>	<u>3,118,731</u>	<u>762,381</u>	<u>623,160</u>	<u>4,504,272</u>	<u>-</u>
<b>Operating Income (Loss)</b>	<u>(4,179,476)</u>	<u>905,073</u>	<u>(678,566)</u>	<u>(3,952,969)</u>	<u>(94,521)</u>
<b>Nonoperating Revenues (Expenses)</b>					
Investment income (loss)	(307,468)	577	37	(306,854)	(42,586)
Interest expense	-	(2,625)	-	(2,625)	-
Connection fees	4,593,200	-	-	4,593,200	-
Total nonoperating revenues (expenses)	<u>4,285,732</u>	<u>(2,048)</u>	<u>37</u>	<u>4,283,721</u>	<u>(42,586)</u>
<b>Income (Loss) Before Contributions and Transfers</b>	<u>106,256</u>	<u>903,025</u>	<u>(678,529)</u>	<u>330,752</u>	<u>(137,107)</u>
<b>Capital Contributions</b>	<u>-</u>	<u>-</u>	<u>44,722</u>	<u>44,722</u>	<u>-</u>
<b>Changes in Net Position</b>	<u>106,256</u>	<u>903,025</u>	<u>(633,807)</u>	<u>375,474</u>	<u>(137,107)</u>
<b>Net Position (Deficit), at Beginning of Year</b>	<u>118,828,308</u>	<u>40,928,880</u>	<u>17,623,890</u>	177,381,078	(12,169,940)
<b>Net Position (Deficit), End of Year</b>	<u>\$ 118,934,564</u>	<u>\$ 41,831,905</u>	<u>\$ 16,990,083</u>	<u>\$ 177,756,552</u>	<u>\$ (12,307,047)</u>

**Village of Bolingbrook, Illinois**  
**Statement of Cash Flows – Proprietary Funds**  
**Year Ended April 30, 2022**

	Major Enterprise Funds			Total	Internal Service Fund
	Waterworks and Sewerage Fund	Westside Regional Stormwater Fund	Airport		
<b>Cash Flows From Operating Activities</b>					
Receipts from customers and others	\$ 4,048,490	\$ 9,345,549	\$ 441,684	\$ 13,835,723	\$ 13,135,420
Payments to suppliers	(3,693,454)	(2,625,911)	(460,313)	(6,779,678)	(11,606,688)
Payments to employees	(1,614,776)	(4,039,176)		(5,653,952)	-
Net cash provided by (used in) operating activities	(1,259,740)	2,680,462	(18,629)	1,402,093	1,528,732
<b>Cash Flows From Noncapital Financing Activities</b>					
Interfund borrowings, net	2,487,900	(240,185)	65,816	2,313,531	(1,486,146)
<b>Cash Flows From Capital and Related Financing Activities</b>					
Interest payment on debt	-	(2,625)	-	(2,625)	-
Principal payments on capital lease	-	(179,853)	-	(179,853)	-
Purchase of capital assets	(883,268)	(30,813)	27,668	(886,413)	-
Connections fees	4,593,200	-	-	4,593,200	-
Net cash provided by (used in) capital and related financing activities	3,709,932	(213,291)	27,668	3,524,309	-
<b>Cash Flows From Investing Activities</b>					
Investment purchases	(298,260)	-	-	(298,260)	(42,586)
Interest	-	577	37	614	-
Net cash provided by (used in) investing activities	(298,260)	577	37	(297,646)	(42,586)
<b>Net Change in Cash and Cash Equivalents</b>	4,639,832	2,227,563	74,892	6,942,287	-
<b>Cash and Cash Equivalents</b>					
Beginning of Year	7,475,462	7,903,893	425,714	15,805,069	-
End of Year	\$ 12,115,294	\$ 10,131,456	\$ 500,606	\$ 22,747,356	\$ -

(Cont.)

**Village of Bolingbrook, Illinois**  
**Statement of Cash Flows – Proprietary Funds**  
**Year Ended April 30, 2022**

	<u>Major Enterprise Funds</u>				<u>Internal Service Fund</u>
	<u>Waterworks and Sewerage Fund</u>	<u>Westside Regional Stormwater Fund</u>	<u>Airport</u>	<u>Total</u>	
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</b>					
Operating income (loss)	\$ (4,179,476)	\$ 905,073	\$ (678,566)	\$ (3,952,969)	\$ (94,521)
Items not requiring (providing) cash					
Depreciation	3,118,731	762,381	623,160	4,504,272	-
Pension related items					
Deferred outflows of resources - pensions	(110,007)	-	-	(110,007)	-
Net pension liability	(787,698)	-	-	(787,698)	-
Deferred inflows of resources - pensions	382,978	-	-	382,978	-
OPEB related items					
Total OPEB liability	(14,120)	-	-	(14,120)	-
Deferred outflows of resources - OPEB	3,578	-	-	3,578	-
Deferred inflows of resources - OPEB	13,664	-	-	13,664	-
Changes in					
Receivables, net	(65)	(116,716)	36,659	(80,122)	178,823
Inventory	-	(75,413)	-	(75,413)	-
Prepaid and other assets	-	2,353	-	2,353	-
Deferred revenue	-	128,565	-	128,565	-
Payables and other liabilities	282,489	220,451	118	503,058	1,444,430
Payroll related liabilities	30,186	28,484	-	58,670	-
Deposits payable	-	131,360	-	131,360	-
Land held for resale	-	693,924	-	693,924	-
	<u>-</u>	<u>693,924</u>	<u>-</u>	<u>693,924</u>	<u>-</u>
Net cash provided by (used in) operating activities	<u>\$ (1,259,740)</u>	<u>\$ 2,680,462</u>	<u>\$ (18,629)</u>	<u>\$ 1,402,093</u>	<u>\$ 1,528,732</u>

**Noncash Investing, Capital and Financing Activities**

The Airport Fund received capital assets that were directly paid by an outside party of \$44,722.

**Village of Bolingbrook, Illinois**  
**Statement of Fiduciary Net Position – Fiduciary Funds**  
**April 30, 2022**

	<b>Pension Trust Funds</b>	<b>Custodial Funds</b>	<b>Total</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 1,125,734	\$ 199,303	\$ 1,325,037
Investments			
Brokered certificates of deposit	792,783	-	792,783
U.S. Treasury securities	5,234,492	-	5,234,492
U.S. agency securities	24,645,924	-	24,645,924
Municipal bonds	7,000,300	-	7,000,300
Corporate bonds	6,361,489	-	6,361,489
Mutual funds	43,330,421	-	43,330,421
Pooled Investment Accounts	66,801,147	-	66,801,147
Accrued interest receivable	288,768	-	288,768
Due from Village	1,083,751	-	1,083,751
Prepays	9,137	-	9,137
	<u>156,673,946</u>	<u>199,303</u>	<u>156,873,249</u>
<b>Liabilities</b>			
Other payables	<u>35,205</u>	<u>-</u>	<u>35,205</u>
<b>Net Position</b>			
Restricted for pensions	156,638,741	-	156,638,741
Restricted for debt service	<u>-</u>	<u>199,303</u>	<u>199,303</u>
	<u>\$ 156,638,741</u>	<u>\$ 199,303</u>	<u>\$ 156,838,044</u>

**Village of Bolingbrook, Illinois**  
**Fiduciary Funds**  
**Statement of Changes in Fiduciary Net Position**  
**Year Ended April 30, 2022**

	<b>Pension Trust Funds</b>	<b>Custodial Funds</b>	<b>Total</b>
<b>Additions</b>			
Pension contributions			
Employer	\$ 10,762,261	\$ -	\$ 10,762,261
Plan members	2,492,347	-	2,492,347
Total contributions	<u>13,254,608</u>	<u>-</u>	<u>13,254,608</u>
Investment earnings			
Investment loss	(11,400,720)	-	(11,400,720)
Investment fees	(377,309)	-	(377,309)
Total investment loss	<u>(11,778,029)</u>	<u>-</u>	<u>(11,778,029)</u>
Property taxes	-	4,497,701	4,497,701
Other revenues	-	17,000	17,000
Total additions	<u>1,476,579</u>	<u>4,514,701</u>	<u>5,991,280</u>
<b>Deductions</b>			
Benefits and refunds	11,994,415	-	11,994,415
Administration	214,361	-	214,361
Principal payments	-	2,125,000	2,125,000
Interest payments	-	2,309,975	2,309,975
Other expenses	-	3,819	3,819
Total deductions	<u>12,208,776</u>	<u>4,438,794</u>	<u>16,647,570</u>
<b>Change in Net Position</b>	<u>(10,732,197)</u>	<u>75,907</u>	<u>(10,656,290)</u>
<b>Net Position Restricted for Pensions, Beginning of Year, as Previously Reported</b>	171,499,572	-	171,499,572
<b>Restatement (see Note 14)</b>	<u>(4,128,634)</u>	<u>123,396</u>	<u>(4,005,238)</u>
<b>Net Position Restricted for Pensions and Debt Service, Beginning of Year, as Restated</b>	<u>167,370,938</u>	<u>123,396</u>	<u>167,494,334</u>
<b>Net Position Restricted for Pensions and Debt Service, End of Year</b>	<u>\$ 156,638,741</u>	<u>\$ 199,303</u>	<u>\$ 156,838,044</u>

# Village of Bolingbrook, Illinois

## Notes to the Financial Statements

### April 30, 2022

#### **Note 1: Summary of Significant Accounting Policies**

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

#### ***Financial Reporting Entity***

The Village's basic financial statements include all organizations, activities, functions, funds 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 on the Village.

The Village has no component units other than the following fiduciary component units:

#### ***Police and Firefighters' Pension Employees Retirement Systems***

The Village's police and firefighter employees participate in the Police Pension Employees Retirement System (PPERS) (Police Pension Plan) and the Firefighters' Pension Employees Retirement System (FPERS) (Firefighters' Pension Plan). PPERS functions for the benefit of employees and is governed by a five-member Pension Board. Two members are appointed by the Mayor, two are elected from the active members and one from the retired members. FPERS is governed by a nine-member Board. The following comprise the FPERS Board: the Mayor, Village Clerk, Village Attorney, Fire Chief, Village Treasurer and four elected officers (three active members and one retired member). The Village, PPERS and FPERS are obligated to fund all PPERS and FPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Because of the nature of the relationship of the Village to the PPERS and FPERS, the Village has included both as fiduciary component units within the Village's financial statements. Each is reported as a fiduciary fund, and specifically a pension trust fund, due to the fiduciary responsibility exercised over the PPERS and FPERS. Neither the PPERS nor the FPERS issue a separate financial report.

#### ***Government-Wide and Fund Financial Statements***

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

The government-wide Statement of Net Position and Statement of Activities report the overall financial activity of the Village. Eliminations have been made to minimize the double counting of internal activities of the Village. Interfund services provided and used are not eliminated in the process of consolidation. The financial activities of the Village consist of governmental activities which are primarily supported by taxes and intergovernmental revenues, and business-type activities which rely to a significant extent on fees and charges for services.

# Village of Bolingbrook, Illinois

## Notes to the Financial Statements

### April 30, 2022

The Statement of Net Position presents the Village's nonfiduciary assets and liabilities with the differences reported in three categories:

**Net Investment in Capital Assets** consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds and other debt that are attributable to the acquisition, construction or improvement of those assets.

**Restricted Net Position** results when constraints placed on net position's use is either externally imposed by creditors, grantors, contributors and the like, or imposed by law through constitutional provisions or enabling legislation.

**Unrestricted Net Position** consists of net position that does not meet the criteria of the two preceding categories.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function (*i.e.*, general government, public safety, etc.) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs (including fines and fees) and (b) grants and contributions that are restricted to meeting the operational requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fiduciary Funds are excluded from the government-wide financial statements.

#### *Fund Financial Statements*

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary (pension) funds, even though the latter are excluded from the government-wide financial statements. The fund financial statements provide information about the Village's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The Village administers the following major governmental funds:

#### General Fund

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

#### Debt Service Fund

This fund is a debt service fund used to account for the accumulation of resources for, and the payment of principal, interest and related costs of general obligation bonds.

#### Refuse and Recycling Fund

This fund is used to account for resources received and paid for the Village's garbage and refuse collection.

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

The Village administers the following major proprietary (enterprise) funds:

Waterworks and Sewerage Fund

This fund accounts for the provision of wastewater services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, maintenance, financing, and billing and collections.

Westside Regional Stormwater Fund

The fund takes in the applicable stormwater management facility fee and maintains components of the Village's stormwater detention system for the tributary area west of Weber Road. The Golf Course and Americana Estates Funds were consolidated into this fund in the current year since the Americana Estates and the Golf Course were by-products of the development of the Regional Stormwater system. Activities include, but are not limited to, real estate development, marketing, administration of a municipal golf course and the maintenance of the Regional Stormwater system.

Airport Fund

Accounts for the operational activities of the municipal airport. Activities include, but are not limited to, administration, operations, construction and maintenance.

Fiduciary funds are used to report assets held in a trustee or custodial capacity for others and, therefore, cannot be used to support the Village's own programs. The Village reports the following fiduciary fund types:

Pension Trust Funds

The Village has two pension trust funds. These funds account for the activities of the Police Pension Employees Retirement System and the Firefighters' Pension Employees Retirement System, both of which accumulate resources for pension benefit payments to qualified public safety employees.

Custodial Funds

The Village reports two custodial funds for the five Special Service Area Special Tax Refunding Bonds which is used to account for the collection of property taxes and other financial resources received and to pay the debt service obligation of said Special Service Area Special Tax Refunding Bonds.

In addition to the fund types mentioned above, the Village uses the following governmental fund types to report nonmajor funds:

Special Revenue Funds

Accounts for the proceeds of specific revenue sources (other than debt service or major capital expenditures) that are legally restricted to expenditures for specified purposes.

**Village of Bolingbrook, Illinois**  
**Notes to the Financial Statements**  
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Debt Service Funds

Accounts for the Village's accumulation of resources for, and the payment of, long-term debt, principal, interest and related costs.

Capital Projects Funds

Accounts for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds and trust funds.

The Village also has the following internal service fund for which major fund requirements do not apply.

Internal Service Fund

Accounts for the financing of goods or services provided by one department or agency to other departments or agencies of the government, on a cost-reimbursement basis. This fund reports the Village's activity for employee/retiree health care and workers' compensation.

***Measurement Focus and 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 fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the Village gives (or receives) value without directly receiving (or giving) equal value in exchange, include various taxes, State-shared revenues and various State, Federal and local grants. On an accrual basis, revenues from taxes are recognized when the Village has a legal claim to the resources. Grants, entitlements, State-shared revenues and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal year.

Significant revenue sources which are susceptible to accrual include property taxes, other taxes, grants, charges for services and interest. All other revenue sources are considered to be measurable and available only when cash is received.

Expenditures generally are recorded when the liability is incurred as under accrual accounting. However, compensated absences are recorded only when payment is due (upon employee retirement or termination). General capital asset acquisitions are reported as expenditures in governmental funds.

# Village of Bolingbrook, Illinois

## Notes to the Financial Statements

### April 30, 2022

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the proprietary fund's principal ongoing operations.

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first; the unrestricted resources are used as they are needed.

#### ***Cash and Cash Equivalents***

For purposes of the Statement of Cash Flows, the Village's proprietary fund types consider as cash equivalents all highly liquid investments with an original maturity of three months or less when purchased.

#### ***Receivables***

The recognition of receivables associated with nonexchange transactions in governmental and proprietary funds is as follows:

- Derived tax receivables (such as sales, income and motor fuel taxes) are recognized when the underlying exchange has occurred.
- Imposed nonexchange receivables (such as property taxes and fines) are recognized when an enforceable legal claim has arisen.
- Government-mandated or voluntary nonexchange transaction receivables (such as mandates or grants) are recognized when all eligibility requirements have been met.

#### ***Investments***

Investments are reported at fair value. Fair value is based on quoted market prices.

#### ***Inventories and Prepaid Expenses***

Inventories are accounted for at cost using the first-in, first-out method. Inventories are accounted for under the consumption method whereby acquisitions are recorded in inventory accounts initially and charged as expenditures when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses under the consumption method.

#### ***Capital Assets***

Capital assets which include property, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in the applicable governmental or business-type activities

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

columns in the government-wide financial statements. The Village defines capital assets as assets with an estimated useful life in excess of one year and an initial individual cost of more than:

\$75,000 Sanitary sewer network	\$25,000 Building improvements
\$50,000 Roadway network	\$20,000 Land improvements
\$50,000 Storm sewer network	\$20,000 Site improvements
\$25,000 Software	\$15,000 Buildings
\$25,000 Land	\$5,000 Equipment

All purchased capital assets are recorded at cost where historical records are available or at an estimated historical cost where no historical records exist. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives is not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Under GASB 89, interest incurred during the construction phase of capital assets is expensed in financial statements using the economic resources measurement focus and recognized as an expenditure in financial statements using the current financial resources measurement focus.

All reported capital assets except land, site improvements and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. The following estimated useful lives are used to compute depreciation on a straight-line basis:

Land improvements	50 years
Infrastructure	40 years
Buildings	50 years
Machinery and equipment	5 - 20 years

Losses from sales or retirements of governmental activities capital assets are included in expenses on the Statement of Activities.

***Land Held for Resale***

Land held for resale is reported as an asset at the lower of cost or estimated realizable value.

***Vacation and Sick Leave***

Vacation and sick leave are recorded in governmental funds when due (upon employee retirement or termination). Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, an expenditure/expense is reported and a liability is recognized for that portion of accumulating sick leave benefits that is estimated will be taken as "terminal leave" at retirement.

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

***Long-Term Obligations***

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations, including compensated absences, pension and other obligations, are reported as liabilities in the applicable governmental or business-type activities and proprietary fund Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are expensed in the period incurred.

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

Debt service funds are specifically established to account for and service the long-term obligations for the governmental funds debt. Enterprise funds individually account for and service the applicable debt that benefits those funds. Long-term debt is recognized as a liability in a governmental fund when due, or when resources have been accumulated for payment early in the following year.

***Westside Regional Stormwater Fund Deposits Payable/Unearned Revenue***

The Westside Regional Stormwater Fund liabilities include deposits held for future outings or events totaling \$986,661 at April 30, 2022, and unearned revenues related to annual passes, gift certificates, association dues paid advance and the training facility totaling \$148,160, \$96,714, \$96,800, and \$60,494, respectively.

***Deferred Outflows/Inflows of Resources***

The Village reports deferred outflows of resources on its Statement of Net Position. Deferred outflows of resources represent a consumption of net assets that applies to a future reporting period and so will not be recognized as an outflow of resources (expense/expenditure/reduction of a liability) until then. The Village has three items that qualify for reporting in this category: the deferred outflows related to pensions, which represents pension items that will be recognized as pension expense or reduction of the net pension liability in future reporting period, unamortized loss on refunding and deferred outflows of resources related to the defined other postemployment benefit (OPEB) plans. The deferred outflows of resources related to pensions and the OPEB plan are reported in the government-wide financial statements and the applicable proprietary funds. The deferred outflows of resources for pension and OPEB items result from (1) the variance between expected and actual experience, (2) changes of assumptions and (3) the net difference between projected and actual earnings on pension plan investments.

The Village reports deferred inflows of resources on its Statement of Net Position and Balance Sheet Governmental Funds. Deferred inflows of resources represent an acquisition of net assets

**Village of Bolingbrook, Illinois**  
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that applies to a future reporting period and so will not be recognized as an inflow of resources (revenue or reduction of expense) until that time. The Village has four types of items that qualify for reporting in this category: deferred inflows related to property taxes levied at the end of calendar year 2021 but will not be used until fiscal year 2023, deferred inflows related to pensions and OPEB which represents pension and OPEB items that will be recognized as reductions in pension and OPEB expense in future periods and unamortized gain on refunding which results from the difference in the carrying value of refunded debt and its reacquisition price.

The Balance Sheet - Governmental Funds also reports deferred inflows of resources for unavailable revenue.

***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 the Village's Police, Firefighters', IMRF and SLEP pension plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the 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.

***Other Postemployment Benefits***

The Village offers healthcare and dental benefits to retirees. For purposes of measuring the total OPEB liability, deferred outflows of resources related to OPEB and OPEB expense have been determined on the same basis as they are reported by the OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

***Fund Balance/Net Position***

The Village reports its fund balance for governmental funds in the following classifications:

There are five classifications of fund balance:

- (1) Nonspendable – amounts that are not in spendable form (such as inventory or noncurrent advances to other funds) or are required to be maintained intact.
- (2) Restricted – amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government) through constitutional provisions or by enabling legislation.
- (3) Unassigned – amounts that are available for any purpose. Positive amounts are only reported in the General Fund.

**Village of Bolingbrook, Illinois**  
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The Village has no committed or assigned fund balance.

Fund balance is displayed in the order of the relative strength of the spending constraints placed on the purposes for which resources can be used.

The Village’s flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending, the Village considers committed funds to be expended first followed by assigned and then unassigned funds.

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances for any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Village or through external restriction imposed by creditors, grantors, laws or regulations of other governments.

