

# **City of Blue Island, Illinois**

Financial Statements and  
Supplementary Information

December 31, 2021

# City of Blue Island, Illinois

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## **Independent Auditors' Report**

To the Mayor and Members of the City Council of  
City of Blue Island, 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, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Blue Island (the City), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, 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, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City as of December 31, 2021 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Blue Island Public Library, the discretely presented component unit of the City. Those statements were audited by other auditors, whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the Blue Island Public Library are based solely on the report of the other auditors.

#### **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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City 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. The financial statements of the Blue Island Public Library were not audited in accordance with *Government Auditing Standards*.

#### ***Emphasis of Matter***

As discussed in Note 3 to the financial statements, net position as of December 30, 2020 has been restated to correct a material misstatement due to an error in recognition of subsequent year property tax revenue in governmental activities. Our opinion is not modified with respect to this matter.

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City'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.

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis 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 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 supplementary information is 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 December 2, 2022 on our consideration of the City'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 the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive, flowing style.

Oak Brook, Illinois  
December 2, 2022

**CITY OF BLUE ISLAND, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2021**

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The City of Blue Island offers readers of its financial statements this narrative overview and analysis of the financial activity of the City for the year ended December 31, 2021.

**Financial Highlights**

The liabilities plus deferred inflows of resource of the City exceeded its assets plus deferred outflows of resources at the close of the most recent fiscal year by \$4,105,223 (net position). Of this amount, \$42,380,967 represents the net investment in capital assets, and 25,982,599 is restricted for specific purposes. The City's unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors, was at a deficit of \$72,468,789. Included within this deficit are amounts that will be needed to make future principal and interest payments on bond issues, which will be funded through future tax levies. The liability for the debt is included in the statement of net position, but only the portion of the future tax receipts already levied has been included. The deficit also includes amounts needed to fund the net pension liabilities and net other postemployment benefits obligation which total \$66,071,696.

- The City's total net position increased by \$6,562,186. The large increase is primarily due to the decrease in expenses.
- At December 31, 2021, the City's governmental funds reported a combined ending fund balance of \$18,504,000.
- At December 31, 2021, the unassigned fund balance for the governmental funds was at a deficit of \$2,756,540, of which the General Fund was a deficit of \$2,617,307.
- The City of Blue Island's total long-term general obligations and alternate revenue bonds decreased by \$867,590 at December 31, 2021, due to annual payments.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide Financial Statements.** The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private sector business.

The statement of net position presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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



**CITY OF BLUE ISLAND, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2021**

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**Government-wide Financial Statements** (continued)

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all, or a significant portion, of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, and interest on debt. The business-type activities of the City include water and sewer operations and golf course operations.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate component unit, the Blue Island Public Library, for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found immediately following the Management's Discussion and Analysis.

**Fund Financial Statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, 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 City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds** - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, 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 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 government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains sixteen individual governmental funds at December 31, 2021. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, and three Special Revenue Funds (Special Tax Increment Allocation II Fund, Special Tax Increment Allocation III Fund and Special Tax Increment Allocation V Fund) which are considered to be major funds. Data from the other twelve governmental funds (Business District, Motor Fuel Tax Fund, Special Tax Increment Allocation Fund IV, Special Tax Increment Allocation Fund VI, Special Tax Increment Allocation Fund VII, State Asset Seizure Fund, Federal Asset Seizure Fund, Foreign Fire Tax Fund, Police Pension Contribution Fund, Firefighters' Pension Contribution Fund, Debt Service Fund, and the Community Development Block Grant Fund) are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund and certain other funds. A budgetary comparison statement has been provided for the General Fund and all governmental funds with legally adopted appropriations to demonstrate compliance within this budget.

**CITY OF BLUE ISLAND, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2021**

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**Governmental Funds** (continued)

***Proprietary Funds*** – The City maintains one type of proprietary fund, an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer, and golf course operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer and golf course, which are considered to be major funds of the City.

***Fiduciary Funds*** – Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The method of accounting used for fiduciary funds is similar to that used by proprietary funds.

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

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension and health retirement benefits to its employees.

General Fund detailed schedules of revenues and expenditures – budget and actual, the combining statements referred to earlier in connection with nonmajor governmental funds, schedules of revenues and expenditures – budget and actual for nonmajor governmental funds with legally adopted budgets, detail schedules of long-term debt are presented immediately following the required supplementary information on pensions.

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, liabilities plus deferred inflows exceeded assets plus deferred outflows by \$4,105,223 at the close of December 31, 2021.

By far the largest portion of the City's net position reflects its investment in capital assets (e.g., land, buildings, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**CITY OF BLUE ISLAND, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2021**

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**Government-wide Financial Analysis (continued)**

A summary of the statement of net position of December 31, 2021 is below:

**Statement of Net Position**  
**As of December 31, 2021**  
**(in millions)**

	Governmental Activities	Business-type Activities	Total Primary Government
Current and other assets	\$ 32.9	\$ 2.7	\$ 35.6
Capital assets	32.3	12.6	44.9
<b>Total assets</b>	<u>65.2</u>	<u>15.3</u>	<u>80.5</u>
Deferred outflows related to pensions	3.2	0.1	3.3
Deferred outflows related to OPEB	2.1	-	2.1
<b>Total deferred outflows of resources</b>	<u>5.3</u>	<u>0.1</u>	<u>5.4</u>
Long-term liabilities	68.3	1.7	70.0
Other liabilities	3.5	0.5	4.0
<b>Total liabilities</b>	<u>71.8</u>	<u>2.2</u>	<u>74.0</u>
Property taxes levied for future periods	7.7	-	7.7
Deferred inflows related to pensions	5.5	1.6	7.1
Deferred inflows related to OPEB	1.2	-	1.2
<b>Total deferred inflows of resources</b>	<u>14.4</u>	<u>1.6</u>	<u>16.0</u>
Net position			
Net investment in capital assets	31.6	10.8	42.4
Restricted	23.8	2.2	26.0
Unrestricted (deficit)	<u>(71.1)</u>	<u>(1.4)</u>	<u>(72.5)</u>
<b>Total net position</b>	<u>\$ (15.7)</u>	<u>\$ 11.6</u>	<u>\$ (4.1)</u>

An additional portion of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

**CITY OF BLUE ISLAND, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2021**

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**Government-wide Financial Analysis** (continued)

A summary of the statement of net position at December 31, 2020 is below:

**Statement of Net Position**  
**As of December 31, 2020**  
**(in millions)**

	Governmental Activities	Business-type Activities	Total Primary Government
Current and other assets	\$ 25.4	\$ 0.8	\$ 26.2
Capital assets	32.9	13.1	46.0
<b>Total assets</b>	<u>58.3</u>	<u>13.9</u>	<u>72.2</u>
Deferred outflows related to pensions	6.6	0.1	6.7
<b>Total deferred outflows of resources</b>	<u>6.6</u>	<u>0.1</u>	<u>6.7</u>
Long-term liabilities	69.7	1.7	71.4
Other liabilities	3.4	1.4	4.8
<b>Total liabilities</b>	<u>73.1</u>	<u>3.1</u>	<u>76.2</u>
Deferred inflows related to pensions	4.4	0.9	5.3
Deferred inflows related to OPEB	0.6	-	0.6
<b>Total deferred inflows of resources</b>	<u>5.0</u>	<u>0.9</u>	<u>5.9</u>
Net position			
Net investment in capital assets	32.0	10.9	42.9
Restricted	17.4	-	17.4
Unrestricted (deficit)	<u>(62.6)</u>	<u>(0.9)</u>	<u>(63.5)</u>
<b>Total net position</b>	<u>\$ (13.2)</u>	<u>\$ 10.0</u>	<u>\$ (3.2)</u>

**Governmental Activities.** Governmental activities increased the City's net deficit position by \$5,020,951. The prior year change in net deficit position was an increase of \$2,504,190.