The following funds had a deficit in fund balance/net position as of April 30, 2022:

<b>Fund</b>	<b>Deficit Balance</b>
Debt Service Fund (Major Fund)	\$ 1,185,534
Refuse and Recycling Fund (Major Fund)	1,448,753
Internal Service Fund	12,307,047
Community Development Block Grant Fund (Nonmajor Special Revenue)	301
Road and Bridge Fund (Nonmajor Special Revenue)	257,065
2002 Bond Fund (Nonmajor Capital Projects)	1,307,019

***Accounting Estimates***

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures/expenses during the period. Actual results could differ from these estimates.

***Interfund Transactions***

The Village has the following types of transactions between funds:

**Loans** are amounts provided with a requirement for repayment. Interfund loans are reported as due from other funds in lender funds and due to other funds in borrower funds for short-term borrowings, and advances to other funds in lender funds and advances from other funds in

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

borrower funds for long-term borrowings. Amounts are reported as internal balances in the government-wide Statement of Net Position, except for amounts between similar activities, which have been eliminated.

**Services provided and used** are sales and purchases of goods and services between funds for a price approximating their external exchange value. Interfund services provided and used are reported as revenues in seller funds and expenditures or expenses in purchaser funds. Unpaid amounts are reported as due to/from other funds in the fund Balance Sheets or as internal balances in the government-wide Statement of Net Position.

**Reimbursements** are repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

**Transfers** are flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers in/out are reported as a separate category after nonoperating revenues and expenses.

**Note 2: Deposits and Investments**

State statutes authorize the Village to make deposits and investments in obligations of the United States Treasury and certain of its agencies, federally insured commercial banks, insured credit unions located within the State, repurchase agreements, short-term obligations (180 days) of corporations organized in the U.S. with assets exceeding \$500 million and rated within the three highest classifications by at least two standard rating services at the time of purchase, a Public Treasurer's Investment Pool created under Section 17 of the *State Treasurer Act*, a fund managed, operated and administered by a bank, subsidiary of a bank, or subsidiary of a bank holding company, obligations of the State of Illinois and its political subdivisions and money market mutual funds registered under the *Investment Company Act of 1940*, provided the portfolio of such funds is limited to obligations described above. Pension funds may also invest in certain non-U.S. obligations and Illinois life insurance company general and separate accounts and domestic equities.

The Illinois Funds Money Market Fund is an external investment pool developed and implemented in 1975 by the Illinois General Assembly under the jurisdiction of the Illinois State Treasurer, who has regulatory oversight for the pool. The Fund is not registered with the SEC but does operate in a manner consistent with Rule 2a7 of the *Investment Company Act of 1940* and has an affirmed AAAM Standard & Poor's credit quality rating. The fair value of the positions in the pool is the same as the value of the pool shares. The net yield on the Fund was 0.054% at April 30, 2022. The Fund issues a publicly available financial report. That report may be obtained by writing to the Office of the State Treasurer, Illinois Funds Administrative Office, 300 W. Jefferson Street, Springfield, Illinois 62702.

**Village of Bolingbrook, Illinois**  
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The Illinois Metropolitan Investment Fund (IMET) is a not-for-profit investment trust formed pursuant to the Illinois Municipal Code. IMET is managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an Investment Company. Investments in IMET are valued at the share price, the price for which the investment could be sold. IMET issues a publicly available financial report. That report may be obtained at [www.investimet.com](http://www.investimet.com) or by writing IMET, 1220 Oak Brook Road, Oak Brook, Illinois 60523.

***Deposits***

The carrying amount of cash deposits at financial institutions, excluding the Pension Trust Funds and Custodial Funds was \$31,818,345 at April 30, 2022, while the bank balances were \$35,713,074. Approximately \$130,000 of the bank balance is uninsured and exposed to custodial credit risk at April 30, 2022. Cash on hand at April 30, 2022, was \$13,916.

***Investments (Excluding Pension Trust Funds)***

Statutes authorize the Village to make deposits or 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 by agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services and the Illinois Funds. Pension funds may also invest in certain non-U.S. obligations, Illinois municipal corporation's tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivision, stocks, mutual funds and Illinois insurance companies' general and separate accounts.

**Village of Bolingbrook, Illinois**  
**Notes to the Financial Statements**  
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The following schedule reports the fair values and maturities (using the segmented time distribution method) for the Village’s investments at April 30, 2022. See Notes related to defined benefit pension plan footnotes for the pension plan investments.

Investment Type	Carrying Value	Investment Maturities			
		Less Than One Year	1 to 5 Years	6 to 10 Years	More Than 10 Years
IMET	\$ 6,681,395	\$ 6,681,395	\$ -	\$ -	\$ -
U.S. Treasury securities	15,792,845	8,670,384	7,112,812	9,649	-
Federal National Mortgage Association	294,833	-	294,833	-	-
Federal Home Loan Bank	1,322,973	485,414	823,633	13,926	-
Federal Farm Credit Bank	216,005	89,987	81,499	34,695	9,824
Federal Home Loan Mortgage Corporation	793,090	296,030	429,739	-	67,321
Government National Mortgage Association	13,316,486	-	-	-	13,316,486
Tennessee Valley Authority	73,009	62,149	10,860	-	-
Uniform MBS	332,766	-	-	-	332,766
Commercial Paper	2,975,380	2,975,380	-	-	-
Municipal bonds	3,436,542	856,029	2,567,288	13,225	-
Corporate obligations	814,149	300,903	485,248	18,949	9,049
Negotiable CDs	8,688,996	3,170,678	5,518,318	-	-
<b>Total investments</b>	<b>54,738,469</b>	<b>\$ 23,588,349</b>	<b>\$ 17,324,230</b>	<b>\$ 90,444</b>	<b>\$ 13,735,446</b>
Investments not sensitive to Interest rate risk -					
Equity mutual funds	338,865				
Certificates of deposit	4,841,564				
Illinois funds	29,723,057				
Money market funds	11,882,118				
	<u>\$ 101,524,073</u>				

**Interest Rate Risk** – This is the risk that changes in the market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Village’s investment policy does not specifically address interest rate risk. However, the Village structures its investment portfolio so that securities mature to meet cash requirements for ongoing operations and special projects, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in shorter term securities, money market mutual funds or similar investment pools.

**Credit Risk** – Generally, credit risk is the risk that an issuer of a debt type instrument will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure.

**Village of Bolingbrook, Illinois**  
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The Village’s general investment policy is to apply the prudent-person rule: investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital and, in general, avoid speculative investments.

Credit ratings for the Village’s investments in debt securities as rated by Standard & Poor’s and Moody’s at April 30, 2022, are as follows:

<b>Investment Type</b>	<b>Standard and Poor’s Rating</b>	<b>Moody’s Rating</b>
Federal Farm Credit Bank	AAA	Aaa
Federal National Mortgage Association	AAA	Aaa
Federal Home Loan Bank	AAA	Aaa
Federal Home Loan Mortgage Corporation	AAA	Aaa
Government National Mortgage Association	AAA	Aaa
Uniform Mortgaged Back Securities	AAA	Aaa
Corporate obligations	A+ to BBB+	A1 to Baa1
Municipal bonds	AA to A+	Aa2 to A1

**Investment Valuation** – Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices (unadjusted) in active markets for an identical asset or liability that a government can access at the measurement date.
- Level 2** Inputs other than quoted prices included within Level 1, that are observable for an asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3** Unobservable inputs for an asset or liability.

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The following table presents the fair value measurements of assets and liabilities recognized in the accompanying Statement of Net Position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at April 30, 2022:

<b>Investment Type</b>	<b>Total</b>	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
Debt securities				
U.S. Treasuries	\$ 15,792,845	\$ 15,792,845	\$ -	\$ -
U.S. agencies	16,349,162	-	16,349,162	-
Municipal bonds	3,436,542	-	3,436,542	-
Commercial paper	2,975,380	-	2,975,380	-
Corporate obligations	814,149	-	814,149	-
Negotiable CDs	8,688,996	-	8,688,996	-
	<u>48,057,074</u>	<u>15,792,845</u>	<u>32,264,229</u>	<u>-</u>
Equity securities				
Equity mutual funds	338,865	338,865	-	-
Money market funds	11,882,118	11,882,118	-	-
	<u>12,220,983</u>	<u>12,220,983</u>	<u>-</u>	<u>-</u>
	<u>\$ 60,278,057</u>	<u>\$ 28,013,828</u>	<u>\$ 32,264,229</u>	<u>\$ -</u>

Following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying Statement of Net Position, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended April 30, 2022.

**Investments** – Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy.

**Village of Bolingbrook, Illinois**  
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**Custodial Credit Risk** – For investments, this is the risk that in the event of the failure of the counterparty, the Village will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Village’s investment policy requires that all amounts in excess of any insurance limits be collateralized by securities eligible for Village investment. The market value of the pledged securities shall equal or exceed the portion of the deposits requiring collateralization.

Village cash deposits	\$ 31,818,345
Village cash on hand	13,916
Village certificates of deposits	13,530,560
Village investments	39,706,943
Village money market funds	11,882,118
Village IMET	6,681,395
Village Illinois funds	29,723,057
Police pension cash deposits	780,861
Firefighters’ pension cash deposits	344,873
Custodial bond and interest cash deposits	199,303
Police Pension Fund investments	87,365,409
Firefighters’ Pension Fund investments	<u>66,801,147</u>
Total cash, cash equivalents and investments	<u><u>\$ 288,847,927</u></u>
Cash, cash equivalents and investments per statement of net position	\$ 121,223,971
Restricted cash per statement of net position	12,132,363
Pension trust cash and investments	155,292,290
Custodial fund cash	<u>199,303</u>
	<u><u>\$ 288,847,927</u></u>

**Note 3: Property Taxes**

Property taxes for 2021 attach as an enforceable lien on January 1, 2021, 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 May 1, 2022, and are payable in two installments on or about June 1, 2022 and September 1, 2022. The County collects such taxes and remits them periodically. The property tax revenue in the current year financial statements represents collection of the 2020 property tax levy.

**Village of Bolingbrook, Illinois**  
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**Note 4: Capital Assets**

**Governmental Activities**

A summary of changes in capital assets for governmental activities of the Village is as follows:

	<b>Balances Beginning of Year</b>	<b>Additions/ Transfers</b>	<b>Deletions/ Transfers</b>	<b>Balances End of Year</b>
Capital assets not being depreciated				
Land	\$ 186,133,584	\$ -	\$ -	\$ 186,133,584
Construction in progress	11,389,587	427,452	10,247,360	1,569,679
Total capital assets not being depreciated	<u>197,523,171</u>	<u>427,452</u>	<u>10,247,360</u>	<u>187,703,263</u>
Capital assets being depreciated				
Land improvements	16,908,519	-	-	16,908,519
Infrastructure	158,130,753	10,739,343	-	168,870,096
Buildings	46,916,609	147,030	-	47,063,639
Machinery and equipment	23,253,746	1,159,721	202,618	24,210,849
	<u>245,209,627</u>	<u>12,046,094</u>	<u>202,618</u>	<u>257,053,103</u>
Accumulated depreciation	(154,529,387)	(8,640,298)	186,082	(162,983,603)
Total capital assets being depreciated, net	<u>90,680,240</u>	<u>3,405,796</u>	<u>16,536</u>	<u>94,069,500</u>
Governmental activities capital assets, net	<u>\$ 288,203,411</u>	<u>\$ 3,833,248</u>	<u>\$ 10,263,896</u>	<u>\$ 281,772,763</u>

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***Business-Type Activities***

A summary of changes in capital assets for business-type activities of the Village is as follows:

	<b>Balances Beginning of Year</b>	<b>Additions/ Transfers</b>	<b>Deletions/ Transfers</b>	<b>Balances End of Year</b>
Capital assets not being depreciated				
Land	\$ 46,956,505	\$ 458,264	\$ -	\$ 47,414,769
Construction in progress	18,562,416	94,433	1,124,661	17,532,188
	<u>65,518,921</u>	<u>552,697</u>	<u>1,124,661</u>	<u>64,946,957</u>
Capital assets being depreciated				
Land improvements	10,645,804	666,397	-	11,312,201
Infrastructure	137,938,073	-	-	137,938,073
Buildings	43,200,105	270,833	-	43,470,938
Machinery and equipment	17,246,526	565,869	47,628	17,764,767
	<u>209,030,508</u>	<u>1,503,099</u>	<u>47,628</u>	<u>210,485,979</u>
Accumulated depreciation	<u>(104,265,388)</u>	<u>(4,504,272)</u>	<u>(47,628)</u>	<u>(108,722,032)</u>
	<u>104,765,120</u>	<u>(3,001,173)</u>	<u>-</u>	<u>101,763,947</u>
Business-type activities capital assets, net	<u>\$ 170,284,041</u>	<u>\$ (2,448,476)</u>	<u>\$ 1,124,661</u>	<u>\$ 166,710,904</u>

***Depreciation Charged to Functions/Activities***

Depreciation was charged to functions/activities as follows:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
General government	\$ 387,883	\$ -
Public safety	1,476,406	-
Public works	6,776,009	-
Waterworks and sewerage	-	3,118,731
Westside regional stormwater	-	762,381
Airport	-	623,160
	<u>\$ 8,640,298</u>	<u>\$ 4,504,272</u>

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**Note 5: Long-Term Obligations**

The following is a summary of changes to the Village's long-term debt for the fiscal year:

	Obligation Outstanding Beginning of Year (Restated)	Debt Additions	Interest Accretion	Reductions	Obligation Outstanding End of Year	Due Within One Year
<i>Governmental Activities</i>						
1999C Capital Appreciation Bonds	\$ 29,627,115	\$ -	\$ 1,523,046	\$ 3,430,000	\$ 27,720,161	\$ 3,895,000
2002B Capital Appreciation Bonds	36,759,506	-	1,485,440	1,040,000	37,204,946	1,765,000
2005 Sales Tax Revenue Bonds	25,605,000	-	-	2,770,000	22,835,000	4,235,000
2014A General Obligation Current interest bonds	44,485,000	-	-	1,980,000	42,505,000	265,000
2018A General Obligation Refunding Bonds	33,000,000	-	-	440,000	32,560,000	460,000
2019A General Obligation Refunding Bonds	21,455,000	-	-	-	21,455,000	1,290,000
2020A General Obligation Refunding Bonds	44,950,000	-	-	-	44,950,000	-
Bond premium	6,559,364	-	-	712,621	5,846,743	-
Compensated absences	5,913,782	3,095,695	-	3,302,749	5,706,728	2,957,268
Net pension liability - police	57,218,504	38,661,680	-	5,241,840	90,638,344	-
Net pension liability - firefighters <sup>†</sup>	50,417,333	28,364,919	-	4,127,122	74,655,130	-
Net pension liability - IMRF SLEP	163,072	182,866	-	202,261	143,677	-
Total OPEB liability	45,256,367	-	-	4,540,569	40,715,798	1,503,939
	<u>\$ 401,410,043</u>	<u>\$ 70,305,160</u>	<u>\$ 3,008,486</u>	<u>\$ 27,787,162</u>	<u>\$ 446,936,527</u>	<u>\$ 16,371,207</u>
<i>Business-Type Activities</i>						
Capital leases payable	\$ 179,853	\$ -	\$ -	\$ 179,853	\$ -	\$ -
Compensated absences	178,539	127,159	-	99,682	206,016	118,302
Total OPEB liability	140,731	-	-	14,120	126,611	4,677
	<u>\$ 499,123</u>	<u>\$ 127,159</u>	<u>\$ -</u>	<u>\$ 293,655</u>	<u>\$ 332,627</u>	<u>\$ 122,979</u>

On May 1, 1999, the Village issued \$14,345,924 of Capital Appreciation Bonds, Series 1999C. The bonds, totaling \$27,720,161 at April 30, 2022, are to be retired in annual installments ranging from \$935,000 to \$6,730,000, beginning January 1, 2015 through January 1, 2029. Interest accrues semiannually and is added to the principal balance due at rates ranging from 5.1% to 5.4%. The bonds are payable from the Debt Service Fund.

On April 1, 2002, the Village issued \$60,719,292 of General Obligation Corporate Purpose Capital Appreciation Bonds. On June 15, 2006, a portion of these bonds totaling \$35,385,000 was refunded with proceeds from the General Obligation Bonds, Series 2006A. On March 3, 2010, a portion of the bonds totaling \$3,405,000 was refunded with proceeds from the General Obligation Refunding Bonds Series 2010A. On June 6, 2013, a portion of the bonds totaling \$12,485,730 was refunded with proceeds from the General Obligation Refunding Bonds, Series 2013A. On August 13, 2020, bonds with carrying value \$1,645,180 (\$557,564 principal) were refunded. The remaining outstanding bonds totaling \$37,204,946 at April 30, 2022, are to be retired in annual installments ranging from \$1,040,000 to \$15,085,000, beginning January 1, 2022, and continuing through January 1, 2034. Interest accrues and is added to the principal balance due semiannually at rates ranging from 5.42% to 6.03%. The bonds are payable from the Debt Service Fund.

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In fiscal year 2006, the Village issued \$47,715,937 Sales Tax Revenue Bonds, Series 2005. These bonds were issued to acquire the site and finance the construction of the Bass Pro Project pursuant to the terms of a lease between the developers and Bass Pro. The bonds are payable solely from Pledged Home Rule Sales Taxes (defined below) and the property, rights, moneys, securities and other amounts pledged and assigned to the Trustee pursuant to the Trust Indenture. These bonds are not general obligations of the Village and neither the full faith and credit nor the general taxing power of the Village is pledged to the payment of these bonds.

The Pledged Home Rule Sales Tax is the 1.25% sales tax imposed on all taxable sales in the Sales Tax Area occurring on or after December 1, 2005, through the Termination Date, as collected by the Illinois Department of Revenue and distributed to the Village with respect to taxable sales in the Sales Tax Area, as defined in the Limited Offering Memorandum (LOM). The Sales Tax Area includes approximately 424 acres generally located at the intersection of Interstate 355 and Boughton Road in the Village. All home rule sales tax collected for such period in the Sales Tax Area in excess of 1.25% of all taxable sales in the Sales Tax Area shall not be deemed Pledged Home Rule Sales Taxes. The security on the bonds, the Pledged Home Rule Sales Tax, and the Sales Tax Area are more fully described and depicted in the LOM for the bonds.

At April 30, 2022, the outstanding balance of the bonds is \$22,835,000, with principal and interest due semi-annually at 5.75% - 6.25% through January 1, 2026. Total principal and interest remaining is approximately \$27,399,432. Principal and interest paid during fiscal year 2022 was \$4,300,131 and pledged sales tax revenues collected were \$4,699,844.

On December 29, 2014, the Village issued \$57,045,000 of General Obligation Refunding Bonds, Series 2014A. The outstanding bonds totaling \$42,505,000 at April 30, 2022, are to be retired in annual installments ranging from \$405,000 to \$19,210,000, beginning January 1, 2016 through January 1, 2038. Interest is payable semiannually at rates ranging from 2.00% to 5.00%. Proceeds from the bonds were used to currently refund the 2006A General Obligation Series Bonds and 2006B General Obligation Series Bonds with principal balance of \$42,820,000 and \$10,078,856, respectively at the time of refunding. The bonds are payable from the Debt Service Fund.

On March 28, 2018, the Village issued \$34,615,000 General Obligation Refunding Bonds, Series 2018A. Bonds outstanding totaling \$32,560,000 at April 30, 2022, are to be retired in annual installments ranging from \$790,000 to \$5,190,000 beginning January 1, 2019 through January 2038. Interest is payable semiannually at rates ranging from 4.00% to 5.00%. Proceeds from the bonds were used to currently refund the 2007 General Obligation Series Bonds which had a principal balance of \$33,420,000 at the time of refunding. The bonds are payable from the Debt Service Fund.

On October 29, 2019, the Village issued \$21,455,000 in General Obligation Refunding Bonds, Series 2019A. Bonds outstanding totaling \$21,455,000 at April 30, 2021, are to be retired in annual installments ranging from \$680,000 to \$3,420,000 commencing January 1, 2023, and continuing through January 1, 2035. Interest is payable semiannually at rates ranging from 2.50% to 4.00%. Proceeds from the bonds were used to currently refund the 2010A General Obligation Series Bonds which had a principal balance of \$23,200,000 at the time of refunding. The bonds are payable from the Debt Service Fund.

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On August 13, 2020, the Village issued \$44,950,000 in General Obligation Refunding Bonds, Series 2020A. Bonds outstanding totaling \$44,950,000 at April 30, 2021, are to be retired in annual installments ranging from \$575,000 to \$17,360,000 commencing January 1, 2029, and continuing through January 1, 2036. Interest is payable semiannually at semiannually at rates ranging from 5.00% to 6.00%. The bonds are payable from the Debt Service Fund. Further details on this refunding can be found later on this note.

**Debt Service Requirements to Maturity – General Obligation Bonds**

Annual debt service requirements to maturity for all governmental bond issues, excluding capital appreciation bonds, are as follows:

<b>Due in Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>
2023	\$ 2,015,000	\$ 5,370,298	\$ 7,385,298
2024	2,235,000	5,282,448	7,517,448
2025	3,400,000	5,185,398	8,585,398
2026	3,735,000	5,032,198	8,767,198
2027	2,840,000	4,865,248	7,705,248
2028-2032	43,760,000	20,625,524	64,385,524
2033-2037	63,650,000	11,636,350	75,286,350
2038-2039	19,835,000	845,300	20,680,300
	<u>\$ 141,470,000</u>	<u>\$ 58,842,764</u>	<u>\$ 200,312,764</u>

Future payments and annual accretions for the Capital Appreciation Bonds for each of the next five fiscal years and in five-year increments thereafter are as follows:

<b>Fiscal Year Ending April 30,</b>	<b>Series 1999C</b>		<b>Series 2002B</b>	
	<b>Accretion</b>	<b>Principal</b>	<b>Accretion</b>	<b>Principal</b>
2023	\$ 1,407,735	\$ 3,895,000	\$ 2,269,252	\$ 1,765,000
2024	1,259,854	4,385,000	2,301,130	2,045,000
2025	1,075,711	4,915,000	2,317,871	2,340,000
2026	851,278	5,480,000	2,317,649	2,660,000
2027	582,076	6,090,000	2,297,817	4,275,000
2028-2032	308,185	8,440,000	9,597,850	24,175,000
2033-2037	-	-	2,158,485	23,205,000
	<u>\$ 5,484,839</u>	<u>\$ 33,205,000</u>	<u>\$ 23,260,054</u>	<u>\$ 60,465,000</u>

Accreted value at April 30, 2022	<u>\$ 27,720,161</u>	<u>\$ 37,204,946</u>
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Fiscal Year Ending April 30,	Total Capital Appreciation Bonds	
	Accretion	Principal
2023	\$ 3,676,987	\$ 5,660,000
2024	3,560,984	6,430,000
2025	3,393,582	7,255,000
2026	3,168,927	8,140,000
2027	2,879,893	10,365,000
2028-2032	9,906,035	32,615,000
2033-2037	2,158,485	23,205,000
	<u>\$ 28,744,893</u>	<u>\$ 93,670,000</u>
Accreted value at April 30, 2022		<u>\$ 64,925,107</u>

In fiscal year 2020, the Village started to be deficient in paying the scheduled principal and interest payments related to the Sales Tax Revenue Bonds, Series 2005. The deficiency is driven by sales tax generated by the sales tax area being lower than what was forecasted when the sales tax area was established. The Village incurred the following principal payment deficiencies in fiscal year 2020; \$1,115,000, fiscal year 2021; \$1,880,000 and fiscal year 2022; \$1,210,000. Future debt service requirements related to the Sales Tax Revenue Bonds, Series 2005 for the year ended April 30, 2022, are as follow:

Fiscal Year Ending April 30,	Scheduled Principal Payment	Principal in Deficiency	Interest	Total Projected Commitments
2023	\$ 4,235,000	\$ -	\$ 1,339,038	\$ 5,574,038
2024	4,510,000	-	1,119,194	5,629,194
2025	4,795,000	-	1,053,100	5,848,100
2026	5,090,000	4,205,000	1,053,100	10,348,100
	<u>\$ 18,630,000</u>	<u>\$ 4,205,000</u>	<u>\$ 4,564,432</u>	<u>\$ 27,399,432</u>

**Advance Refunding – General Obligation Bonds**

In August 2020, the Village defeased the following bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds.

- Partial refunding of 2002B Capital Appreciation Bonds with carrying value of \$1,645,180. 2002B Capital appreciation bonds has coupon interest ranging from 5.92% to 6.00%
- 2013A General Obligation Current Interest Bonds with principal balance of \$6,980,000, with interest ranging from 3.00% to 5.00%

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- 2013A General Obligation Capital Appreciation Bonds with carrying value of \$32,814,440, with interest ranging from 4.90% to 5.35%
- Partial refunding of 2014A General Obligation Current Interest Bonds with principal balance of \$3,720,000, with interest rate of 5.00%

Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Village's financial statements. At April 30, 2022, a total of \$50,947,340, of bonds outstanding are considered defeased.

***Special Service Area Bonds***

The following debt obligation for which the Village has no obligations have been issued and are outstanding at April 30, 2022, and are not recorded on the Village's financial statements.

In fiscal year 2003, the Village issued \$4,530,000 Special Tax Bonds, Series 2003A and \$11,000,000 Special Tax Bonds, Series 2002. These bonds were issued to finance the Bloomfield West Project (Special Service Area No. 2001-2) and the Augusta Village Project (Special Service Area No. 2002-1). These bonds are not general obligations of the Village and neither the full faith and credit nor the general taxing power of the Village is pledged to the payment of these bonds.

On July 2018, the Village issued a Special Taxes Refunding Bonds Series 2018 with face value of \$35,795,000 and a premium of \$1,514,278. Proceeds from the issuance were used to fund and pay the 2007 Special Service Area (SSA) Refunding bonds with a remaining principal balance of \$39,130,000 as of April 30, 2018. Additional funds were provided by the cash balance of the 2007 SSA Refunding Bonds currently held by the trustee to satisfy the escrow funding requirements. The issuance affects the following Special Service Area Numbers: 2001-1, 2001-2, 2001-3 and 2002-1. These bonds are not general obligations of the Village and neither the full faith and credit nor the general taxing power of the Village is pledged to the payment of these bonds. At April 30, 2022, the bonds has balance of \$27,448,000.

In fiscal year 2006, the Village issued \$21,550,000 Special Tax Bonds, Series 2005. These bonds were issued to finance the Forest City Project (Illinois Special Service Area No. 2005-1) and provide special services benefiting that Area, including the construction and installation of public improvements. In November 2018, the Village established Special Service Area No. 2018-1. The boundaries of the Area are the same as the boundaries of Area 2005-1, though its duration was extended 14 years to 2041. Special Service Area No. 2005-1 was dissolved after the extension of the 2018 levy related to those bonds. In February 2019, in connection with Special Service Area No. 2018-1, the Village issued \$22,415,000 Special Tax Refunding Bonds, Series 2019 to refund all of the outstanding Special Tax Bonds, Series 2005, to pay related expenses and to fund certain reserves. These bonds are not general obligations of the Village and neither the full faith and credit nor the general taxing power of the Village is pledged to the payment of these bonds. At April 30, 2022, the bonds has balance of \$17,480,000.

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**Compensated Absences**

Compensated absences will be paid as they come due. These represent amounts outstanding for sick and vacation time at April 30, 2022, and will be paid from the fund where the employee’s salary is paid.

**Note 6: Commitments, Development Agreements, Tax Abatements, Pledge Revenues and Contingent Liabilities**

The Village has one sales tax incentive agreement, under which the Village has agreed to reimburse local businesses and developers a portion of the Village’s home rule sales tax revenues generated by the business. According to 65 ILCS 5/8-11-20, the Village may enter into an economic incentive agreement relating to the development or redevelopment of land within the corporate limits of the municipality. The agreement is made to rebate any portion of the retailer’s occupational taxes received by the Village that were generated by the development or redevelopment over a finite period of time. Each incentive agreement was negotiated on an individual basis and approved by Board Resolution.

The Village has pledged specific revenues to secure the repayment of outstanding debt issues from the redevelopment agreements entered into by the Village. The table below lists the revenues and corresponding debt issue along with the purpose of the debt, the amount of pledge remaining, the term of the pledge commitment, the current fiscal year principal and interest on debt and the amount of pledge revenue recognized and payable during the current fiscal year.

<b>Revenue Bond Issue</b>	<b>2005 Sales Tax Revenue Bonds</b>
Purpose of Debt	Fund the purchase of land and properties in the sales tax area and the construction of various establishment and retail stores in the sales tax area.
Term of Commitment	Through 2026
Pledge Revenue	1.25% home rule sales tax revenue generated by the sales tax area.
Principal and Interest Due for Fiscal Year Ended April 30, 2022	\$5,510,131
Principal in Deficiency as of April 30, 2022	\$4,205,000
Pledged Revenue Collection for Fiscal Year Ended April 30, 2022	\$4,699,844
Remaining Commitments (Principal and Interest) as of April 30, 2022	\$27,399,432

There is an approximately eight months’ time lag in getting the sales tax information from the State of Illinois to properly calculate and remit the sales tax generated by the Sales Tax Area to the

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escrow agent. This time lag resulted to restricted fund balance/net position for debt service of \$2,735,359 and \$3,105,759 on the Village's general fund and governmental activities, respectively. The difference in the general fund balance debt service restriction and the governmental activities net position debt service restriction is related to a one-month sales tax of the Sales Tax Area that was collected beyond the 60-day availability period and is part of the Deferred Inflows of Resources in the general fund.

The Village has another sales incentive agreement that is effective through fiscal year 2032. For the year ended April 30, 2022, the Village paid and incurred approximately \$281,000 related to the agreement.

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

The Village enters into contractual commitments for various construction projects throughout the year as budgeted for annually.

The Village is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Village's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Village.

**Note 7: Lease Agreement**

The Village is the lessor in an agreement to lease a Village-owned building to American Sports, Ltd. for the operation of the Rocket Ice Arena. Under the agreement, the Village receives 1% of gross revenues of the Arena. During the current fiscal year, the Village received approximately \$18,000 from the agreement. The agreement extends through June 1, 2024. Subsequent to June 1, 2024, the lease payment will increase to 3% of gross revenues.

**Note 8: Risk Management**

The Village is exposed to various risks related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees or natural disasters. The Village has purchased general liability insurance and workers' compensation insurance from private insurance companies. Premiums for these coverages have been reported as expenditures or expenses in the appropriate funds. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There was no significant reduction in insurance coverage during the fiscal years ended April 30, 2022, 2021 and 2020. In fiscal years 2022 and 2021, the Village has self-insurance retention of \$200,000 for its workers' compensation insurance. Workers' compensation claims for fiscal years 2020 and older has self-insurance retention limit of \$100,000. The Village also carries

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a stop loss insurance for medical claims which covers medical claims over \$95,000 individual per year.

The Village has established a Self-Insurance Fund (internal service fund): one sub-fund is for workers' compensation claims prior to May 1, 1998, and one sub-fund is for medical risks. The Village has also purchased excess coverage policies.

Liabilities of the funds are reported when it is probable that a loss has occurred and that the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts and other economic and social factors. Changes in the balances of claims liabilities during the past three fiscal years are as follows:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Claims payable, beginning of year	\$ 255,119	\$ 215,455	\$ 298,316
Incurred claims (including IBNR)	11,342,882	7,479,741	8,046,977
Claim payments	<u>(10,195,759)</u>	<u>(7,440,077)</u>	<u>(8,129,838)</u>
Claims payable, end of year	<u>\$ 1,402,242</u>	<u>\$ 255,119</u>	<u>\$ 215,455</u>

The Village has also established a limited self-insurance program for general liability claims. The Village is self-insured for the first \$95,000 for liability claims. Commercial insurance is carried for amounts in excess of the self-insured amounts. There has been no significant reduction in coverage in any program from coverage in the prior year. For all programs, settlement amounts have not exceeded insurance coverage for the current year. The Village's self-insurance activities for general liability are reported in the general fund, with claims liabilities reported in governmental activities since the claims are not due and payable within one year.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Reported liabilities are actuarially determined and include an amount for claims that have been incurred but not reported.

A reconciliation of general claims liability for the past three fiscal years follows:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Claims payable, beginning of year	\$ 1,198,223	\$ 553,714	\$ 1,167,487
Claims incurred	257,202	833,053	186,850
Claim payments	<u>(801,033)</u>	<u>(188,544)</u>	<u>(800,623)</u>
Claims payable, end of year	<u>\$ 654,392</u>	<u>\$ 1,198,223</u>	<u>\$ 553,714</u>

Pursuant to State Statute, the Village is required to pay 100% of the health insurance premium for disabled pensioners for life. See Notes related to Other Postemployment Benefits.

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**Note 9: Interfund Transactions**

***Due From/to Other Funds***

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Due From</u>
Westside Regional Stormwater	General	\$ 395,822
	Total enterprise funds	<u>395,822</u>
Police Pension	General	558,540
Fire Pension	General	525,211
	Total fiduciary funds	<u>1,083,751</u>
		<u><u>\$ 1,479,573</u></u>

The outstanding balances between funds result mainly from the time lag between the dates that: (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) collections of revenues in a fund not yet transferred to the fund where it is recognized.

***Advances From/to Other Funds***

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Due From</u>
General	Waterworks and Sewerage	\$ 4,872,447
General	Westside Regional Stormwater	5,574,110
General	Airport	1,500,678
General	Internal Service	9,795,305
General	Debt Service	3,474,255
General	Refuse and Recycling	4,707,983
General	Nonmajor Governmental	5,777,108
	Total General Fund	<u>35,701,886</u>
Debt service	Airport	<u>2,289,221</u>

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Due From</u>
Nonmajor governmental		
Motor fuel tax fund	Westside Regional Stormwater	\$ 20,751
2007 Bond	General	1,067,440
Capital improvement	General	20
2004 Bond	Airport	294,237
	Total Nonmajor Governmental Funds	<u>1,382,448</u>

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<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Due From</u>
Nonmajor governmental		
Motor fuel tax fund	Westside Regional Stormwater	\$ 20,751
2007 Bond	General	1,067,440
Capital improvement	General	20
2004 Bond	Airport	<u>294,237</u>
	Total Nonmajor Governmental Funds	<u>1,382,448</u>
		<u>\$ 39,373,555</u>

Significant advance balances include the Health Insurance Sub-Fund of \$9,795,305. The Village is self-insured and pays all medical and dental claims after a stop loss per employee. The stop loss for the calendar year 2022 was at \$95,000. Although employees contribute via monthly premiums, the actual claims have exceeded the employee and employer premiums and the \$12,307,047 fund deficit is a cumulative balance since inception of the self-insured plan.

Other advances are due to the timing of reimbursements to or from the General Corporate Fund not made as of April 30, 2022, or advances that are longer term.

**Transfers**

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ -	\$ 4,300,131
Debt Service Fund	<u>4,300,131</u>	<u>-</u>
	<u>\$ 4,300,131</u>	<u>\$ 4,300,131</u>

The \$4,300,131 transfer from the general fund to the debt service fund is related to the recognition and transfer of principal and interest related to the 2005 Sales Tax Revenue Bonds initially recorded and paid by the general fund.

**Note 10: Defined Benefit Pension Plans**

The Village provides retirement benefits to its employees under four defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer defined benefit pension plan; the IMRF-Sheriff's Law Enforcement Personnel Fund (SLEP), an agent multiple-employer defined benefit pension plan; the Police Pension Plan, a single-employer defined benefit pension plan and the Firefighters' Pension Plan, which is also a single-employer pension plan. The benefits, benefit levels, employee contributions and employer contributions for all four plans are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly. The Police and Firefighters' Pension Plans do not issue separate reports on the pension plans. IMRF issues a publicly available report that includes financial statements and

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supplementary information for the plan as a whole, but not for individual employers. That report may be obtained online at [www.imrf.org](http://www.imrf.org).

The aggregate totals for all pension items for the four plans are as follows. The SLEP plan has been combined with IMRF Regular Plan in the table, except for net pension liability, due to the small size of the pension items. Allocations to the governmental and business-type activities are based on covered payroll.

	<b>Governmental Activities</b>	<b>Business-Type Activities*</b>	<b>Total Village</b>
Net pension liability (asset)			
IMRF - Regular	\$ (8,937,720)	\$ (1,335,521)	\$ (10,273,241)
IMRF - SLEP	143,677	-	143,677
Police	90,638,344	-	90,638,344
Firefighters	74,655,130	-	74,655,130
	<u>\$ 156,499,431</u>	<u>\$ (1,335,521)</u>	<u>\$ 155,163,910</u>
Deferred outflows of resources			
IMRF	\$ 1,524,765	\$ 226,916	\$ 1,751,681
Police	23,147,858	-	23,147,858
Firefighters	17,629,731	-	17,629,731
	<u>\$ 42,302,354</u>	<u>\$ 226,916</u>	<u>\$ 42,529,270</u>
Deferred inflows of resources			
IMRF	\$ 9,466,801	\$ 1,393,245	\$ 10,860,046
Police	2,302,247	-	2,302,247
Firefighters	1,481,824	-	1,481,824
	<u>\$ 13,250,872</u>	<u>\$ 1,393,245</u>	<u>\$ 14,644,117</u>
Pension expense			
IMRF	\$ (2,479,359)	\$ (378,812)	\$ (2,858,171)
Police	12,079,727	-	12,079,727
Firefighters	10,651,932	-	10,651,932
	<u>\$ 20,252,300</u>	<u>\$ (378,812)</u>	<u>\$ 19,873,488</u>

\*Same amounts are also reported in the proprietary fund statements.

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***Illinois Municipal Retirement Fund***

*Plan Description*

The Village's defined benefit pension plan for Regular employees (other than those covered by the Police or Firefighters' Pension Plans), provides retirement, disability, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. IMRF acts as a common investment and administrative agent for local governments and school districts in Illinois. The Village also maintains accounts for Regular employees and SLEP personnel. A summary of IMRF's pension benefits is provided in the "Benefits Provided" described below. Details of all benefits are available from IMRF. The Illinois Pension Code establishes the benefit provisions of the plan which can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained at [www.imrf.org/pubs/](http://www.imrf.org/pubs/) or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

*Benefits Provided*

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. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after 8 years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with 8 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. Members receive an annual 3% increase based upon the original amount of the annuity.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after 10 years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with 10 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. IMRF also provides death and disability benefits. Members receive an annual increase based upon the original amount of the annuity of 3% or one-half of the increase in the consumer price index, whichever is less. These benefit provisions and all other requirements are established by state statute.

The Sheriff's Law Enforcement Personnel Fund (SLEP) members, having accumulated at least 30 years of SLEP service and terminating IMRF participation on or after July 1, 1988, may elect to retire at or after age 50 with no early retirement discount penalty. SLEP members meeting these two qualifications are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.50% of their final rate of earnings, for each year of credited service up to 20 years, 2.00% of their final earnings rate for the next 10 years of credited service and 1.00% for each year thereafter. For those SLEP members retiring with less than 20 years of SLEP service,

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the regular IMRF pension formula applies. SLEP also provides death and disability benefits. Members receive an annual increase based upon the original amount of the annuity of 3% or one-half of the increase in the consumer price index, whichever is less. These benefit provisions and all other requirements are established by State statutes. For the SLEP plan, members are required to contribute 7.50% of their annual covered salary.

*Employees Covered by Benefit Terms*

At December 31, 2021, the measurement date for the net pension liability, the following employees were covered by the benefit terms:

	<b>Regular</b>	<b>SLEP</b>
Retirees and beneficiaries currently receiving benefits	169	1
Terminated employees entitled to but not yet receiving benefits	78	1
Current employees	122	-
	369	2

*Contributions*

As set by statute, employees participating in the IMRF regular plan are required to contribute 4.50% of their annual covered salary. The member rate is also established by State statute. The Village is required to contribute at an actuarially determined rate. The employer annual required contribution rate for calendar years 2022 and 2021 was 7.94% and 11.33%, respectively. For the year ended April 30, 2022, the Village contributed \$1,014,966 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. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. For the SLEP plan, members are required to contribute 7.50% of their annual covered salary. The employer rate for calendar year 2022 and 2021 was 12.43% and 14.10%, respectively. For the year ended April 30, 2022, the Village contributed \$20,595 to the SLEP Plan.

*Net Pension Liability (Asset)*

The Village's net pension liability(asset) as of April 30, 2022, was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability(asset) was determined by an actuarial valuation as of that date.

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*Actuarial Assumptions*

The following are the methods and assumptions used to determine the total pension liability as of April 30, 2022:

Actuarial valuation date	December 31, 2021
Measurement date	December 31, 2021
Actuarial cost method	Entry-age normal
<b>Assumptions</b>	
Price inflation	2.25%
Salary increases	2.85% - 13.75%, including inflation
Investment rate of return	7.25% (Regular and SLEP)
Asset valuation method	Market value of assets

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

*Assumption Changes*

The assumptions below were changed from the prior year in determining the total pension liability.

- None

The long-term expected rate of return on pension plan investments of 7.25% (same as last year) 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 long-term expected rate of return on

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pension plan investments of 7.25% was determined using a target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Portfolio Target Percentage</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic equities	39.0%	4.50%
International equities	15.0%	5.75%
Fixed income	25.0%	2.00%
Real estate	10.0%	5.90%
Alternative investments	10.0%	4.30% - 8.10%
Cash equivalents	1.0%	1.70%
	<u>100%</u>	

*Discount Rate*

A single discount rate (SDR) of 7.25% (same as last year) for the Regular Plan and 7.25% (same as last year) for the SLEP Fund was used to measure the total pension liability. The projection of cash flows used to determine the SDR 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. Based on those assumptions, the Regular and SLEP Plans' fiduciary net position were all projected to be sufficient to make all projected future benefit payments of current plan members. Therefore, the expected rate of return on plan investments for the plans of 7.25% was used as the discount rate.