**Business-type Activities.** Business-type activities increased the City's net position by \$1,541,235.

**CITY OF BLUE ISLAND, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2021**

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**Government-wide Financial Analysis (continued)**

**Changes in Net Position**  
**For the Year Ended December 31, 2021**  
**(in millions)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	Amount	% of Totals	Amount	% of Totals	Amount	% of Totals
Program revenues:						
Charges for service	\$ 5.1	19.5%	\$ 7.7	100.0%	\$ 12.8	37.8%
Operating grants	1.8	6.9%	-	0.0%	1.8	5.3%
Capital grants	0.5	1.9%	-	0.0%	0.5	1.5%
General revenue:						
Property taxes	9.6	36.5%	-	0.0%	9.6	28.3%
Other taxes	5.5	21.0%	-	0.0%	5.5	16.2%
Other revenues	3.7	14.1%	-	0.0%	3.7	10.9%
<b>Total revenues</b>	<u>26.2</u>		<u>7.7</u>		<u>33.9</u>	
Expenses:						
Governmental activities:						
General government	7.1	33.5%	-	0.0%	7.1	26.0%
Public safety	11.5	54.2%	-	0.0%	11.5	42.1%
Public works	2.5	11.8%	-	0.0%	2.5	9.2%
Interest	0.1	0.5%	-	0.0%	0.1	0.4%
Business-type:						
Water and sewer	-	0.0%	5.1	83.6%	5.1	18.6%
Golf course	-	0.0%	1.0	16.4%	1.0	3.7%
<b>Total expenses</b>	<u>21.2</u>		<u>6.1</u>		<u>27.3</u>	
Change in net position	5.0		1.6		6.6	
Net position - beginning (as restated)	(20.7)		10.0		(10.7)	
Net position - ending	<u>\$ (15.7)</u>		<u>\$ 11.6</u>		<u>\$ (4.1)</u>	

**CITY OF BLUE ISLAND, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2021**

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**Government-wide Financial Analysis (continued)**

**Changes in Net Position**  
**For the Year Ended December 31, 2020**  
**(in millions)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	Amount	% of Totals	Amount	% of Totals	Amount	% of Totals
Program revenues:						
Charges for service	\$ 4.1	15.6%	\$ 7.3	94.8%	\$ 11.4	33.6%
Operating grants	1.9	7.3%	-	0.0%	1.9	5.6%
Capital grants	-	0.0%	-	0.0%	-	0.0%
General revenue:						
Property taxes	9.5	36.2%	-	0.0%	9.5	28.0%
Other taxes	5.1	19.5%	-	0.0%	5.1	15.0%
Other revenues	2.9	11.1%	-	0.0%	2.9	8.6%
<b>Total revenues</b>	<b>23.5</b>		<b>7.3</b>		<b>30.8</b>	
Expenses:						
Governmental activities:						
General government	6.9	32.5%	-	0.0%	6.9	25.3%
Public safety	11.3	53.3%	-	0.0%	11.3	41.4%
Public works	2.7	12.7%	-	0.0%	2.7	9.9%
Interest	0.1	0.5%	-	0.0%	0.1	0.4%
Business-type:						
Water and sewer	-	0.0%	5.5	90.2%	5.5	20.0%
Golf course	-	0.0%	0.9	14.8%	0.9	3.3%
<b>Total expenses</b>	<b>21.0</b>		<b>6.4</b>		<b>27.4</b>	
Change in net position	2.5		0.9		3.4	
Net position - beginning	(15.7)		9.1		(6.6)	
Net position - ending	<u>\$ (13.2)</u>		<u>\$ 10.0</u>		<u>\$ (3.2)</u>	

Changes in revenue and expenses from December 31, 2020 to December 31, 2021 are reflected above.