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Changes in Net Pension Liability (Asset) – Regular Plan

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (Asset) (a)-(b)</b>
Balance, beginning of year	\$ 73,658,868	\$ 77,872,889	\$ (4,214,021)
Changes for the year			
Service cost	889,776	-	889,776
Interest	5,242,112	-	5,242,112
Differences between expected and actual experience	2,128,871	-	2,128,871
Changes of assumptions	-	-	-
Contributions - employer	-	1,158,198	(1,158,198)
Contributions - employee	-	491,657	(491,657)
Net investment income	-	12,982,843	(12,982,843)
Benefit payments, including refunds of employees' contributions	(3,597,517)	(3,597,517)	-
Other (net transfer)	-	(312,719)	312,719
Net changes	4,663,242	10,722,462	(6,059,220)
Balance, end of year	\$ 78,322,110	\$ 88,595,351	\$ (10,273,241)

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Changes in Net Pension Liability – SLEP

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a)-(b)</b>
Balance, beginning of year	\$ 1,116,843	\$ 953,771	\$ 163,072
Changes for the year			
Service cost	-	-	-
Interest	77,295	-	77,295
Differences between expected and actual experience	105,571	-	105,571
Changes of assumptions	-	-	-
Contributions - employer	-	21,627	(21,627)
Contributions - employee	-	-	-
Net investment income	-	170,373	(170,373)
Benefit payments, including refunds of employees' contributions	(101,423)	(101,423)	-
Administrative expenses	-	-	-
Other (net transfer)	-	10,261	(10,261)
Net changes	81,443	100,838	(19,395)
Balance, end of year	<u>\$ 1,198,286</u>	<u>\$ 1,054,609</u>	<u>\$ 143,677</u>

**Discount Rate Sensitivity**

The following is an analysis of the sensitivity of the Village's net pension liability (asset) to changes in the discount rate. The table below represents the net pension liability (asset) of the Village's Regular Plan and SLEP Fund calculated using the discount rate of 7.25%, respectively, as well as what the Village's net pension liability would be if it were calculated using discount rates that are one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

**Regular Plan**

	<b>1% Decrease 6.25%</b>	<b>Current Discount Rate 7.25%</b>	<b>1% Increase 8.25%</b>
Village's net pension liability/(asset)	\$ (469,018)	\$ (10,273,241)	\$ (18,008,642)

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*SLEP*

	<b>1% Decrease 6.25%</b>	<b>Current Discount Rate 7.25%</b>	<b>1% Increase 8.25%</b>
Village's net pension liability	\$ 241,685	\$ 143,677	\$ 58,289

*Pension Plan Fiduciary Net Position*

Detailed information about the pension plan's fiduciary net position is available in the separately issued IMRF financial report.

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

For the year ended April 30, 2022, the Village recognized pension expense (reduction of expense) of (\$2,913,935) and \$55,764 for the Regular Plan and SLEP, respectively. At April 30, 2022, the Village reported deferred outflows of resources related to pensions from the following sources:

<b>Deferred Outflows Related to Pensions</b>	<b>Regular Plan</b>	<b>SLEP</b>	<b>Total</b>
Differences between expected and actual experience	\$ 1,476,723	\$ -	\$ 1,476,723
Changes of assumptions	-	-	-
Total deferred amounts to be recognized in pension expense in future periods	1,476,723	-	1,476,723
Pension contributions made subsequent to the measurement date	268,781	6,177	274,958
	\$ 1,745,504	\$ 6,177	\$ 1,751,681

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<b>Deferred Inflows Related to Pensions</b>	<b>Regular Plan</b>	<b>SLEP</b>	<b>Total</b>
Differences between expected and actual experience	\$ 483,219	\$ -	\$ 483,219
Changes of assumptions	283,293	-	283,293
Net differences between projected and actual earnings on pension plan investments	<u>9,950,756</u>	<u>142,778</u>	<u>10,093,534</u>
Total deferred amounts to be recognized in pension expense in future periods	<u>\$ 10,717,268</u>	<u>\$ 142,778</u>	<u>\$ 10,860,046</u>

At April 30, 2022, the Village reported \$268,781 for the Regular Plan and \$6,177 for SLEP of deferred outflows of resources related to pensions resulting from Village contributions made subsequent to the measurement date that will be recognized as a reduction of net pension liability(asset) in the year ended April 30, 2023. Amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense in future periods as follows:

<b>Year Ending April 30,</b>	<b>Regular</b>	<b>SLEP</b>	<b>Total</b>
2023	\$ (2,185,891)	\$ (30,895)	\$ (2,216,786)
2024	(3,296,525)	(56,106)	(3,352,631)
2025	(2,274,328)	(35,028)	(2,309,356)
2026	<u>(1,483,801)</u>	<u>(20,749)</u>	<u>(1,504,550)</u>
	<u>\$ (9,240,545)</u>	<u>\$ (142,778)</u>	<u>\$ (9,383,323)</u>

**Police Pension**

*Plan Description and Provisions*

Police sworn personnel are covered by the Police Pension Plan, which is a single-employer defined benefit pension plan. Although this is a single-employer pension plan, the defined benefits as well as the employee and employer contribution levels are mandated by Chapter 40 Illinois Compiled Statutes 5 and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund. The plan does not issue a standalone financial statement.

*Benefits Provided*

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of 2.5% of final salary for each year of service up to 30 years, to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after

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age 60 and receive a reduced benefit. The monthly pension 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% of the original pension and 3% simple interest annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 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 one-half 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 10 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. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3.00% or one-half of the change in the Consumer Price Index for the proceeding calendar year.

*Employees Covered by Benefit Terms*

At April 30, 2022, the Police Pension membership consisted of:

Inactive plan members currently receiving benefits	82
Inactive plan members entitled but not yet receiving benefits	15
Active plan members	107
	204

*Contributions*

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan, as actuarially determined by an enrolled actuary. By the year 2040, the Village's contributions must accumulate to the point where the past service cost for the Police Pension Plan is 90% funded. Administrative expenses are generally paid from plan assets. For the year ended April 30, 2022, the Village contributed \$6,416,340 to the Police Pension Plan.

*Investment Policy*

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The deposits and investments of the pension funds are held separately from those of other Village funds. In addition to the aforementioned investments in Note 2, pension funds are also permitted to invest in the following instruments:

- General accounts of Illinois-licensed life insurance companies
- Separate accounts of Illinois-licensed insurance companies invested in stocks, bonds and real estate, limited to 10% of the fund’s investments
- Bonds issued by any county, city, township, incorporated town, municipal corporation or school district in Illinois
- Tax anticipation warrants issued by any city, township, incorporated town or fire protection district in Illinois
- Equity accounts up to a limit of 45% of the aggregate fair value of the fund’s assets
- Direct obligations of the State of Israel

In addition, pension funds with net position of \$2.5 million or more may invest up to 35% of plan net position in a separate account of life insurance companies and mutual funds. If pension funds have net position of at least \$5 million and have an appointed investment advisor, the pension funds may, through that investment advisor, invest up to 35% of the plan’s net position in common and preferred stocks which meet specific restrictions.

The Police Pension Fund’s investment policy in accordance with ILCS establishes the following ranges and target allocation across asset classes:

<b>Asset Class</b>	<b>Portfolio Target Percentage</b>	<b>Long-Term Expected Real Rate of Return</b>
Fixed income	50.00%	2.80%
U.S. large cap equities	35.00%	4.70%
U.S. small cap equities	10.00%	4.70%
International equity	5.00%	5.50%
	<u>100.00%</u>	

The long-term expected rate of return of the Police Pension Fund’s investments of 7.00% was determined using an asset allocation study conducted by the Police Pension Fund’s investment manager consultant in which best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates or arithmetic real rates of return excluding inflation for each major asset class included in the Fund’s target asset allocation as of April 30, 2022, are listed in the table above.

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*Valuation of Investments*

All investments in the plan are stated at fair value and recorded as of the trade date. Fair value is based on quoted market prices at April 30 for debt securities, equity securities and mutual funds.

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying Statement of Fiduciary Net Position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at April 30, 2022:

<b>Investment Type</b>	<b>Total</b>	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
<b>Debt securities</b>				
U.S. Treasuries	\$ 5,234,492	\$ 5,234,492	\$ -	\$ -
U.S. agencies	24,645,924	-	24,645,924	-
Certificates of deposit	792,783	792,783		
Corporate bonds	6,361,489	-	6,361,489	
Municipal bonds	7,000,300	-	7,000,300	-
	<u>44,034,988</u>	<u>6,027,275</u>	<u>38,007,713</u>	<u>-</u>
<b>Equity securities</b>				
Mutual fund - equity	43,330,421	43,330,421	-	-
	<u>\$ 87,365,409</u>	<u>\$ 49,357,696</u>	<u>\$ 38,007,713</u>	<u>\$ -</u>

**Level 1** Includes quoted prices in active markets for an identical asset or liability that a government can access at the measurement date.

**Level 2** Includes inputs other than quoted prices included with Level 1 that are observable for an asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

**Level 3** Includes unobservable inputs for an asset or liability.

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently

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sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy.

*Investment Rate of Return*

For the year ended April 30, 2022, the annual money-weighted rate of return on the Police Pension Plan investments, net of pension plan investment expense, was (7.70%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Deposits With Financial Institutions*

None of the Police Pension Fund's deposits of \$780,861 with financial institutions were exposed to custodial credit risk, as those deposits were insured, or fully collateralized by investments held by an independent third party in the Plan's name.

*Interest Rate Risk*

As of April 30, 2022, the Police Pension Fund has the following investments and maturities:

	Fair Value	Less Than One Year	1 to 5 Years	6 to 10 Years	More Than 10 Years
U.S. Treasury securities	\$ 5,234,492	\$ 350,766	\$ 4,324,273	\$ 559,453	\$ -
Federal National Mortgage Association	688,650	-	688,650	-	-
Federal Farm Credit Bank	16,331,536	251,547	7,061,151	9,018,838	-
Federal Home Loan Bank	6,800,380	631,382	2,026,704	4,142,294	-
Tennessee Valley Authority	825,358	-	524,766	300,592	-
Certificates of deposit	792,783	-	792,783	-	-
Corporate bonds	6,361,489	526,980	3,869,464	1,965,045	-
Municipal bonds	7,000,300	553,156	3,044,161	2,581,797	821,186
Total	44,034,988	<u>\$ 2,313,831</u>	<u>\$ 22,331,952</u>	<u>\$ 18,568,019</u>	<u>\$ 821,186</u>
Investments not sensitive to interest rate risk					
Mutual funds	<u>43,330,421</u>				
Total investments	<u>\$ 87,365,409</u>				

The Police Pension Fund's investment policy does not limit investment maturities as a means of managing their exposure to fair value losses arising from increasing interest rates. The objective is the preservation of capital while providing for the long-term growth of principal without undue exposure to risk.

*Credit Risk*

The Police Pension Fund limits its exposure to credit risk by primarily investing in securities issued by the United States government and/or its agencies that are implicitly guaranteed by the

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United States government. The investments in securities of the U.S. government and agency obligations were rated AAA by Moody’s Investors Service. The investments in corporate bonds were rated Aaa to Baa2 by Moody’s Investors Service.

*Custodial Credit Risk*

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Police Pension Fund will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Police Pension Fund requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Police Pension Fund’s agency separate from where the investment was purchased. The mutual funds and equity securities are not subject to custodial credit risk.

*Net Pension Liability*

The Village’s net pension liability was measured as of April 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

*Actuarial Assumptions*

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

Actuarial valuation date	April 30, 2022
Measurement date	April 30, 2022
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	Graded by years of service
Investment rate of return	6.75%
Asset valuation method	Market value of assets

Mortality rates are based on PubS-2010 base rates projected to 2022 with scale MP2021.

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

*Assumption Change*

The assumption below was changed from the prior year in determining the total pension liability.

- The long-term municipal bond rate was changed from 2.12% in 2021 to 3.42% in 2022.

*Discount Rate*

The discount rate used to measure the total pension liability was 6.75% (7.00% last year). The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Police Pension Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

*Changes in Net Pension Liability*

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a)-(b)</b>
Balance, beginning of year, as restated	\$ 155,053,901	\$ 95,611,793	\$ 59,442,108
Changes for the year			
Service cost	3,120,174	-	3,120,174
Interest	10,608,355	-	10,608,355
Benefit changes	-	-	-
Differences between expected and actual experience	7,802,988	-	7,802,988
Changes of assumptions	9,595,924	-	9,595,924
Contributions - employer	-	5,773,943	(5,773,943)
Contributions - employee	-	1,591,536	(1,591,536)
Net investment income	-	(7,434,274)	7,434,274
Benefit payments, including refunds of employees' contributions	(6,472,565)	(6,472,565)	-
Administrative expenses	(99,192)	(99,192)	-
Net changes	<u>24,555,684</u>	<u>(6,640,552)</u>	<u>31,196,236</u>
Balance, end of year	<u>\$ 179,609,585</u>	<u>\$ 88,971,241</u>	<u>\$ 90,638,344</u>

Changes in assumptions related to retirement age, disability rates, termination and mortality and long-term municipal bond rate were made since the prior measurement date.

**Village of Bolingbrook, Illinois**  
**Notes to the Financial Statements**  
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*Discount Rate Sensitivity*

The following is an analysis of the sensitivity of the Village's net pension liability to changes in the discount rate. The table below represents the net pension liability of the Village calculated using the discount rate of 6.75% 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 (5.75%) or one percentage point higher (7.75%) than the current rate:

	<b>1% Decrease 5.75%</b>	<b>Current Discount Rate 6.75%</b>	<b>1% Increase 7.75%</b>
Village's net pension liability	\$ 117,769,152	\$ 90,638,344	\$ 68,595,205

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

For the year ended April 30, 2022, the Village recognized pension expense of \$12,079,727. At April 30, 2022, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Deferred Amounts Related to Pensions</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 8,431,745	\$ 1,706,822
Changes of assumptions	9,262,343	595,425
Net differences between projected and actual earnings on plan investments	5,453,770	-
	\$ 23,147,858	\$ 2,302,247

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:

<b>Year Ending April 30,</b>	<b>Amount</b>
2023	\$ 4,705,936
2024	4,564,010
2025	3,759,472
2026	6,198,320
2027	1,617,873
	\$ 20,845,611

**Village of Bolingbrook, Illinois**  
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***Firefighters' Pension***

*Plan Description and Provisions*

Fire sworn personnel are covered by the Firefighters' Pension Plan, which 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 mandated by Chapter 40 Illinois Compiled Statutes 5 and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund. The plan does not issue a stand-alone financial statement.

*Benefits Provided*

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the salary attached to the rank held on the last day of service. The monthly pension shall be increased by one-twelfth of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years to a maximum of 75% of such monthly salary. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a firefighter who retired with 20 or more years of service after January 1, 1977, shall be increased annually, following the first anniversary date of retirement, and paid upon reaching at least the age 55, by 3% of the original pension and 3% annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 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. Firefighters' salary for pension purposes is capped at \$106,800, plus the lesser of one-half 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 10 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 firefighter shall be increased annually at age 60 on the January 1<sup>st</sup> after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3.00% or one-half of the change in the Consumer Price Index for the proceeding calendar year.

**Village of Bolingbrook, Illinois**  
**Notes to the Financial Statements**  
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*Employees Covered by Benefit Terms*

At April 30, 2022, the Firefighters' Pension Plan membership consisted of:

Inactive plan members currently receiving benefits	85
Inactive plan members entitled but not yet receiving benefits	4
Active plan members	88
	177

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan, as actuarially determined by an enrolled actuary. By the year 2040, the Village's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is 90% funded. Administrative expenses are generally paid from plan assets. For the year ended April 30, 2022, the Village contributed \$5,578,703 to the Firefighters' Pension Plan.

*Illinois Firefighters' Pension Investment Fund*

Investments of the Firefighters' Pension Plan are combined in a commingled external investment pool and held by the Illinois Firefighters' Pension Investment Fund (IFPIF). IFPIF is an investment trust fund established by Illinois Public Act 101-0610, which was effective as of January 1, 2020. Participation in IFPIF is mandatory for Illinois firefighter pension funds. IFPIF consolidates the assets of the state's firefighter pension fund assets under its management for the purpose of obtaining a total return on investments to provide pension benefits to the beneficiaries of the participating pension funds.

IFPIF is authorized to invest in all investments allowed by Illinois Compiled Statutes (ILCS). The IFPIF shall not be subject to any of the limitations applicable to investments of pension fund assets currently held by the transferor pension funds under Sections 1-113.1 through 1-113.12 or Article 4 of the Illinois Pension Code.

For additional information on IFPIF's investments, please refer to their annual reports as of June 30, 2021 and 2022. A copy of the reports can be obtained from IFPIF at 1919 South Highland Avenue, Building A, Suite 237, Lombard, IL 60148 or at [www.ifpif.org](http://www.ifpif.org).

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On June 18, 2021, the IFPIF Board adopted its Investment Policy, which included interim and long-term asset allocations. The Board amended its long-term asset allocation at its meeting held June 17, 2022.

<b>Asset Allocation</b>	<b>Interim Asset Allocation (%)</b>	<b>Long-Term Asset Allocation (%)</b>	<b>Interim Ranges (%)</b>
Equity			
U.S. Equity	36	25	+/- 5
Developed Market Equity (non-U.S.)	19	13	+/- 4
Emerging Market Equity	10	7	+/- 3
Private Equity	0	10	+/- 10
Credit			
Public Credit	3	3	+/- 1
Private Credit	0	7	+/- 7
Rate Sensitive			
Core Fixed Income	12	9	+/- 3
Core Plus Fixed Income	12	9	+/- 3
Short-Term Treasuries	3	3	+/- 1
Real Assets			
Real Estate	5	10	+/- 2
Infrastructure	0	4	+/- 4

The long-term expected rate of return of the Firefighters' Pension Fund's investments of 7.00% was determined using best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates or arithmetic real rates of return excluding inflation for each major asset class included in the Fund's target asset allocation as of April 30, 2022, are listed in the table above.

**Valuation of Investments**

All investments in the plan are stated at fair value and recorded as of the trade date. Fair value measurements are categorized based on a hierarchy established by generally accepted accounting principles using one of three levels determined by valuation inputs used to measure the fair value of the asset.

**Level 1** Includes quoted prices in active markets for an identical asset or liability that a government can access at the measurement date.

**Level 2** Includes inputs other than quoted prices included with Level 1 that are observable for an asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that

**Village of Bolingbrook, Illinois**  
**Notes to the Financial Statements**  
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are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

**Level 3** Includes unobservable inputs for an asset or liability.

The Firefighters' Pension Fund had no investments subject to these fair value measurements at April 30, 2022.

The valuation method for the pooled investment in IFPIF is measured at the Net Asset Value (NAV) per share (or its equivalent). The NAV of the plan's pooled investment in IFPIF was \$66,801,147 at April 30, 2022. The pooled investments consist of the investments as noted in the target allocation table available at [www.ifpif.org](http://www.ifpif.org). Investments in IFPIF are valued at IFPIF's share price, which is the price the investment could be sold. There are no unfunded commitments at April 30, 2022. The Plan may redeem shares by giving notice by 5:00 p.m. central time on the 1st of each month. Requests properly submitted on or before the 1st of each month will be processed for redemption by the 14th of the month. Expedited redemptions may be processed at the sole discretion of IFPIF.

*Investment Rate of Return*

For the year ended April 30, 2022, the annual money-weighted rate of return on the Firefighters' Pension Plan investments, net of pension plan investment expense, was (7.42)%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Deposits With Financial Institutions*

The Firefighters' Pension Fund holds its available cash at two financial institutions. The amount of available cash is based on the level of current expenses of the Fund. Any excess is required to be transferred to IFPIF for investment.

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Fund's deposits may not be returned to it. At April 30, 2022, the bank balances did not exceed FDIC coverage levels.

*Net Pension Liability*

The Village's net pension liability was measured as of April 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**Village of Bolingbrook, Illinois**  
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*Actuarial Assumptions*

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

Actuarial valuation date	April 30, 2022
Measurement date	April 30, 2022
Actuarial cost method	Entry-age normal
Assumptions	
Salary increases	Graded by years of service
Investment rate of return	6.75%
Cost of living increases	3.00%
Inflation	2.50%
Asset valuation method	Market value

Mortality rates are based on PubS-2010 base rates projected to 2022 with scale MP2021.

*Assumption Change*

The assumption below was changed from the prior year in determining the total pension liability.

- The long-term municipal bond rate was changed from 2.12% in 2021 to 3.42% in 2022.

*Discount Rate*

The discount rate used to measure the total pension liability was 6.75% (7.00% last year). The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Firefighters' Pension Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

**Village of Bolingbrook, Illinois**  
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*Changes to Net Pension Liability*

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a)-(b)</b>
Balance, beginning of year, as restated	\$ 124,081,508	\$ 71,759,145	\$ 52,322,363
Changes for the year			
Service cost	2,628,963	-	2,628,963
Interest	8,476,335	-	8,476,335
Differences between expected and actual experience	6,841,909	-	6,841,909
Changes of assumptions	5,930,934	-	5,930,934
Contributions - employer	-	4,988,318	(4,988,318)
Contributions - employee	-	900,811	(900,811)
Net investment income	-	(4,343,755)	4,343,755
Benefit payments, including refunds of employees' contributions	(5,521,850)	(5,521,850)	-
Administrative expenses	(115,169)	(115,169)	-
Net changes	<u>18,241,122</u>	<u>(4,091,645)</u>	<u>22,332,767</u>
Balance, end of year	<u>\$ 142,322,630</u>	<u>\$ 67,667,500</u>	<u>\$ 74,655,130</u>

Changes in assumptions related to retirement age, disability rates, termination and mortality and long-term municipal bond rate were made since the prior measurement date.

*Discount Rate Sensitivity*

The following is an analysis of the sensitivity of the Village's net pension liability to changes in the discount rate. The table below represents the net pension liability of the Village calculated using the discount rate of 6.75% 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 (5.75%) or one percentage point higher (7.75%) than the current rate:

	<b>1% Decrease 5.75%</b>	<b>Current Discount Rate 6.75%</b>	<b>1% Increase 7.75%</b>
Village's net pension liability	\$ 95,550,832	\$ 74,655,130	\$ 57,636,346

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

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

For the year ended April 30, 2022, the Village recognized pension expense of \$10,651,932. At April 30, 2022, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Deferred Amounts Related to Pensions</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 8,150,082	\$ 935,431
Changes of assumptions	6,404,120	546,393
Net differences between projected and actual earnings		
On plan investments	<u>3,075,529</u>	<u>-</u>
	<u><u>\$ 17,629,731</u></u>	<u><u>\$ 1,481,824</u></u>

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

<b>Year Ending April 30,</b>	<b>Amount</b>
2023	\$ 3,655,047
2024	3,457,959
2025	2,228,407
2026	4,098,848
2027	2,043,673
Thereafter	<u>663,973</u>
	<u><u>\$ 16,147,907</u></u>

**Village of Bolingbrook, Illinois**  
**Notes to the Financial Statements**  
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**Note 11: Pension Trust Funds – Financial Data**

***Schedule of Fiduciary Net Plan Position as of April 30, 2022***

	<b>Police Pension Fund</b>	<b>Firefighters' Pension Fund</b>	<b>Total</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 780,861	\$ 344,873	\$ 1,125,734
Investments			
U.S. Treasury securities	5,234,492	-	5,234,492
U.S. agency securities	24,645,924	-	24,645,924
Municipal bonds	7,000,300	-	7,000,300
Corporate bonds	6,361,489	-	6,361,489
Mutual funds	43,330,421	-	43,330,421
Brokered certificates of deposit	792,783	-	792,783
Insurance contract - real estate	-	-	-
Pooled Investment Accounts	-	66,801,147	66,801,147
Accrued interest receivable	288,741	27	288,768
Due from Village	558,540	525,211	1,083,751
Prepays	8,155	982	9,137
	<u>89,001,706</u>	<u>67,672,240</u>	<u>156,673,946</u>
Total assets			
<b>Liabilities</b>			
Other payables	<u>30,465</u>	<u>4,740</u>	<u>35,205</u>
<b>Net Position</b>			
Restricted for pensions	<u>\$ 88,971,241</u>	<u>\$ 67,667,500</u>	<u>\$ 156,638,741</u>

**Village of Bolingbrook, Illinois**  
**Notes to the Financial Statements**  
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**Schedule of Changes in Fiduciary Net Plan Position for the Year Ended April 30, 2022**

	<b>Police Pension Fund</b>	<b>Firefighters' Pension Fund</b>	<b>Total</b>
<b>Additions</b>			
Contributions			
Employer	\$ 5,773,943	\$ 4,988,318	\$ 10,762,261
Plan members	1,591,536	900,811	2,492,347
Total contributions	<u>7,365,479</u>	<u>5,889,129</u>	<u>13,254,608</u>
Investment earnings			
Investment income	(7,140,212)	(4,260,508)	(11,400,720)
Investment fees	(294,062)	(83,247)	(377,309)
Total investment loss	<u>(7,434,274)</u>	<u>(4,343,755)</u>	<u>(11,778,029)</u>
Total additions	<u>(68,795)</u>	<u>1,545,374</u>	<u>1,476,579</u>
<b>Deductions</b>			
Benefits and refunds	6,472,565	5,521,850	11,994,415
Administration	99,192	115,169	214,361
Total deductions	<u>6,571,757</u>	<u>5,637,019</u>	<u>12,208,776</u>
<b>Change in Net Position</b>	<u>(6,640,552)</u>	<u>(4,091,645)</u>	<u>(10,732,197)</u>
<b>Net Position Restricted for Pensions, Beginning of Year, as Previously Reported</b>	97,835,397	73,664,175	171,499,572
<b>Restatement (see Note 14)</b>	<u>(2,223,604)</u>	<u>(1,905,030)</u>	<u>(4,128,634)</u>
<b>Net Position Restricted for Pensions, Beginning of Year, as Restated</b>	<u>95,611,793</u>	<u>71,759,145</u>	<u>167,370,938</u>
<b>Net Position Restricted for Pensions, End of Year</b>	<u>\$ 88,971,241</u>	<u>\$ 67,667,500</u>	<u>\$ 156,638,741</u>

**Significant Investments**

It is the policy of the Police Pension and Firefighters' Pension Funds to diversify their investment portfolio. Investments shall be diversified to eliminate the risk of loss resulting in overconcentration in a security, maturity, issuer or class of securities. According to the Pension Funds' investment policy, the Pension Funds will diversify their investments by security type and institution.

**Village of Bolingbrook, Illinois**  
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At April 30, 2022, none of the plan's investments (other than U.S. government, U.S. government-guaranteed obligations and the insurance contract) represented 5% or more of each plan's investments.

***Police Pension and Firefighters' Pension***

*Basis of Accounting*

The financial statements are prepared using the accrual basis of accounting. Under this method, additions to net position are recorded when earned and deductions from net position are recorded when the time related liabilities/deferred inflows are incurred. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

*Method Used to Value Investments*

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value.

*Related Party Transactions*

There are no securities of the employer or any other related parties included in plan assets, including any loans.

**Note 12: Other Postemployment Benefits**

***Health Insurance Plan for Retired Employees and Benefits***

The Village provides postemployment health insurance benefits to its full-time employees under local ordinance. Individuals become eligible for these benefits upon retirement and a minimum of six to eight years' service to the Village, depending on retirement age. Premium equivalents are developed using blended claim experience for both the active and retired populations, trend data and administrative costs.

The Village contributes at an annual rate of 3.30% as determined by an enrolled actuary. The plan members are required to contribute an amount established by collective bargaining agreements with the employer's union employees. Current employee contribution rates are 1.00% - 2.50% of payroll after tax to the retiree fund.

**Village of Bolingbrook, Illinois**  
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The Village's Retiree Health Employee Benefits Plan is a single-employer defined benefit OPEB healthcare plan administered by the Village of Bolingbrook. This plan provides the continuation of health care benefits to employees who retire from the Village. The plan is not accounted for as a trust fund, as no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The plan does not issue a separate report.

*Eligibility*

Police and Fire

Tier 1	Age 50 and 20 years of service or age 60 and 8 years of service
Tier 2	Normal retirement: Age 55 and 10 years of service Early retirement: Age 50 and 10 years of service

PSEBA Disability Benefits

Police officers who become disabled in the line of duty are eligible for PSEBA disability benefits after one year of service.

IMRF

Tier 1	Normal retirement Age 55 and 35 years of service or Age 60 and 8 years of service or  Early retirement Age 55 and 8 years of service
Tier 2	Normal retirement Age 62 and 35 years of service or Age 67 and 10 years of service or  Early retirement Age 62 and 10 years of service

**Village of Bolingbrook, Illinois**  
**Notes to the Financial Statements**  
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*Employees Covered by Benefit Terms*

At April 30, 2021, (the most recent actuarial valuation date), the following Village employees were covered by the benefit terms:

Retired participants	48
Disabled participants	28
Active plan members	<u>237</u>
	<u><u>313</u></u>

*Total OPEB Liability*

The Village's total OPEB liability of \$40,842,409 was measured as of April 30, 2022.

*Changes in Total OPEB Liability*

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Balance at beginning of year	<u>\$ 45,256,367</u>	<u>\$ 140,731</u>	<u>\$ 45,397,098</u>
Changes for the year			
Service cost	1,644,331	5,195	1,649,526
Interest	943,446	2,981	946,427
Differences between expected and actual	-	-	-
Assumption changes	(5,638,601)	(3,425)	(5,642,026)
Benefit payments	<u>(1,489,745)</u>	<u>(18,871)</u>	<u>(1,508,616)</u>
Net changes in total OPEB liability	<u>(4,540,569)</u>	<u>(14,120)</u>	<u>(4,554,689)</u>
Balance at end of year	<u><u>\$ 40,715,798</u></u>	<u><u>\$ 126,611</u></u>	<u><u>\$ 40,842,409</u></u>

Changes in assumptions reflect a change the discount rate from 2.12% in 2021 to 3.42% in 2022.

**Village of Bolingbrook, Illinois**  
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*OPEB Expense and Deferred Inflows of Resource Related to OPEB*

For the year ended April 30, 2022, the Village recognized OPEB expense of \$2,605,790 (Governmental Activities \$2,597,712 and Business-Type Activities \$8,078). At April 30, 2022, the Village reported deferred outflows of resources related to OPEB from the following source:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
Deferred outflows of resources			
Assumption changes	\$ 6,265,161	\$ 19,482	\$ 6,284,643
Deferred inflows of resources			
Assumption changes	(4,906,379)	(15,257)	(4,921,636)
Differences between expected and actual experience	(2,464,553)	(7,664)	(2,472,217)
Total deferred inflows of resources	(7,370,932)	(22,921)	(7,393,853)
Net	\$ (1,105,771)	\$ (3,439)	\$ (1,109,210)

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

<b>Year Ending April 30,</b>	<b>Amount</b>
2023	\$ 9,837
2024	9,837
2025	9,837
2026	9,837
2027	9,837
Thereafter	(1,158,395)
	<u>\$ (1,109,210)</u>

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

*Actuarial Assumption and Other Inputs*

The total OPEB liability was measured at April 30, 2022, based on an actuarial valuation performed at April 30, 2021, rolled forward to April 30, 2022, using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Measurement date	April 30, 2022
Actuarial cost method	Entry-age normal
Discount rate	2.12% used as of April 30, 2021 3.42% used as of April 30, 2022
Salary increase	3.00% per annum
Mortality	Probabilities of death for participants were according to RP2014 Blue Collar base rates projected to 2021 using scale MP2020 for Police and Fire. For all others the RP2014 base rates projected to 2021 using scale MP2020 was used. No additional provision (besides those already embedded) were included for mortality improvements beyond 2021
Healthcare cost trend rates	Starting at 7.00% decreasing in 0.25% increments annually to an ultimate rate of 4.00% for 2033 and after

*Assumption Changes*

The assumptions below were changed from the prior year in determining the total OPEB liability.

- The long-term municipal bond rate and discount rate changed from 2.12% in 2021 to 3.42% in 2022.
- Mortality tables were updated.
- Healthcare cost trend rates changed from a table starting at 7.50% decreasing to an ultimate rate of 4.00% for 2033 and after to a table starting at 7.00% decreasing to an ultimate rate of 4.00% for 2033 and after.

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

*Rate Sensitivity*

The following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and healthcare cost trend rates. The table below presents the total OPEB liability of the Village calculated using the discount rate of 3.42% as well as what the Village's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.42) or 1 percentage point higher (4.42%) the current rate:

	<b>1% Decrease (2.42%)</b>	<b>Current Discount Rate (3.42%)</b>	<b>1% Increase (4.42%)</b>
Village's total OPEB liability	\$ 45,290,562	\$ 40,842,409	\$ 37,000,277

The table below illustrates the sensitivity of the Total OPEB Liability to the Healthcare Cost Trend Rates assumption for a 1% decrease and a 1% increase in the rates.

	<b>1% Decrease 6.0% Decreasing to 3.0%</b>	<b>Current Rate 7.0% Decreasing to 4.0%</b>	<b>1% Increase 8.0% Decreasing to 5.0%</b>
Village's total OPEB liability	\$ 36,371,874	\$ 40,842,409	\$ 46,168,136

**Note 13: Asset Swap With Illinois-American Water Company**

During fiscal year 2003, the Village completed an asset swap agreement with Illinois-American Water Company. Under the terms of the agreement, the Village relinquished its rights to its water capital assets in exchange for the rights to Illinois-American Water Company's sewer capital assets. This activity was represented as both additions and deletions to the capital assets. In addition to the sewer assets, the Village received scheduled cash payments from Illinois-American Water Company through fiscal year 2014. These payments have been made in full in prior fiscal years.

In further consideration for the conveyance of the water system, Illinois-American Water Company will pay the Village \$550 for each new water customer who connects to the system and resides in the Village. The total number of payments will not exceed 8,000 connections. Illinois-American Water Company made a minimum payment to the Village equal to 500 new customers each year until fiscal year 2008. If the actual number of connections is less than 500, the excess can be used to reduce payments after fiscal year 2008.

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

**Note 14: Restatements**

The Village restated the beginning fund balance and net position as follows for fiscal year 2022:

	Governmental Activities	General Fund	Debt Service Fund	Fiduciary Funds		
				Police Pension Trust Fund	Fire Pension Trust Plan	Bond and Interest Custodial Funds
Net position/Fund Balance - May 1, 2021 (as previously reported)	\$ 21,545,111	\$ 88,026,835	\$ 4,992,715	\$ 95,611,793	\$ 73,664,175	\$ -
Adjustments to correct property taxes recognized in advance of the period for which the taxes were levied	(4,504,352)		(4,504,352)	(2,223,604)	(1,905,030)	-
Adjustments to correct the net pension liability from the reduction of plan net position with removal of a Village contribution receivable incorrectly accrued						
Police Pension Plan	(2,223,604)		-	-	-	-
Fire Pension Plan	(1,905,030)		-	-	-	-
Adjustments to recognize 2005 Sales Tax Revenue Bonds and related accrued interest payable not previously reported						
Principal	(25,605,000)		-	-	-	-
Accrued interest payable	(525,200)		-	-	-	-
Adjustments to remove sales tax payable related to taxes collected in advance of scheduled debt service payments on 2005 Sales Tax Revenue Bonds. Such amounts represent restricted fund/ balance/net position under bond agreements	2,634,240	2,634,240	-	-	-	-
Adjustment to recognize custodial funds held for collection of taxes and related payments on Special Service Area Bonds	-	-	-	-	-	123,396
Net position/Fund Balance - May 1, 2021 (as restated)	<u>\$ (10,583,835)</u>	<u>\$ 90,661,075</u>	<u>\$ 488,363</u>	<u>\$ 93,388,189</u>	<u>\$ 71,759,145</u>	<u>\$ 123,396</u>

**Note 15: Future Adoption of GASB Pronouncements**

The Governmental Accounting Standards Board (GASB) recently issued the following standards:

**GASB Statement No. 87, Leases (GASB 87)**

In June 2017, GASB published Statement No. 87, *Leases*. The standard was the result of a multi-year project to reexamine the accounting and financial reporting for leases. The new standard establishes a single model for lease accounting based on the principle that leases represent the financing of the right to use an underlying asset. Specifically, GASB 87 includes the following accounting guidance for lessees and lessors:

**Lessee Accounting** - A lessee will recognize a liability measured at the present value of payments expected to be made for the lease term, and an intangible asset measured at the amount of the initial lease liability, plus any payments made to the lessor at or before the beginning of the lease and certain indirect costs. A lessee will reduce the liability as payments are made and recognize an outflow of resources for interest on the liability. The asset will be amortized by the lessee over the shorter of the lease term or the useful life of the asset.

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

Lessor Accounting - A lessor will recognize a receivable measured at the present value of the lease payments expected for the lease term and a deferred inflow of resources measured at the value of the lease receivable plus any payments received at or prior to the beginning of the lease that relate to future periods. The lessor will reduce the receivable as payments are received and recognize an inflow of resources from the deferred inflow of resources in a systematic and rational manner over the term of the lease. A lessor will not derecognize the asset underlying the lease. There is an exception for regulated leases for which certain criteria are met, such as airport-aeronautical agreements.

The lease term used to measure the asset or liability is based on the period in which the lessee has the noncancelable right to use the underlying asset. The lease term also contemplates any lease extension or termination option that is reasonably certain of being exercised.

GASB 87 does not apply to leases for intangible assets, biological assets (*i.e.*, timber and living plants and animals), service concession agreements or leases in which the underlying asset is financed with conduit debt that is reported by the lessor. Additionally, leases with a maximum possible term of 12 months or less are excluded. The effective date is for periods beginning after June 15, 2021.

**GASB Statement No. 92, *Omnibus 2020* (GASB 92)**

GASB 92 addresses practice issues that have been identified during implementation and application of certain GASB Statements. The statement addresses a variety of topics including issues related to leases, intra-entity transfers, fiduciary activities and fair value disclosures. GASB 92 is effective for reporting periods based on individual topics discussed therein. Earlier application is encouraged and is permitted by individual topic to the extent that all requirements associated with an individual topic are implemented simultaneously.

**GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96)**

GASB 96 provides guidance on governments are utilizing more cloud-based solutions for their information technology (IT) needs and paying for the use of third-parties' IT software on a subscription basis. The accounting and financial reporting for what the GASB refers to as subscription-based information technology arrangements (SBITAs) has been inconsistent because of a lack of authoritative guidance. The standard is effective for reporting periods after June 15, 2022, and all reporting periods thereafter, with early implementation encouraged. The statement would be applied retroactively, using the facts and circumstances that exist at the beginning of the fiscal year of implementation.

**GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62* (GASB 100)**

GASB 100, updates accounting and financial reporting requirements for accounting changes and error corrections to address current diversity in practice by amending GASB Statement No. 62. It defines accounting changes as changes in accounting principles, changes in accounting estimates,

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

and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. The standard clarifies that a change to or within the financial reporting entity results from: the addition or removal of a fund that results from movement of continuing operations within the primary government, including its blended component units; change in fund presentation as major or nonmajor; generally, the addition or removal of a component unit to or from the financial reporting entity; or a change in the presentation (blended or discretely presented) of a component unit. For each type of accounting change and error correction, the standard addresses accounting and reporting requirements, display, including display in the financial statements, note disclosures, and impact on required supplementary information (RSI) and supplementary information (SI). The standard is effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

**GASB Statement No. 101, *Compensated Absences* (GASB 101)**

GASB 101, updates the recognition and measurement guidance for compensated absences under a unified model. It defines compensated absences and requires that liabilities be recognized in financial statements prepared using the economic resources measurement focus for leave that has not been used and leave that has been used but not yet paid or settled. A liability for compensated absences should be accounted for and reported on a basis consistent with governmental fund accounting principles for financial statements prepared using the current financial resources measurement focus. GASB 101 also amends the disclosure requirements related to compensated absences. The standard is effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter, with early application encouraged.

Management has not yet completed its evaluation of the impact, if any, of the provisions of these standards on its financial statements.