**CITY OF BLUE ISLAND, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2021**

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**Government-wide Financial Analysis** (continued)

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

***Governmental Funds.*** The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at December 31, 2021.

***Proprietary Funds.*** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the Water and Sewer and Golf Course funds at the end of the year amounted to a deficit of \$1,432,391. The total increase in net position for the funds was \$1,541,235. Other factors concerning the finances of these two funds have already been addressed in the discussion of the City's business-type activities.

**CITY OF BLUE ISLAND, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2021**

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**General Fund Budgetary Highlights**

The budgetary statement for the General Fund shows the original and final budget, and actual revenues, expenditures, and transfers in and out for the year ended December 31, 2021. Revenues and expenditures were under budget for the year ended December 31, 2021.

		<b>General Fund (in millions)</b>	
		Original & Final	
		Budget	Actual
Revenues			
Taxes	\$	7.2	\$ 7.5
Licenses		0.8	0.9
Permits		0.4	0.4
Fines		0.3	0.4
Intergovernmental		5.1	4.1
Other		3.2	3.9
Total revenues		<u>17.0</u>	<u>17.2</u>
Expenditures			
Current			
Administration		2.7	2.6
Building		0.4	0.3
Police		5.0	4.7
Fire		3.4	2.9
Public works		3.0	2.5
Insurance loss		2.2	2.2
Marketing		0.1	0.1
Rec center		0.1	0.1
Capital outlay		0.5	0.2
Debt service		0.1	-
Total expenditures		<u>17.5</u>	<u>15.6</u>
Excess (deficiency) of revenues			
over expenditures		<u>(0.5)</u>	<u>1.6</u>
Other financing sources (uses)			
Transfers in		<u>0.5</u>	<u>0.4</u>
Total other financing sources (uses)		<u>0.5</u>	<u>0.4</u>
Net change in fund balance	\$	<u>(0.0)</u>	\$ <u>2.0</u>

Intergovernmental tax and other revenue shortfalls continue to put pressure on the operations of the City. The City demonstrated fiscal restraint to minimize the effect of these shortfalls.



**CITY OF BLUE ISLAND, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2021**

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**Capital Asset and Debt Administration**

**Capital Assets.** The City's investment in capital assets for its governmental and business-type activities as of December 31, 2021 amounts to \$44,862,495 (\$46,076,357 at December 31, 2020), which is net of accumulated depreciation. This investment in capital assets includes land, buildings, utility system and improvements, and equipment, including vehicles.

During the current year, the City performed major infrastructure improvements to City streets and bridges. The City also purchased 3 police vehicles.

**Capital Assets**  
**Net of Depreciation**  
**(in millions)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	Dec	Dec	Dec	Dec	Dec	Dec
	2021	2020	2021	2020	2021	2020
Land	\$ 20.3	\$ 20.3	\$ 0.7	\$ 0.7	\$ 21.0	\$ 21.0
Construction in Progress	0.7	0.7	-	-	0.7	0.7
Buildings and land improvements	4.6	5.0	2.1	2.6	6.7	7.6
Infrastructure	5.9	6.2	9.2	9.3	15.1	15.5
Equipment	0.8	0.8	0.5	0.5	1.3	1.3
Total	<u>\$ 32.3</u>	<u>\$ 33.0</u>	<u>\$ 12.5</u>	<u>\$ 13.1</u>	<u>\$ 44.8</u>	<u>\$ 46.1</u>

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

**Long-term Debt.** At December 31, 2021, the City had three general obligation bonds outstanding, totaling \$2,160,000 (\$2,900,000 at 2020). All of this bonded debt is backed by the full faith and credit of the government.

The City also participated in the Illinois Environmental Protection Agency's Public Water Supply Loan Program, borrowing \$897,560 to be repaid in semiannual installments of \$26,005 inclusive of interest at 1.25%, commencing October 7, 2013 through October 7, 2032. The outstanding balance at December 31, 2021 was \$530,904 (\$575,855 at 2020).

The City is participating in the Illinois Financing Authority Project Bond, which provides reimbursement for eligible expenses. The bond can be up to \$1,300,000 and as of December 31, 2020 the City has received the entire \$1,300,000. The outstanding balance as of December 31, 2021 and 2020 was \$698,663 and \$826,253, respectively.

**CITY OF BLUE ISLAND, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2021**

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**Capital Asset and Debt Administration (continued)**

	<b>Outstanding General Obligation Debt</b>					
	<b>(in millions)</b>					
	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>	
	<b>Activities</b>	<b>Activities</b>	<b>Activities</b>	<b>Activities</b>	<b>Activities</b>	<b>Activities</b>
	<u>Dec</u>	<u>Dec</u>	<u>Dec</u>	<u>Dec</u>	<u>Dec</u>	<u>Dec</u>
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
General obligation bonds	\$ 1.1	\$ 1.4	\$ -	\$ -	\$ 1.1	\$ 1.4
Alternate revenue source bonds	-	-	1.1	1.4	1.1	1.4
Illinois EPA Water Supply Loan	-	-	0.5	0.6	0.5	0.6
Illinois Finance Authority General obligation bond	0.7	0.8	-	-	0.7	0.8
Installment loans	-	0.1	0.1	0.2	0.1	0.3
	<u>\$ 1.8</u>	<u>\$ 2.3</u>	<u>\$ 1.7</u>	<u>\$ 2.2</u>	<u>\$ 3.5</u>	<u>\$ 4.5</u>

The City's total long-term debt, including notes payable, has decreased by \$1,047,477 during the current fiscal year.

The City is limited in the amount of general obligation debt a governmental entity may issue per state statute. The City's legal debt margin at December 31, 2021 was \$20,432,631.

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

**Summary and Future Considerations**

The City intends to continue to closely monitor expenditures and allocate resources to areas that best meet the needs of its citizenry. The City will continue to actively seek out grants and all other available revenue sources. The City intends to continue to participate in the Community Development Block Grant Program to obtain additional resources to help maintain the infrastructure of the City.

**Request for Information**

This financial report is designed to provide a general overview of the City's finances for those with an interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to the City Clerk, 13051 South Greenwood Avenue, Blue Island, Illinois 60406.

**City of Blue Island, Illinois**
**Statement of Net Position**

December 31, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Blue Island Public Library
Assets and Deferred Outflows of Resources				
Assets				
Cash and cash equivalents	\$ 14,243,964	\$ 2,504,230	\$ 16,748,194	\$ 639,939
Restricted cash	2,515,349	37,399	2,552,748	-
Receivables (net):				
Taxes	7,748,315	-	7,748,315	248,396
Accounts	401,744	1,335,445	1,737,189	-
Other	1,789,198	-	1,789,198	-
Due from other governmental units	180,566	-	180,566	-
Internal balances	3,288,509	(3,288,509)	-	-
Prepaid items	46,497	-	46,497	10,209
Net pension asset	2,699,348	2,167,489	4,866,837	1,204,161
Inventory	-	6,639	6,639	-
Capital assets:				
Capital Assets not being depreciated	21,014,111	678,958	21,693,069	148,646
Capital assets being depreciated, net of depreciation	11,291,614	11,877,812	23,169,426	-
Total assets	65,219,215	15,319,463	80,538,678	2,251,351
Deferred Outflows of Resources				
Deferred outflows of resources related to pensions	3,160,095	89,143	3,249,238	49,524
Deferred outflows of resources related to OPEB	2,154,148	-	2,154,148	-
Total deferred outflows of resources	5,314,243	89,143	5,403,386	49,524
Total assets and deferred outflows of resources	\$ 70,533,458	\$ 15,408,606	\$ 85,942,064	\$ 2,300,875