**Required Supplementary Information  
(Unaudited)**

**Village of Bolingbrook, Illinois**  
**Required Supplemental Information**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual – General Fund**  
**Year Ended April 30, 2022**

	Original Budget	Final Budget	Actual	Variance With Final Budget Over (Under)
<b>Revenues</b>				
Taxes	\$ 23,649,157	\$ 23,649,157	\$ 30,135,408	\$ 6,486,251
Licenses and permits	2,072,500	2,072,500	2,772,718	700,218
Charges for services	5,821,882	5,821,882	10,436,193	4,614,311
Fines and forfeitures	846,500	846,500	1,544,561	698,061
Contributions	675,000	688,198	682,419	(5,779)
Intergovernmental	45,957,600	45,966,500	57,005,383	11,038,883
Investment income (loss)	650,000	650,000	(1,633,940)	(2,283,940)
Miscellaneous	4,688,500	4,688,500	4,811,981	123,481
Total revenues	<u>84,361,139</u>	<u>84,383,237</u>	<u>105,754,723</u>	<u>21,371,486</u>
<b>Expenditures</b>				
Current				
General government	12,475,789	12,497,749	11,288,788	(1,208,961)
Public safety	50,644,058	50,812,110	49,128,926	(1,683,184)
Highways and streets	11,260,890	13,065,015	6,968,400	(6,096,615)
Culture and recreation	4,335,315	4,338,755	3,006,382	(1,332,373)
Economic development	5,695,087	5,695,087	276,014	(5,419,073)
Total expenditures	<u>84,411,139</u>	<u>86,408,716</u>	<u>70,668,510</u>	<u>(15,740,206)</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>				
	<u>(50,000)</u>	<u>(2,025,479)</u>	<u>35,086,213</u>	<u>37,111,692</u>
<b>Other Financing Sources (Uses)</b>				
Sale of assets	50,000	50,000	50,742	742
Transfers in	-	-	-	-
Transfers out	-	-	(4,300,131)	(4,300,131)
Total other financing sources (uses)	<u>50,000</u>	<u>50,000</u>	<u>(4,249,389)</u>	<u>(4,299,389)</u>
<b>Net Change in Fund Balance</b>				
	<u>\$ -</u>	<u>\$ (1,975,479)</u>	<u>30,836,824</u>	<u>\$ 32,812,303</u>
<b>Fund Balance, Beginning of Year as Previously Reported</b>			88,026,835	
<b>Restatement (see Note 14)</b>			<u>2,634,240</u>	
<b>Fund Balance, Beginning of Year as Restated</b>			<u>90,661,075</u>	
<b>Fund Balance, End of Year</b>			<u>\$ 121,497,899</u>	

**Village of Bolingbrook, Illinois**  
**Required Supplemental Information**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual – Refuse and Recycling Fund**  
**Year Ended April 30, 2022**

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget Over (Under)</b>
<b>Revenues</b>			
Refuse charges	\$ 5,810,894	\$ 5,990,600	\$ 179,706
Investment income	100	-	(100)
Total revenues	<u>5,810,994</u>	<u>5,990,600</u>	<u>179,606</u>
<b>Expenditures</b>			
Current			
Sanitation	<u>5,810,994</u>	<u>5,908,682</u>	<u>97,688</u>
<b>Excess of Revenues Over Expenditures</b>	<u>\$ -</u>	81,918	<u>\$ 81,918</u>
<b>Fund Balance (Deficit), Beginning of Year</b>		<u>(1,530,671)</u>	
<b>Fund Balance (Deficit), End of Year</b>		<u>\$ (1,448,753)</u>	

**Village of Bolingbrook, Illinois**  
**Note to Required Supplementary Information**  
**April 30, 2022**

**Legal Compliance and Accountability**

***Budgets***

All departments of the Village submit requests for appropriation to the Village's Budget Manager so that a budget may be prepared. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year. Annual appropriated budgets are adopted for the General, Special Revenue, Debt Service (except the Westside Storm Sewer Management Fund), Waterworks and Sewerage, Westside Regional Stormwater and Pension Trust Funds. Budgets are adopted on a basis consistent with generally accepted accounting principles.

The proposed budget is presented to the governing body for review. The governing body holds public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget. The Budget Officer is authorized to transfer budgeted amounts between departments within any fund; however, the governing body must approve any revisions that alter the total expenditures of any fund.

The Budget Officer is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the governing body.

The budget may be amended by the Village Board of Trustees.

During the year, supplementary appropriations were approved in various funds.

**Village of Bolingbrook, Illinois**  
**Required Supplementary Information**  
**Illinois Municipal Retirement Fund – Regular Plan**  
**Schedule of Changes in the Village’s Net Pension Liability (Asset)**  
**and Related Ratios**  
**Year Ended April 30, 2022**

	2022	2021	2020	2019	2018	2017	2016
Total pension liability							
Service cost	\$ 889,776	\$ 968,940	\$ 986,736	\$ 847,136	\$ 885,295	\$ 957,523	\$ 926,187
Interest	5,242,112	5,169,487	5,091,667	4,650,482	4,628,103	4,445,702	4,186,240
Differences between expected and actual experience	2,128,871	(998,544)	(1,923,073)	3,413,351	(477,373)	(505,680)	465,086
Change of assumptions	-	(739,555)	-	2,127,071	(2,063,744)	(161,684)	158,428
Benefit payments, including refunds of member contributions	(3,597,517)	(3,120,507)	(3,025,603)	(2,743,150)	(2,566,487)	(2,285,963)	(1,981,297)
Net change in total pension liability	4,663,242	1,279,821	1,129,727	8,294,890	405,794	2,449,898	3,754,644
Total pension liability - beginning	73,658,868	72,379,047	71,249,320	62,954,430	62,548,636	60,098,738	56,344,094
Total pension liability - ending	<u>\$ 78,322,110</u>	<u>\$ 73,658,868</u>	<u>\$ 72,379,047</u>	<u>\$ 71,249,320</u>	<u>\$ 62,954,430</u>	<u>\$ 62,548,636</u>	<u>\$ 60,098,738</u>
Plan fiduciary net position							
Contributions - Village	\$ 1,158,198	\$ 1,210,754	\$ 760,495	\$ 1,135,103	\$ 1,047,275	\$ 990,084	\$ 1,036,926
Contributions - members	491,657	408,075	446,922	428,019	397,701	374,003	415,725
Net investment income	12,982,843	9,802,602	11,151,568	(3,315,160)	9,789,552	3,616,677	269,684
Benefit payments, including refunds of member contributions	(3,597,517)	(3,120,507)	(3,025,603)	(2,743,150)	(2,566,487)	(2,285,963)	(1,981,297)
Other	(312,719)	47,279	214,350	453,683	(1,043,181)	678,324	(921,785)
Net change in plan fiduciary net position	10,722,462	8,348,203	9,547,732	(4,041,505)	7,624,860	3,373,125	(1,180,747)
Plan net position - beginning	77,872,889	69,524,686	59,976,954	64,018,459	56,393,599	53,020,474	54,201,221
Plan net position - ending	<u>\$ 88,595,351</u>	<u>\$ 77,872,889</u>	<u>\$ 69,524,686</u>	<u>\$ 59,976,954</u>	<u>\$ 64,018,459</u>	<u>\$ 56,393,599</u>	<u>\$ 53,020,474</u>
Village’s net pension liability (asset)	<u>\$ (10,273,241)</u>	<u>\$ (4,214,021)</u>	<u>\$ 2,854,361</u>	<u>\$ 11,272,366</u>	<u>\$ (1,064,029)</u>	<u>\$ 6,155,037</u>	<u>\$ 7,078,264</u>
Plan fiduciary net position as a percentage of the total pension liability	113.12%	105.72%	96.06%	84.18%	101.69%	90.16%	88.22%
Covered payroll	\$ 10,153,612	\$ 9,048,979	\$ 9,151,573	\$ 9,511,530	\$ 8,308,979	\$ 8,311,178	\$ 8,725,464
Village’s net pension liability (asset) as a percentage of covered payroll	(101.18)%	(46.57)%	31.19%	118.51%	(12.81)%	74.06%	81.12%

*Notes to the Required Supplementary Information*

Changes in Assumptions

Municipal bond rate used in the calculation of discount rate changed from 2.00% in 2020 to 1.84% in 2022.

Salary increase changes from 3.35% - 14.25% in 2019 to 2.85% - 13.75% in 2020.

GASB Statement No. 68 requires the presentation of 10 fiscal years of data; however, the fiscal years completed prior to the adoption of this pronouncement are not required to be presented in this schedule. The pronouncement was adopted in 2016.

This information is presented as of the measurement date, which is December 31 of the fiscal year.

**Village of Bolingbrook, Illinois**  
**Required Supplementary Information**  
**Illinois Municipal Retirement Fund – Sheriff’s Law Enforcement Personnel Fund**  
**Schedule of Changes in the Village’s Net Pension Liability and Related Ratios**  
**Year Ended April 30, 2022**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total pension liability							
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	77,295	77,458	77,699	79,047	81,277	82,495	81,322
Differences between expected and actual experience	105,571	17,398	17,878	15,548	14,646	(65,205)	25,103
Change of assumptions	-	3,481	-	20,348	(30,152)	(87,753)	(7,721)
Benefit payments, including refunds of member contributions	<u>(101,423)</u>	<u>(99,751)</u>	<u>(98,053)</u>	<u>(96,344)</u>	<u>(94,663)</u>	<u>(93,074)</u>	<u>(91,410)</u>
Net change in total pension liability	81,443	(1,414)	(2,476)	18,599	(28,892)	(163,537)	7,294
Total pension liability - beginning	<u>1,116,843</u>	<u>1,118,257</u>	<u>1,120,733</u>	<u>1,102,134</u>	<u>1,131,026</u>	<u>1,294,563</u>	<u>1,287,269</u>
Total pension liability - ending	<u>\$ 1,198,286</u>	<u>\$ 1,116,843</u>	<u>\$ 1,118,257</u>	<u>\$ 1,120,733</u>	<u>\$ 1,102,134</u>	<u>\$ 1,131,026</u>	<u>\$ 1,294,563</u>
Plan fiduciary net position							
Contributions - Village	21,627	22,927	21,001	23,578	45,360	49,097	49,607
Net investment income	170,373	132,958	159,776	(61,344)	153,897	53,819	3,639
Benefit payments, including refunds of member contributions	<u>(101,423)</u>	<u>(99,751)</u>	<u>(98,053)</u>	<u>(96,344)</u>	<u>(94,663)</u>	<u>(93,074)</u>	<u>(91,410)</u>
Other	<u>10,261</u>	<u>19,940</u>	<u>12,744</u>	<u>34,517</u>	<u>(23,266)</u>	<u>12,020</u>	<u>68,013</u>
Net change in plan fiduciary net position	100,838	76,074	95,468	(99,593)	81,328	21,862	29,849
Plan net position - beginning	<u>953,771</u>	<u>877,697</u>	<u>782,229</u>	<u>881,822</u>	<u>800,494</u>	<u>778,632</u>	<u>748,783</u>
Plan net position - ending	<u>\$ 1,054,609</u>	<u>\$ 953,771</u>	<u>\$ 877,697</u>	<u>\$ 782,229</u>	<u>\$ 881,822</u>	<u>\$ 800,494</u>	<u>\$ 778,632</u>
Village’s net pension liability	<u>\$ 143,677</u>	<u>\$ 163,072</u>	<u>\$ 240,560</u>	<u>\$ 338,504</u>	<u>\$ 220,312</u>	<u>\$ 330,532</u>	<u>\$ 515,931</u>
Plan fiduciary net position as a percentage of the total pension liability	88.01%	85.40%	78.49%	69.80%	80.01%	70.78%	60.15%
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Village’s net pension liability as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

*Notes to the Required Supplementary Information*

Changes in Assumptions

Municipal bond rate used in the calculation of discount rate changed from 2.12% in 2021 to 1.84% in 2022.  
Salary increase changes from 2.85% to 13.75% in 2021 and 2022.

GASB Statement No. 68 requires the presentation of 10 fiscal years of data; however, the fiscal years completed prior to the adoption of this pronouncement are not required to be presented in this schedule. This pronouncement was adopted in 2016.

This information is presented as of the measurement date, which is December 31 of the fiscal year.

**Village of Bolingbrook, Illinois**  
**Required Supplementary Information**  
**Police Pension Fund**

**Schedule of Changes in the Village's Net Pension Liability and Related Ratios**  
**Year Ended April 30, 2022**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability								
Service cost	\$ 3,120,174	\$ 3,096,070	\$ 2,889,064	\$ 3,329,172	\$ 2,913,901	\$ 1,731,360	\$ 2,472,355	\$ 2,066,132
Interest	10,608,355	10,010,356	9,596,899	8,984,706	8,287,462	8,807,742	7,938,566	7,019,569
Changes in benefit terms	-	-	52,094	-	-	-	-	-
Differences between expected and actual experience	7,802,988	2,237,013	(1,199,430)	(1,864,920)	2,968,111	(11,055,526)	(1,945,748)	1,416,533
Change of assumptions	9,595,924	(651,459)	(374,138)	3,310,579	214,463	5,915,062	7,172,613	5,423,146
Benefit payments, including refunds of member contributions	(6,472,565)	(5,520,248)	(4,870,394)	(4,508,127)	(4,234,907)	(3,960,102)	(3,807,438)	(3,536,744)
Refunds	-	-	(5,539)	-	-	-	-	-
Administrative expense	(99,192)	(113,050)	(96,462)	-	(83,533)	(333,932)	-	-
Net change in total pension liability	24,555,684	9,058,682	5,992,094	9,251,410	10,065,497	1,104,604	11,830,348	12,388,636
Total pension liability - beginning	155,053,901	145,995,219	140,003,125	130,751,715	120,686,218	119,581,614	107,751,266	95,362,630
Total pension liability - ending	<u>\$ 179,609,585</u>	<u>\$ 155,053,901</u>	<u>\$ 145,995,219</u>	<u>\$ 140,003,125</u>	<u>\$ 130,751,715</u>	<u>\$ 120,686,218</u>	<u>\$ 119,581,614</u>	<u>\$ 107,751,266</u>
Plan fiduciary net position								
Contributions - Village	\$ 5,773,943	\$ 5,843,019	\$ 5,208,793	\$ 5,177,824	\$ 5,419,514	\$ 5,624,946	\$ 3,631,064	\$ 2,976,417
Contributions - members	1,591,536	1,408,028	1,135,458	1,168,499	1,199,674	1,045,144	1,055,143	1,158,171
Net investment income	(7,434,274)	17,382,236	2,232,565	4,722,578	2,791,190	3,593,994	622,537	3,566,179
Benefit payments, including refunds of member contributions	(6,472,565)	(5,520,248)	(4,875,933)	(4,508,127)	(4,234,907)	(3,960,102)	(3,807,438)	(3,536,744)
Administrative expense	(99,192)	(113,050)	(96,073)	(76,263)	(83,533)	(94,377)	(118,265)	(84,670)
Net change in plan fiduciary net position	(6,640,552)	18,999,985	3,604,810	6,484,511	5,091,938	6,209,605	1,383,041	4,079,353
Plan net position - beginning	95,611,793	78,835,412	75,230,602	68,746,091	63,654,153	57,444,548	56,061,507	51,982,154
Plan net position - ending	<u>\$ 88,971,241</u>	<u>\$ 97,835,397</u>	<u>\$ 78,835,412</u>	<u>\$ 75,230,602</u>	<u>\$ 68,746,091</u>	<u>\$ 63,654,153</u>	<u>\$ 57,444,548</u>	<u>\$ 56,061,507</u>
Village's net pension liability	<u>\$ 90,638,344</u>	<u>\$ 57,218,504</u>	<u>\$ 67,159,807</u>	<u>\$ 64,772,523</u>	<u>\$ 62,005,624</u>	<u>\$ 57,032,065</u>	<u>\$ 62,137,066</u>	<u>\$ 51,689,759</u>
Plan fiduciary net position as a percentage of the total pension liability	49.54%	63.10%	54.00%	53.73%	52.58%	52.74%	48.04%	52.03%
Covered payroll	\$ 12,139,653	\$ 12,398,527	\$ 11,506,869	\$ 11,689,218	\$ 11,326,087	\$ 10,604,216	\$ 10,809,204	\$ 10,650,577
Village's net pension liability as a percentage of covered payroll	746.6%	461.5%	583.6%	554.1%	547.5%	537.8%	574.9%	485.3%

*Notes to the Required Supplementary Information*

Changes in Assumptions

The long-term municipal bond rate changed from 2.12% in 2021 to 3.42% in 2022.

GASB Statement No. 67 requires the presentation of 10 fiscal years of data; however, the fiscal years completed prior to the adoption of this pronouncement are not required to be presented in this schedule. The pronouncement was adopted by the Pension Plan in 2015.

**Village of Bolingbrook, Illinois**  
**Required Supplementary Information**  
**Firefighters' Pension Fund**  
**Schedule of Changes in the Village's Net Pension Liability and Related Ratios**  
**Year Ended April 30, 2022**

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Total pension liability								
Service cost	\$ 2,628,963	\$ 2,606,073	\$ 2,367,998	\$ 2,809,252	\$ 2,474,659	\$ 2,314,733	\$ 1,922,614	\$ 1,879,783
Interest	8,476,335	8,019,567	7,520,343	7,054,718	6,667,888	6,875,864	6,232,214	5,647,964
Changes in benefit terms	-	-	25,602	-	-	-	-	-
Differences between expected and actual experience	6,841,909	1,841,043	2,225,782	(2,912,059)	589,019	(2,303,247)	(2,199,757)	534,324
Change of assumptions	5,930,934	(582,155)	(297,297)	4,390,314	(83,474)	760,973	6,278,286	3,122,475
Benefit payments, including refunds of member contributions	(5,521,850)	(4,940,739)	(4,443,754)	(4,129,242)	(3,912,345)	(3,583,028)	(3,421,119)	(3,367,964)
Administrative expense	(115,169)	(103,751)	(122,310)	(236,914)	(121,435)	(309,558)	-	-
Net change in total pension liability	18,241,122	6,840,038	7,276,364	6,976,069	5,614,312	3,755,737	8,812,238	7,816,582
Total pension liability - beginning	124,081,508	117,241,470	109,965,106	102,989,037	97,374,725	93,618,988	84,806,750	76,990,168
Total pension liability - ending	<u>\$ 142,322,630</u>	<u>\$ 124,081,508</u>	<u>\$ 117,241,470</u>	<u>\$ 109,965,106</u>	<u>\$ 102,989,037</u>	<u>\$ 97,374,725</u>	<u>\$ 93,618,988</u>	<u>\$ 84,806,750</u>
Plan fiduciary net position								
Contributions - Village	\$ 4,988,318	\$ 4,806,535	\$ 4,201,936	\$ 4,272,124	\$ 4,420,022	\$ 4,451,055	\$ 3,140,863	\$ 2,548,066
Contributions - members	900,811	870,709	831,451	801,332	846,012	725,348	747,357	757,675
Net investment income	(4,343,755)	14,568,610	(369,974)	3,238,090	2,554,222	2,724,733	(918,990)	1,967,762
Benefit payments, including refunds of member contributions	(5,521,850)	(4,940,739)	(4,443,754)	(4,129,242)	(3,912,345)	(3,583,028)	(3,421,119)	(3,367,963)
Administrative expense	(115,169)	(71,911)	(94,073)	(109,436)	(121,435)	(78,323)	(61,145)	(53,816)
Net change in plan fiduciary net position	(4,091,645)	15,233,204	125,586	4,072,868	3,786,476	4,239,785	(513,034)	1,851,724
Plan net position - beginning	71,759,145	58,430,972	58,305,386	54,232,518	50,446,042	46,206,257	46,719,291	44,867,567
Plan net position - ending	<u>67,667,500</u>	<u>73,664,176</u>	<u>58,430,972</u>	<u>58,305,386</u>	<u>54,232,518</u>	<u>50,446,042</u>	<u>46,206,257</u>	<u>46,719,291</u>
Village's net pension liability	<u>\$ 74,655,130</u>	<u>\$ 50,417,332</u>	<u>\$ 58,810,498</u>	<u>\$ 51,659,720</u>	<u>\$ 48,756,519</u>	<u>\$ 46,928,683</u>	<u>\$ 47,412,731</u>	<u>\$ 38,087,459</u>
Plan fiduciary net position as a percentage of the total pension liability	47.55%	59.37%	49.84%	53.02%	52.66%	51.81%	49.36%	55.09%
Covered payroll	\$ 9,335,316	\$ 9,219,473	\$ 8,824,032	\$ 8,436,387	\$ 8,143,725	\$ 7,696,943	\$ 7,797,589	\$ 7,685,026
Village's net pension liability as a percentage of covered payroll	799.71%	546.86%	666.48%	612.34%	598.70%	609.71%	608.04%	495.61%

*Notes to the Required Supplementary Information*

**Changes in Assumptions**

The long-term municipal bond rate changed from 2.12% in 2021 to 3.42% in 2022.

GASB Statement No. 67 requires the presentation of 10 fiscal years of data; however, the fiscal years completed prior to the adoption of this pronouncement are not required to be presented in this schedule. This pronouncement was adopted by the Pension Plan in 2015.

**Village of Bolingbrook, Illinois**  
**Required Supplementary Information**  
**Schedule of Changes in the Village's Total OPEB Liability and Related Ratios**  
**Year Ended April 30, 2022**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB liability				
Service cost	\$ 1,649,526	\$ 1,541,452	\$ 1,252,511	\$ 1,307,963
Interest	946,427	1,251,774	1,436,896	1,533,752
Benefit changes	-	(3,320,043)	(1,178,196)	(2,915,440)
Assumption changes	(5,642,026)	3,609,308	5,017,457	749,561
Benefit payments	<u>(1,508,616)</u>	<u>(1,403,364)</u>	<u>(1,447,045)</u>	<u>(1,346,088)</u>
Net change in total OPEB liability	(4,554,689)	1,679,127	5,081,623	(670,252)
Total OPEB liability - beginning of year	<u>45,397,098</u>	<u>43,717,971</u>	<u>38,636,348</u>	<u>39,306,600</u>
Total OPEB liability - end of year	<u>\$ 40,842,409</u>	<u>\$ 45,397,098</u>	<u>\$ 43,717,971</u>	<u>\$ 38,636,348</u>
Covered employee payroll	\$ 25,529,462	\$ 24,785,886	\$ 24,519,072	\$ 23,804,924
Total OPEB liability as a percentage of covered-employee payroll	159.98%	183.16%	178.30%	162.30%

**Changes in Assumptions**

The long-term municipal bond rate and discount rate changed from 2.12% in 2021 to 3.42% in 2022.

Mortality tables were updated from previous valuation.

Healthcare cost trend rates were changed and updated from previous valuation.