**City of Blue Island, Illinois**
**Statement of Net Position**

December 31, 2021

	Primary Government			Component Unit
	Governmental	Business-Type		Blue Island
	Activities	Activities	Total	Public Library
Liabilities, Deferred Inflows of Resources, and Net Position				
Liabilities				
Accounts payable and accrued expenses	\$ 1,431,796	\$ 454,339	\$ 1,886,135	\$ 55,083
Accrued interest payable	-	5,610	5,610	-
Claims payable	332,163	-	332,163	-
Due to other governmental units	126,825	-	126,825	-
Due to component unit	94,506	-	94,506	-
Unearned revenues	1,558,101	-	1,558,101	-
Noncurrent liabilities:				
Due within one year	798,513	486,044	1,284,557	31,396
Due in more than one year	67,493,883	1,253,368	68,747,251	-
Total liabilities	71,835,787	2,199,361	74,035,148	86,479
Deferred Inflows of Resources				
Property taxes levied for future periods	7,748,315	-	7,748,315	896,024
Deferred inflows of resources related to pensions	5,499,100	1,612,843	7,111,943	-
Deferred inflows of resources related to OPEB	1,151,881	-	1,151,881	-
Total deferred inflows of resources	14,399,296	1,612,843	16,012,139	896,024
Net Position				
Net investment in capital assets	31,557,062	10,823,905	42,380,967	148,646
Restricted for:				
Grants	1,113,414	-	1,113,414	-
Economic development	16,934,144	-	16,934,144	-
Street maintenance	2,705,025	-	2,705,025	-
Public safety	119,226	-	119,226	-
Debt service	206,554	37,399	243,953	-
Retirement benefits	2,699,348	2,167,489	4,866,837	-
Unrestricted	(71,036,398)	(1,432,391)	(72,468,789)	1,169,726
Total net position	(15,701,625)	11,596,402	(4,105,223)	1,318,372
Total liabilities, deferred inflows of resources and net position	\$ 70,533,458	\$ 15,408,606	\$ 85,942,064	\$ 2,300,875

# City of Blue Island, Illinois

## Statement of Activities

Year Ended December 31, 2021

Functions/Programs	Expenses	Program Revenues		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
General government	\$ 7,086,044	\$ 1,650,525	\$ 510,318	\$ -
Public safety	11,524,336	1,754,455	-	-
Public works	2,518,458	1,734,823	1,314,918	520,773
Interest and fiscal charges	63,504	-	-	-
Total governmental activities	21,192,342	5,139,803	1,825,236	520,773
Business type activities:				
Water	5,124,020	6,520,679	-	-
Golf Course	1,022,707	1,167,025	-	-
Total business-type activities	6,146,727	7,687,704	-	-
Total primary government	\$ 27,339,069	\$ 12,827,507	\$ 1,825,236	\$ 520,773
Component Unit				
Blue Island Public Library	\$ 928,439	\$ 28,142	\$ 90,734	\$ 23,750

### General revenues:

#### Taxes:

Property taxes

Replacement taxes

Other taxes

#### Unrestricted intergovernmental revenue:

Income taxes

Investment income

Miscellaneous

Total general revenues

Change in net position

Net position, beginning (as restated)

Net position, ending

See notes to financial statements

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Blue Island Public Library
\$ (4,925,201)	\$ -	\$ (4,925,201)	\$ -
(9,769,881)	-	(9,769,881)	-
1,052,056	-	1,052,056	-
(63,504)	-	(63,504)	-
(13,706,530)	-	(13,706,530)	-
-	1,396,659	1,396,659	-
-	144,318	144,318	-
-	1,540,977	1,540,977	-
(13,706,530)	1,540,977	(12,165,553)	-
-	-	-	(785,813)
9,580,657	-	9,580,657	1,229,436
491,645	-	491,645	94,506
4,976,543	-	4,976,543	-
3,178,556	-	3,178,556	-
3,505	258	3,763	212
496,575	-	496,575	6,940
18,727,481	258	18,727,739	1,331,094
5,020,951	1,541,235	6,562,186	545,281
(20,722,576)	10,055,167	(10,667,409)	773,091
<u>\$ (15,701,625)</u>	<u>\$ 11,596,402</u>	<u>\$ (4,105,223)</u>	<u>\$ 1,318,372</u>