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

**Village of Bolingbrook, Illinois**  
**Required Supplementary Information**  
**Illinois Municipal Retirement Fund – Regular**  
**Schedule of Village Contributions**  
**April 30, 2022**

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
4/30/2022	\$ 1,014,966	\$ 1,014,966	\$ -	\$ 10,176,116	9.97%
4/30/2021	1,199,150	1,199,150	-	9,655,988	12.42%
4/30/2020	902,694	902,694	-	9,140,048	9.88%
4/30/2019	954,738	954,738	-	8,888,489	10.74%
4/30/2018	1,103,626	1,103,626	-	9,245,932	11.94%
4/30/2017	970,193	970,193	-	8,229,307	11.79%
4/30/2016	982,142	982,142	-	8,323,747	11.80%

*Notes to the Required Supplementary Information*

Valuation Date Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

*Methods and Assumptions Used to Determine 2021 Contribution Rates*

Actuarial cost method	Aggregate entry-age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	22-years closed period
Asset valuation method	5-year smoothed market; 20% corridor
Wage growth	3.25%
Price inflation	2.50% approximate; no explicit price inflation assumption is used in this valuation.
Salary increases	3.35% to 14.25%, including inflation
Investment rate of return	7.25%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.
Mortality	For nondisabled retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
Other	There were no benefit changes during the year.

Information above based on valuation assumptions used in the December 31, 2019 actuarial valuation; note two year lag between valuation and rate setting.

GASB Statement No. 68 requires the presentation of 10 fiscal years of data; however, the fiscal years completed prior to the adoption of this pronouncement are not required to be presented in this schedule. The pronouncement was adopted in 2016.

**Village of Bolingbrook, Illinois**  
**Required Supplementary Information**  
**Illinois Municipal Retirement Fund – Sheriff’s Law Enforcement Personnel Fund**  
**Schedule of Village Contributions**  
**April 30, 2022**

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
4/30/2022	\$ 20,595	\$ 20,595	\$ -	\$ -	0.00%
4/30/2021	22,494	22,494	-	-	0.00%
4/30/2020	21,643	21,643	-	-	0.00%
4/30/2019	22,719	22,719	-	-	0.00%
4/30/2018	38,099	38,099	-	-	0.00%
4/30/2017	47,851	47,851	-	-	0.00%
4/30/2016	49,437	49,437	-	-	0.00%

*Notes to the Required Supplementary Information*

Valuation date Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported. The actuarially determined contribution is included in the property tax levy for the current year. The levy is collected in two installments. One in the current year and one in the subsequent fiscal year.

*Methods and Assumptions Used to Determine 2021 Contribution Rates*

Actuarial cost method	Aggregate entry-age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	22-years closed period
Asset valuation method	5-year smoothed market; 20% corridor
Wage growth	3.25%
Price inflation	2.50% approximate; no explicit price inflation assumption is used in this valuation.
Salary increases	3.35% to 14.25%, including inflation
Investment rate of return	7.25%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.
Mortality	For nondisabled retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
Other	There were no benefit changes during the year.

Information above based on valuation assumptions used in the December 31, 2019 actuarial valuation; note two year lag between valuation and rate setting.

GASB Statement No. 68 requires the presentation of 10 fiscal years of data; however, the fiscal years completed prior to the adoption of this pronouncement are not required to be presented in this schedule. The pronouncement was adopted in 2016.

**Village of Bolingbrook, Illinois**  
**Required Supplementary Information**  
**Police Pension Fund**  
**Schedule of Village Contributions**  
**April 30, 2022**

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
4/30/2022	\$ 5,609,360	\$ 6,416,340	\$ 806,980	\$ 12,139,653	52.85%
4/30/2021	5,288,600	5,843,019	554,419	12,398,527	47.13%
4/30/2020	6,104,799	5,208,793	(896,006)	11,506,869	45.27%
4/30/2019	5,588,536	5,177,824	(410,712)	11,689,218	44.30%
4/30/2018	5,104,578	5,419,514	314,936	11,326,087	47.85%
4/30/2017	4,694,038	5,624,946	930,908	10,604,216	53.04%
4/30/2016	3,215,658	3,631,064	415,406	10,809,204	33.59%
4/30/2015	3,090,537	2,976,417	(114,120)	10,650,577	27.95%

*Notes to the Required Supplementary Information*

Valuation date                      Actuarially determined contribution rates are calculated as of April 30 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported. The actuarially determined contribution is included in the property tax levy for the current year. The levy is collected in two installments. One in the current year and one in the subsequent fiscal year.

*Methods and Assumptions Used to Determine 2022 Contribution Rates*

Valuation date                      Actuarially determined contribution rates are calculated as of January 1 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Actuarial cost method	Entry-age normal
Amortization method	Level percentage of pay, closed
Remaining amortization period	18 years
Asset valuation method	Market value
Price inflation	2.50%
Salary increases	Graded by years of service
Investment rate of return	6.75%
Retirement age	Graded by age Tier 1 - 15% at 50 to 100% at age 65 Tier 2 - 5% at 50 to 100% at age 65
Mortality	PubS-2010 base rates projected to 2022 with scale MP2021

GASB Statement No. 67 requires the presentation of 10 fiscal years of data; however, the fiscal years completed prior to the adoption of this pronouncement are not required to be presented in this schedule. The pronouncement was adopted by the Pension Plan in 2015.

**Village of Bolingbrook, Illinois**  
**Required Supplementary Information**  
**Firefighters' Pension Fund**  
**Schedule of Village Contributions**  
**April 30, 2022**

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
4/30/2022	\$ 4,848,202	\$ 5,578,703	\$ 730,501	\$ 9,335,316	59.76%
4/30/2021	4,258,169	4,806,534	548,365	9,219,473	52.13%
4/30/2020	4,888,874	4,201,936	(686,938)	8,824,032	47.62%
4/30/2019	4,507,545	4,272,124	(235,421)	8,436,387	50.64%
4/30/2018	4,281,564	4,420,022	138,458	8,143,725	54.28%
4/30/2017	3,637,712	4,451,055	813,343	7,696,943	57.83%
4/30/2016	2,622,349	3,140,863	518,514	7,797,589	40.28%
4/30/2015	2,622,349	2,548,067	(74,282)	7,685,026	33.16%

*Notes to the Required Supplementary Information*

Valuation Date Actuarially determined contribution rates are calculated as of April 30 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported. The actuarially determined contribution is included in the property tax levy for the current year. The levy is collected in two installments. One in the current year and one in the subsequent fiscal year.

*Methods and Assumptions Used to Determine 2022 Contribution Rates*

Valuation date Actuarially determined contribution rates are calculated as of January 1 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Actuarial cost method	Entry-age normal
Amortization method	Level percentage of pay, closed
Remaining amortization period	18 years
Asset valuation method	Market value
Price inflation	2.5%
Salary increases	Graded by years of service
Investment rate of return	6.75%
Retirement age	Graded by age
	Tier 1 - 10% at 50 to 100% at age 65
	Tier 2 - 3% at 50 to 100% at age 65
Mortality	PubS-2010 base rates projected to 2022 with scale MP2021

GASB Statement No. 67 requires the presentation of 10 fiscal years of data; however, the fiscal years completed prior to the adoption of this pronouncement are not required to be presented in this schedule. The pronouncement was adopted by the Pension Plan in 2015.

**Village of Bolingbrook, Illinois**  
**Required Supplementary Information**  
**Police Pension Fund**  
**Schedule of Investment Returns**  
**April 30, 2022**

<b>Fiscal Year Ended</b>	<b>Annual Money-Weighted Rate of Return Net of Investment Expense</b>
4/30/2022	-7.70%
4/30/2021	22.30%
4/30/2020	2.92%
4/30/2019	6.68%
4/30/2018	4.26%
4/30/2017	6.16%
4/30/2016	1.11%
4/30/2015	6.51%

GASB Statement No. 67 requires the presentation of 10 fiscal years of data; however, the fiscal years completed prior to the adoption of this pronouncement are not required to be presented in this schedule. The pronouncement was adopted by the Pension Plan in 2015.

**Village of Bolingbrook, Illinois**  
**Required Supplementary Information**  
**Firefighters' Pension Fund**  
**Schedule of Investment Returns**  
**April 30, 2022**

Year Ended	Annual Money-Weighted Rate of Return Net of Investment Expense
4/30/2022	-7.42%
4/30/2021	26.06%
4/30/2020	(0.27)%
4/30/2019	6.20%
4/30/2018	5.00%
4/30/2017	6.37%
4/30/2016	(5.23)%
4/30/2015	4.59%

GASB Statement No. 67 requires the presentation of 10 fiscal years of data; however, the fiscal years completed prior to the adoption of this pronouncement are not required to be presented in this schedule. The pronouncement was adopted by the Pension Plan in 2015.

## **Combining Financial Statements**

## **Governmental Fund Types**

**Nonmajor Governmental Funds –  
Combining Statements**

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

	<u>Special Revenue Funds</u>		
	<u>Motor Fuel Tax Fund</u>	<u>Community Development Block Grant Fund</u>	<u>Road and Bridge Fund</u>
<b>Assets</b>			
Cash, cash equivalents and investments	\$ 14,041,143	\$ -	\$ -
Property taxes receivable	-	-	4,265
Accounts receivables, net of allowances	170,607	-	-
Accrued interest receivable	3,559	-	-
Intergovernmental receivable	493,139	-	-
Advances to other funds	20,751	-	-
Restricted cash	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total assets	<u>\$ 14,729,199</u>	<u>\$ -</u>	<u>\$ 4,265</u>
<b>Liabilities</b>			
Accounts payable	\$ 115,723	\$ -	\$ -
Accrued payroll	6,757	-	-
Advances from other funds	1,833,641	301	261,330
Other payables	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities	<u>1,956,121</u>	<u>301</u>	<u>261,330</u>
<b>Fund Balance</b>			
Restricted for			
Streets	12,773,078	-	-
Debt service	-	-	-
Capital projects	-	-	-
Unassigned	-	(301)	(257,065)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total fund balances (deficit)	<u>12,773,078</u>	<u>(301)</u>	<u>(257,065)</u>
Total liabilities and fund balances	<u>\$ 14,729,199</u>	<u>\$ -</u>	<u>\$ 4,265</u>

Debt Service Funds			Capital Projects Funds			
2007 Bond Fund	1995 Beaconridge TIF Bond Fund	1988 Bond Fund	2002 Bond Fund	East Side Special Service Area Fund	Mortgage Revenue Capital Improvement Fund	Westside Storm Sewer Management Fund
\$ -	\$ -	\$ 625,623	\$ -	\$ 789,537	\$ 1,024,870	\$ 147,577
-	-	-	-	-	-	-
-	-	-	1	-	-	-
-	-	-	-	-	-	-
1,067,440	-	-	-	-	-	-
5,785,727	-	-	2,005,311	-	-	-
<u>\$ 6,853,167</u>	<u>\$ -</u>	<u>\$ 625,623</u>	<u>\$ 2,005,312</u>	<u>\$ 789,537</u>	<u>\$ 1,024,870</u>	<u>\$ 147,577</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	369,505	3,312,331	-	-	-
-	-	144,775	-	-	-	-
-	-	514,280	3,312,331	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
6,853,167	-	111,343	-	789,537	1,024,870	147,577
-	-	-	(1,307,019)	-	-	-
<u>6,853,167</u>	<u>-</u>	<u>111,343</u>	<u>(1,307,019)</u>	<u>789,537</u>	<u>1,024,870</u>	<u>147,577</u>
<u>\$ 6,853,167</u>	<u>\$ -</u>	<u>\$ 625,623</u>	<u>\$ 2,005,312</u>	<u>\$ 789,537</u>	<u>\$ 1,024,870</u>	<u>\$ 147,577</u>

(Cont.)

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

Capital Projects Funds				
1997 Bond Fund	2004 Bond Fund	2006 A & B Bond Fund	Capital Improvement Fund	Total Nonmajor Government Funds
\$ -	\$ -	\$ -	\$ -	\$ 16,628,750
-	-	-	-	4,265
-	-	-	-	170,607
-	-	-	-	3,560
-	-	-	-	493,139
-	294,237	-	20	1,382,448
29,271	1,655,377	2,656,677	-	12,132,363
\$ 29,271	\$ 1,949,614	\$ 2,656,677	\$ 20	\$ 30,815,132
\$ -	\$ -	\$ -	\$ -	\$ 115,723
-	-	-	-	6,757
-	-	-	-	5,777,108
-	-	-	-	144,775
-	-	-	-	6,044,363
-	-	-	-	12,773,078
-	-	-	-	-
29,271	1,949,614	2,656,677	20	13,562,076
-	-	-	-	(1,564,385)
29,271	1,949,614	2,656,677	20	24,770,769
\$ 29,271	\$ 1,949,614	\$ 2,656,677	\$ 20	\$ 30,815,132

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

	Special Revenue Funds		
	Motor Fuel Tax Fund	Community Development Block Grant Fund	Road and Bridge Fund
<b>Revenues</b>			
Taxes	\$ -	\$ -	\$ 8,806
Charges for services	79,040	-	-
Intergovernmental	4,696,411	-	-
Investment income	(187,405)	-	-
Total revenues	4,588,046	-	8,806
<b>Expenditures</b>			
Current			
Public safety	-	-	-
Highways and streets	6,026,871	-	-
Sanitation	-	-	-
Economic development	-	-	-
Bad debt	106,934	-	-
Capital outlay	-	-	-
Total expenditures	6,133,805	-	-
<b>Excess (Deficiency) of Revenues Over expenditures</b>	(1,545,759)	-	8,806
<b>Other Financing Sources</b>			
Transfers out	-	-	-
<b>Net Change in Fund Balances</b>	(1,545,759)	-	8,806
<b>Fund Balance (Deficit), Beginning of Year</b>	14,318,837	(301)	(265,871)
<b>Fund Balance (Deficit), End of Year</b>	<b>\$ 12,773,078</b>	<b>\$ (301)</b>	<b>\$ (257,065)</b>

Debt Service Funds			Capital Projects Funds			
2007 Bond Fund	1995 Beaconridge TIF Bond Fund	1988 Bond Fund	2002 Bond Fund	East Side Special Service Area Fund	Mortgage Revenue Capital Improvement Fund	Westside Storm Sewer Management Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	62	-	-	74	-
-	-	62	-	-	74	-
-	-	-	-	-	-	-
-	-	-	4,367	-	-	-
-	-	-	-	-	-	-
-	506	-	-	-	-	-
-	-	-	-	-	-	-
7,055	-	-	-	-	-	-
7,055	506	-	4,367	-	-	-
(7,055)	(506)	62	(4,367)	-	74	-
-	-	-	-	-	-	-
(7,055)	(506)	62	(4,367)	-	74	-
6,860,222	506	111,281	(1,302,652)	789,537	1,024,796	147,577
\$ 6,853,167	\$ -	\$ 111,343	\$ (1,307,019)	\$ 789,537	\$ 1,024,870	\$ 147,577

(Cont.)

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

<u>Capital Projects Funds</u>				
<b>1997 Bond Fund</b>	<b>2004 Bond Fund</b>	<b>2006 A &amp; B Bond Fund</b>	<b>Capital Improvement Fund</b>	<b>Total Nonmajor Government Funds</b>
\$ -	\$ -	\$ -	\$ -	\$ 8,806
-	-	-	-	79,040
-	-	-	-	4,696,411
-	628	1,219	-	(185,422)
-	628	1,219	-	4,598,835
-	-	-	-	-
-	-	-	-	6,031,238
-	-	-	-	-
-	-	-	-	506
-	-	-	-	106,934
-	-	-	-	7,055
-	-	-	-	6,145,733
-	628	1,219	-	(1,546,898)
-	-	-	-	-
-	628	1,219	-	(1,546,898)
29,271	1,948,986	2,655,458	20	26,317,667
<b>\$ 29,271</b>	<b>\$ 1,949,614</b>	<b>\$ 2,656,677</b>	<b>\$ 20</b>	<b>\$ 24,770,769</b>

## **Fiduciary Funds**

**Village of Bolingbrook, Illinois**  
**Fiduciary Funds**  
**Combining Statement of Fiduciary Net Position – Pension Trust Funds**  
**April 30, 2022**

	<b>Police Pension Fund</b>	<b>Firefighters' Pension Fund</b>	<b>Total</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 780,861	\$ 344,873	\$ 1,125,734
Investments			
U.S. Treasury securities	5,234,492	-	5,234,492
U.S. agency securities	24,645,924	-	24,645,924
Municipal bonds	7,000,300	-	7,000,300
Corporate bonds	6,361,489	-	6,361,489
Mutual funds	43,330,421	-	43,330,421
Brokered certificates of deposit	792,783	-	792,783
Common and preferred stock	-	-	-
Insurance contract - real estate	-	-	-
Pooled Investment Accounts	-	66,801,147	66,801,147
Accrued interest receivable	288,741	27	288,768
Due from Village	558,540	525,211	1,083,751
Prepays	8,155	982	9,137
	<u>89,001,706</u>	<u>67,672,240</u>	<u>156,673,946</u>
Total assets			
<b>Liabilities</b>			
Other payables	<u>30,465</u>	<u>4,740</u>	<u>35,205</u>
<b>Net Position</b>			
Restricted for pensions	<u>\$ 88,971,241</u>	<u>\$ 67,667,500</u>	<u>\$ 156,638,741</u>

**Village of Bolingbrook, Illinois**  
**Fiduciary Funds**  
**Combining Statement of Changes in Fiduciary Net Position –**  
**Pension Trust Funds**  
**Year Ended April 30, 2022**

	<b>Police Pension Fund</b>	<b>Firefighters' Pension Fund</b>	<b>Total</b>
<b>Additions</b>			
Contributions			
Employer	\$ 5,773,943	\$ 4,988,318	\$ 10,762,261
Plan members	1,591,536	900,811	2,492,347
Total contributions	<u>7,365,479</u>	<u>5,889,129</u>	<u>13,254,608</u>
Investment earnings			
Investment income	(7,140,212)	(4,260,508)	(11,400,720)
Investment fees	(294,062)	(83,247)	(377,309)
Total investment earnings	<u>(7,434,274)</u>	<u>(4,343,755)</u>	<u>(11,778,029)</u>
Total additions	<u>(68,795)</u>	<u>1,545,374</u>	<u>1,476,579</u>
<b>Deductions</b>			
Benefits and refunds	6,472,565	5,521,850	11,994,415
Administration	99,192	115,169	214,361
Total deductions	<u>6,571,757</u>	<u>5,637,019</u>	<u>12,208,776</u>
<b>Change in Net Position</b>	<u>(6,640,552)</u>	<u>(4,091,645)</u>	<u>(10,732,197)</u>
<b>Net Position Restricted for Pensions, Beginning of Year, as Previously Reported</b>	97,835,397	73,664,175	171,499,572
<b>Restatement (see Note 14)</b>	<u>(2,223,604)</u>	<u>(1,905,030)</u>	<u>(4,128,634)</u>
<b>Net Position Restricted for Pensions, Beginning of Year, as Restated</b>	<u>95,611,793</u>	<u>71,759,145</u>	<u>167,370,938</u>
<b>Net Position Restricted for Pensions, End of Year</b>	<u>\$ 88,971,241</u>	<u>\$ 67,667,500</u>	<u>\$ 156,638,741</u>

**Village of Bolingbrook, Illinois**  
**Fiduciary Funds**  
**Combining Statement of Fiduciary Net Position – Custodial Funds**  
**April 30, 2022**

	<b>Bond and Interest Fund</b>		
	<b>SSA 2001-1,2001-2, 2001-3, 2002-1 and Special Taxes Refunding Bond, Series 2018</b>	<b>SSA 2018-1 Special Taxes Refunding Bond, Series 2019</b>	<b>Total</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 127,342	71,961	\$ 199,303
<b>Net Position</b>			
Restricted for debt service	\$ 127,342	\$ 71,961	\$ 199,303

**Village of Bolingbrook, Illinois**  
**Fiduciary Funds**  
**Combining Statement of Changes in Fiduciary Net Position –**  
**Custodial Funds**  
**Year Ended April 30, 2022**

	<b>Bond and Interest Fund</b>		<b>Total</b>
	<b>SSA 2001-1,2001-2, 2001-3, 2002-1 and Special Taxes Refunding Bond, Series 2018</b>	<b>SSA 2018-1 Special Taxes Refunding Bond, Series 2019</b>	
<b>Additions</b>			
Property taxes	\$ 3,300,385	1,197,316	\$ 4,497,701
Other revenues	17,000	-	17,000
Total additions	<u>3,317,385</u>	<u>1,197,316</u>	<u>4,514,701</u>
<b>Deductions</b>			
Principal payments	2,125,000	-	2,125,000
Interest payments	1,145,525	1,164,450	2,309,975
Other expenses	-	3,819	3,819
Total deductions	<u>3,270,525</u>	<u>1,168,269</u>	<u>4,438,794</u>
<b>Change in Net Position</b>	<u>46,860</u>	<u>29,047</u>	<u>75,907</u>
<b>Net Position Restricted for Debt Service, Beginning of Year, as Previously Reported</b>	-	-	-
<b>Restatement (see Note 14)</b>	80,482	42,914	123,396
<b>Net Position Restricted for Debt Service, Beginning of Year, as Restated</b>	<u>80,482</u>	<u>42,914</u>	<u>123,396</u>
<b>Net Position Restricted for Debt Service, End of Year</b>	<u>\$ 127,342</u>	<u>\$ 71,961</u>	<u>\$ 199,303</u>




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# **Village of Bolingbrook, Illinois**

## **Single Audit Reports**

April 30, 2022

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**Village of Bolingbrook, Illinois**  
**Single Audit Reports**  
**April 30, 2022**

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**Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Based on an  
Audit of Financial Statements Performed in Accordance with *Government  
Auditing Standards***

**Independent Auditor's Report**

Honorable President and  
Members of the Board of Trustees  
Village of Bolingbrook, Illinois

We have audited, 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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Bolingbrook, Illinois (Village), as of and for the year ended April 30, 2022, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon, dated September 27, 2023. Our report contained an Emphasis of Matter paragraph regarding restatement of 2021 financial statements.

***Report on Internal Control Over Financial Reporting***

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be *material weaknesses* and *significant deficiencies*.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2022-001, 2022-002, 2022-003, 2022-004 and 2022-007 to be material weaknesses.

Honorable Village President  
and Members of the Board of Trustees  
Village of Bolingbrook, Illinois  
Page 2

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and responses schedule of findings and questioned costs as items 2022-005 and 2022-006 to be significant deficiencies.

### ***Report on Compliance and Other Matters***

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

### ***Village's Response to Findings***

*Government Auditing Standards* requires the auditor to perform limited procedures on the Village's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Village's response was not subjected to the other auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on the response.

### ***Purpose of This Report***

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

**FORVIS,LLP**

Oakbrook Terrace, Illinois  
September 27, 2023



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## **Report on Compliance for the Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

### **Independent Auditor's Report**

Honorable President and  
Members of the Board of Trustees  
Village of Bolingbrook, Illinois

### **Report on Compliance for the Major Federal Program**

#### ***Opinion on the Major Federal Program***

We have audited the Village of Bolingbrook, Illinois' (Village) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the Village's major federal program for the year ended April 30, 2022. The Village's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Village of Bolingbrook complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended April 30, 2022.

#### ***Basis for Opinion on the Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Village of Bolingbrook and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of Village of Bolingbrook's compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Village of Bolingbrook's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Village of Bolingbrook's compliance based on our audit. 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Village of Bolingbrook's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Village of Bolingbrook's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Village of Bolingbrook's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Village of Bolingbrook's internal control over compliance. Accordingly, no such opinion is expressed.

### ***Report on Internal Control Over Compliance***

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Honorable President and  
Members of the Board of Trustees  
Village of Bolingbrook, Illinois  
Page 5

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

## **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

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 Bolingbrook, Illinois as of and for the year ended April 30, 2022, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements. We have issued our report thereon, dated September 27, 2023, which contained unmodified opinions on those financial statements. Our report contained an Emphasis of Matter paragraph regarding restatement of 2021 financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

**FORVIS,LLP**

Oakbrook Terrace, Illinois  
September 27, 2023

**Village of Bolingbrook, Illinois**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended April 30, 2022**

Federal Grantor /Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>U.S. Department of Transportation</b>				
Pass through Illinois Department of Transportation- Aeronautics COVID-19 - Airport Improvement Program, COVID-19 Airport Programs, and Infrastructure Investments and Jobs Act Programs	20.106	20-2421-22131	\$ -	\$ 45,000
Pass through Illinois Department of Transportation State and Community Highway Safety/Highway Safety Cluster	20.600	HS-22-0043.04-02	-	7,372
Total U.S. Department of Transportation			-	52,372
<b>U.S. Department of Treasury</b>				
Equitable Sharing Program	21.016	N/A	-	57,779
COVID-19- Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	- *	4,570,070
Total U.S. Department of Treasury			-	4,627,849
<b>U.S. Health and Human Services</b>				
COVID-19- Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution	93.498	N/A	-	7,240
Pass through Illinois Health and Human Services Block Grant for Prevention and Treatment of Substance Abuse	93.959	43CAZ03452	-	3,923
Total U.S. Health and Human Services			-	11,163
<b>U.S. Homeland Security</b>				
Federal Emergency Management Authority Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	4489-197-07133-00	-	6,899
<b>Total Expenditures of Federal Awards</b>			<b>\$ -</b>	<b>\$ 4,698,283</b>

\*Denotes major program.

**Village of Bolingbrook, Illinois**  
**Notes to Schedule of Expenditures of Federal Awards**  
**Year Ended April 30, 2022**

**Note 1: Basis of Presentation**

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of the Village under programs of the federal government for the year ended April 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Village, it is not intended to and does not present the net position, changes in revenues, expenses, and changes in net position or cash flows of the Village.

**Note 2: Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, or other applicable regulatory guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**Note 3: Indirect Cost Rate**

The Village has elected not to use the 10 percent de minimis cost rate allowed under the Uniform Guidance.

**Village of Bolingbrook, Illinois**  
**Schedule of Findings and Questioned Costs**  
**Year Ended April 30, 2021**

**Section I – Summary of Auditor’s Results**

*Financial Statements*

1. Type of report the auditor issued on whether the basic financial statements audited were prepared in accordance with GAAP:

Unmodified     Qualified     Adverse     Disclaimer

2. Internal control over financial reporting:

Significant deficiencies identified?

Yes     None reported

Material weaknesses identified?

Yes     No

3. Noncompliance material to the financial statements noted?

Yes     No

*Federal Awards*

4. Internal control over major federal awards program:

Significant deficiency(ies) identified?

Yes     None reported

Material weakness(es) identified?

Yes     No

5. Type of auditor’s report issued on compliance for the major federal award program:

Unmodified     Qualified     Adverse     Disclaimer

6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

Yes     No

**Village of Bolingbrook, Illinois**  
**Schedule of Findings and Questioned Costs**  
**Year Ended April 30, 2022**

7. Identification of major federal program:

<b>Name of Federal Program or Cluster</b>	<b>Assistance Listing Number</b>
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027

8. Dollar threshold used to distinguish between Type A and Type B programs: \$750,000.

9. The Village qualified as a low-risk auditee?

Yes

No

**Village of Bolingbrook, Illinois**  
**Schedule of Findings and Questioned Costs**  
**Year Ended April 30, 2022**

**Section II – Financial Statement Findings**

Reference Number	Finding
<b>2022-001</b>	<p><b><i>Year-End Financial Reporting Process</i></b></p> <p><i>Criteria:</i> Auditing Standard AU-C 265, entitled <i>Communicating Internal Control Related Matters in an Audit</i>, defines the terms “significant deficiencies” and “material weaknesses in internal control” over financial reporting. Among others, lack of controls over the period end financial reporting process is considered a deficiency in internal control. The standard emphasizes that the external auditor cannot be part of an entity’s internal control process over financial reporting. Accordingly, we require evidence and documentation from management to support our evaluation about the effectiveness of internal controls over financial reporting. <b>FORVIS, LLP</b> has performed the required evaluation under the guidelines of audit standards as to whether management, other employees or those charged with corporate governance have the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the Village’s transactions or in preparing its financial statements, including note disclosures.</p> <p><i>Condition:</i> During the course of our audit procedures, we proposed numerous material adjustments to the trial balance (including restatements of certain prior year balances), which had a material effect on the changes in net position and fund balances. We also identified other adjustments that we agreed with management not to post due to immateriality.</p> <p><i>Cause:</i> The results of this evaluation indicate that the Village lacks sufficient controls to ensure its financial statements, including note disclosures, are properly prepared in accordance with GAAP.</p> <p><i>Effect or potential effect:</i> Prior year financial statements were misstated and without additional review done as part of the audit process, the fiscal year 2022 financial statements would have also been materially misstated.</p> <p><i>Recommendation:</i> We recommend the Finance Director establish a formal year-end closing schedule in order to improve the efficiency of the audit process and reduce both the number and dollar value of the audit adjusting journal entries. Such an approach would detail all the critical steps in the year-end close as well as the account analysis and schedule preparation required for the audit. Due dates would also be monitored so that the process stays on target for the established time deadline. Strict adherence to this schedule should be required because this will allow for the year-end work and audit preparation to be a much less time-consuming and arduous process.</p> <p><i>Views of responsible officials and planned corrective actions:</i> The Village will establish a formal year-end closing schedule in order to improve the efficiency of the audit process and reduce both the number and dollar amount of audit adjustments.</p>

**Village of Bolingbrook, Illinois**  
**Schedule of Findings and Questioned Costs**  
**Year Ended April 30, 2022**

<b>Reference Number</b>	<b>Finding</b>
<b>2022-002</b>	<p><b><i>Risk Assessment</i></b></p> <p><i>Criteria:</i> A structured, documented risk assessment program can be a valuable tool for entities to evaluate and plan for threats facing the entity.</p> <p><i>Condition:</i> The Village has not completed a recent fraud risk assessment.</p> <p><i>Cause:</i> The Village has not formalized a fraud risk assessment framework for use by the Village.</p> <p><i>Effect or potential effect:</i> Recent reports indicate that fraud is rapidly growing in the United States. A proven and effective deterrent to fraud and abuse is the establishment of an antifraud culture within the organization. A strong and highly ethical “tone at the top” can provide significant strength to deter fraud.</p> <p><i>Recommendation:</i> We suggest the following:</p> <ul style="list-style-type: none"><li>• Define the role of the Village Board and committees as they relate to fraud and abuse</li><li>• Management and supervisors should continue to set an example</li><li>• Management and supervisors should remain aware of fraud risks and indicators</li><li>• Internal controls should be given high priority</li><li>• Fraud-related policies should be enforced</li><li>• Reports of potential fraud and abuse should be investigated promptly</li></ul> <p>The following are some additional specific recommendations:</p> <ul style="list-style-type: none"><li>• Require annual signatures on forms indicating that employees and others charged with governance have read and understand the Village’s Code of Ethics and Conflict of Interest policies</li><li>• Designate a department to monitor whether employee evaluations are being conducted in accordance with the policy outlined in the personnel manual</li></ul> <p>The above practices provide an organization with a significantly enhanced system for prevention of fraud and abuse. The related costs and efforts to put these policies and procedures in place will seem insignificant to the security and benefits they will provide.</p> <p><i>Views of responsible officials and planned corrective actions:</i> The Village will implement a formal fraud risk assessment in the upcoming fiscal year.</p>

**Village of Bolingbrook, Illinois**  
**Schedule of Findings and Questioned Costs**  
**Year Ended April 30, 2022**

Reference Number	Finding
<b>2022-003</b>	<p><b><i>Capital Asset Addition, Disposal and Monitoring</i></b></p> <p><i>Criteria:</i> The Village is required to maintain complete and accurate records for capital asset activity.</p> <p><i>Condition:</i> During the audit of capital assets, the following items were noted:</p> <ul style="list-style-type: none"><li>• The Village relies solely on the outside appraisal for depreciation calculations. There are no recalculations performed to verify the accuracy of the report.</li><li>• There is no formal process to document the disposal of capital assets. Gains and losses are also not tracked for capital assets when sold or disposed of.</li><li>• Additional asset acquisitions needed to bring the asset to its operational state are not being properly capitalized.</li><li>• There is no formal process to identify, record, and monitor assets that were donated/contributed or turned over to the Village by developers.</li></ul> <p><i>Cause:</i> The Village relies on an updated appraisal to account for the tracking of this activity. Throughout the years, not properly reporting additions and deletions to the appraisal company and properly reconciling to the updated report has resulted in ongoing and continuing discrepancies, making it difficult to tie the appraisal report to the Village's reported capital asset balances.</p> <p><i>Effect or potential effect:</i> The lack of processes above related to capital assets makes these balances more susceptible to misstatements due to error or fraud.</p> <p><i>Recommendation:</i> We recommend that the Village perform a thorough review of the appraisal report, including reviewing depreciation expense calculations and ensuring information sent to the appraisal firm is properly summarized in the final report. This review should be formally documented and approved by an appropriate member of management. The Village should implement a formal process and procedures for asset additions and disposals. It should include policy related to assets that were donated or turned over to the Village. In addition, the Village should include all costs associated with the acquisition of an asset as the capitalized amount.</p> <p><i>Views of responsible officials and planned corrective actions:</i> The Village will implement a formal review and establish a formal process documenting this review.</p>

**Village of Bolingbrook, Illinois**  
**Schedule of Findings and Questioned Costs**  
**Year Ended April 30, 2022**

Reference Number	Finding
<b>2022-004</b>	<p><b><i>Grant Monitoring</i></b></p> <p><i>Criteria:</i> Grants awarded should be monitored operationally and fiscally by the Village.</p> <p><i>Condition:</i> During the audit, we recommended several adjusting journal entries to record the related assets, liabilities, revenues and expenses arising from various Illinois Department of Transportation (IDOT) grants. We also noted the lack of coordination and communication between Public Works and the Finance Department to reconcile the existing projects, newly awarded projects, completed projects and the related revenues and expenses that should be recognized. Any department receiving grant funding should be coordinating with the Finance Department to ensure proper reporting.</p> <p><i>Cause:</i> There is no centralized approach to tracking and accounting for these grants.</p> <p><i>Effect or potential effect:</i> The lack of processes above related to grant awards makes the balances more susceptible to misstatements due to error or fraud. Furthermore, it results in difficulty compiling and reporting on the grant activity for the Village as a whole.</p> <p><i>Recommendation:</i> We recommend better coordination between the various departments and the Finance Department to operationally and fiscally monitor grants. The Village should also establish a process to reconcile grant revenues and expenses on a monthly basis. Formal approval by an appropriate member of management should be documented on all grant revenue and expense reconciliations.</p> <p><i>Views of responsible officials and planned corrective actions:</i> The Village hired a Grant Coordinator to centralize the grant process, reporting and monitoring in fiscal year 2023.</p>
<b>2022-005</b>	<p><b><i>Checking Account/Demand Deposit Accounts</i></b></p> <p><i>Criteria:</i> The Village is required to comply with State escheat laws.</p> <p><i>Condition:</i> The Village does not have a formal, clearly defined policy for disposition of uncashed checks.</p> <p><i>Cause:</i> Because no such policy exists, long-outstanding checks are not handled in an organized fashion.</p> <p><i>Effect or potential effect:</i> Several bank account reconciliations include very old outstanding checks. Some of the outstanding checks date back to May 2004. As a result, the Village is not complying with State escheat laws.</p> <p><i>Recommendation:</i> We recommend the Village take steps to properly comply with State escheat laws. In order to help ensure the Village is complying with these laws, the Village should consider establishing a formal, written policy concerning uncashed</p>

**Village of Bolingbrook, Illinois**  
**Schedule of Findings and Questioned Costs**  
**Year Ended April 30, 2022**

<b>Reference Number</b>	<b>Finding</b>
	<p>checks based on current State escheat laws. Such a policy should specify aging milestones with required actions. For example, this policy might specify that when checks are past 60 days old, the payee should be contacted. After 90 days, the checks should be moved to a suspense account or written off.</p> <p><i>Views of responsible officials and planned corrective actions:</i> The Village has implemented a formal process that follows the State escheat laws in fiscal year 2024.</p>
<b>2022-006</b>	<p><b><i>Overdue Outstanding Accounts Receivable and Write-Offs</i></b></p> <p><i>Criteria:</i> The Village should monitor past due accounts receivable balances and properly assess for potential write-off.</p> <p><i>Condition:</i> During the audit, we noted some of various accounts receivable balances were outstanding for more than 120 days.</p> <p><i>Cause:</i> Currently, the Village does not have policy in place to address overdue outstanding receivables so that the Village can identify these accounts and evaluate their collectability on a regular basis.</p> <p><i>Effect or potential effect:</i> Ambulance billings, business licenses receivables, refuse fees receivables and other receivables include accounts with overdue outstanding balances.</p> <p><i>Recommendation:</i> We recommend that the Village establish a formal written policy as it relates to overdue outstanding accounts receivable. The policy should include detailed analysis of receivables and its collectability on a regular basis (at least quarterly). Such a policy will help ensure a process is in place to identify overdue outstanding receivables and their collectability to ensure that accounts receivable are carried at their realizable value.</p> <p><i>Views of responsible officials and planned corrective actions:</i> The Village has started to re-examine the outstanding accounts and formulate a policy to address these in fiscal year 2023.</p>
<b>2022-007</b>	<p><b><i>Interfund Balances</i></b></p> <p><i>Criteria:</i> The Village should monitor interfund accounts balances and properly assess for potential transfers.</p> <p><i>Condition:</i> During the audit, we noted the Motor Fuel Tax Fund had approximately \$1.8 million in advances from other funds and the fund has over \$14 million in cash and investments.</p>

**Village of Bolingbrook, Illinois**  
**Schedule of Findings and Questioned Costs**  
**Year Ended April 30, 2022**

<b>Reference Number</b>	<b>Finding</b>
	<p><i>Cause:</i> Currently, the Village does not have policy in place to address interfund balances so that the Village can identify these accounts and evaluate them on a regular basis.</p> <p><i>Effect or potential effect:</i> Liabilities for the Motor Fuel Tax Fund include amounts that could be covered by cash.</p> <p><i>Recommendation:</i> We recommend that the Village establish a formal written policy as it relates to interfund balances. The policy should include detailed analysis of interfund balances on a regular basis (at least quarterly).</p> <p><i>Views of responsible officials and planned corrective actions:</i> The Village has implemented a quarterly review of interfund balances in fiscal year 2023.</p>

**Village of Bolingbrook, Illinois**  
**Schedule of Findings and Questioned Costs**  
**Year Ended April 30, 2022**

**Section III – Federal Award Finding and Questioned Costs**

<b>Reference Number</b>	<b>Finding</b>
No matters are reportable.	

**Village of Bolingbrook, Illinois**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended April 30, 2022**

Reference Number	Finding	Status
<b>2021-001</b>	<b><i>Year-End Financial Reporting Process</i></b>  During the course of our audit procedures, we proposed numerous material adjustments to the trial balance, which had a material effect on the changes in net position and fund balances.	Finding repeated and communicated in fiscal year 2022 as 2022-001.
<b>2021-002</b>	<b><i>Risk Assessment</i></b>  The Village has not completed a recent fraud risk assessment. The Village also has not formalized a fraud risk assessment framework for use by the Village.	Finding repeated and communicated in fiscal year 2022 as 2022-002.
<b>2021-003</b>	<b><i>Capital Asset Addition, Disposal and Monitoring</i></b>  During the audit of capital assets, the following items were noted: <ul style="list-style-type: none"> <li>• The Village relies solely on the outside appraisal for depreciation calculations. There are no recalculations performed to verify the accuracy of the report.</li> <li>• There is no formal process to document the disposal of capital assets. Gains and losses are also not tracked for capital assets when sold or disposed of.</li> <li>• Additional asset acquisitions needed to bring the asset to its operational state are not being properly capitalized.</li> <li>• There is no formal process to identify, record, and monitor assets that were donated/ contributed or turned over to the Village by developers.</li> </ul>	Finding repeated and communicated in fiscal year 2022 as 2022-003.

**Village of Bolingbrook, Illinois**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended April 30, 2022**

Reference Number	Finding	Status
<b>2021-004</b>	<b><i>Grant Monitoring</i></b>  During the audit, we recommended several adjusting journal entries to record the related assets, liabilities, revenues and expenses arising from various Illinois Department of Transportation (IDOT) grants. We also noted the lack of coordination and communication between Public Works and the Finance Department to reconcile the existing projects, newly awarded projects, completed projects and the related revenues and expenses that should be recognized.	Finding repeated and communicated in fiscal year 2022 as 2022-004.
<b>2021-005</b>	<b><i>Checking Account/Demand Deposit Accounts</i></b>  The Village does not have a formal, clearly defined policy for disposition of uncashed checks.	Finding repeated and communicated in fiscal year 2022 as 2022-005.
<b>2021-006</b>	<b><i>Overdue Outstanding Accounts Receivable and Write-Offs</i></b>  During the audit, we noted some of various accounts receivable balances were outstanding for more than 120 days. The Village does not have policy in place to address overdue outstanding receivables so that the Village can identify these accounts and evaluate their collectability on a regular basis.	Finding repeated and communicated in fiscal year 2022 as 2022-006.
<b>2021-007</b>	<b><i>Employee Expense Reimbursements Approval Documentation</i></b>  During the audit, we noted management level health-related reimbursements are not reviewed and properly approved by their respective supervisors. The Village lacks monitoring and consistent implementation of its policies and procedures related to employee expense reimbursements.	Corrected in fiscal year 2022.

**Village of Bolingbrook, Illinois**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended April 30, 2022**

<b>Reference Number</b>	<b>Finding</b>	<b>Status</b>
<b>2021-008</b>	<b><i>Allowable Costs</i></b>  During the audit, we noted that certain police timesheets had no documentation of review. The Village lacked proper controls over allowable costs related to police employee salary charges to its CRF program.	Corrected in fiscal year 2022.