See notes to financial statements

# City of Blue Island, Illinois

Balance Sheet - Governmental Funds

December 31, 2021

		Major Funds		
		Special Tax	Special Tax	Special Tax
		Increment	Increment	Increment
		Allocation II	Allocation III	Allocation V
	General			
<b>Assets</b>				
Cash and cash equivalents	\$ 3,206,441	\$ 2,078,461	\$ 6,054	\$ 2,734,862
Restricted cash	2,483,931	-	-	-
Receivables (net):				
Property taxes	3,201,380	-	-	-
Customers	401,744	-	-	-
Other	1,566,830	-	-	-
Due from other governments	3,120	-	-	25,835
Due from other funds	3,494,896	5,229,165	3,655,538	165,539
Prepaid items	46,497	-	-	-
Total assets	<u>\$ 14,404,839</u>	<u>\$ 7,307,626</u>	<u>\$ 3,661,592</u>	<u>\$ 2,926,236</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 581,898	\$ -	\$ -	\$ 306,069
Accrued salaries	419,212	-	-	-
Claims payable	332,163	-	-	-
Due to other governments	-	-	-	-
Due to component unit	94,506	-	-	-
Due to other funds	9,372,815	-	-	11,281
Unearned revenue	1,558,101	-	-	-
Other liabilities	21,253	-	-	-
Total liabilities	<u>12,379,948</u>	<u>-</u>	<u>-</u>	<u>317,350</u>
<b>Deferred Inflows of Resources</b>				
Property taxes levied for future period	3,201,380	-	-	-
Unavailable revenue	332,811	-	-	-
Total deferred inflows of resources	<u>3,534,191</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances (Deficits)</b>				
Nonspendable				
Prepaid items	46,497	-	-	-
Restricted				
Grants	719,276	-	-	-
Debt service	206,554	-	-	-
Economic development	-	7,307,626	3,661,592	2,608,886
Street maintenance	-	-	-	-
Public safety	-	-	-	-
Assigned				
Public safety	28,603	-	-	-
Parking and special events	107,077	-	-	-
Unassigned (deficit)	<u>(2,617,307)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances (deficits)	<u>(1,509,300)</u>	<u>7,307,626</u>	<u>3,661,592</u>	<u>2,608,886</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 14,404,839</u>	<u>\$ 7,307,626</u>	<u>\$ 3,661,592</u>	<u>\$ 2,926,236</u>

See notes to financial statements

<u>Police Pension Contribution</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
\$ -	\$ 6,249,564	\$ 14,275,382
-	-	2,483,931
2,413,171	2,133,764	7,748,315
-	-	401,744
-	222,368	1,789,198
-	151,611	180,566
50,827	283,027	12,878,992
-	-	46,497
<u>\$ 2,463,998</u>	<u>\$ 9,040,334</u>	<u>\$ 39,804,625</u>
\$ 28,983	\$ 74,381	\$ 991,331
-	-	419,212
-	-	332,163
-	126,825	126,825
-	-	94,506
-	206,387	9,590,483
-	-	1,558,101
-	-	21,253
<u>28,983</u>	<u>407,593</u>	<u>13,133,874</u>
2,413,171	2,133,764	7,748,315
-	85,625	418,436
<u>2,413,171</u>	<u>2,219,389</u>	<u>8,166,751</u>
-	-	46,497
-	394,138	1,113,414
-	-	206,554
-	3,356,040	16,934,144
-	2,705,025	2,705,025
21,844	97,382	119,226
-	-	28,603
-	-	107,077
-	(139,233)	(2,756,540)
<u>21,844</u>	<u>6,413,352</u>	<u>18,504,000</u>
<u>\$ 2,463,998</u>	<u>\$ 9,040,334</u>	<u>\$ 39,804,625</u>

See notes to financial statements



**City of Blue Island, Illinois****Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position  
December 31, 2021**

**Total Fund Balances - Governmental Funds** \$ 18,504,000

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds:

Capital assets	\$ 63,637,509	
Accumulated depreciation	<u>(31,331,784)</u>	32,305,725

The net pension asset does not relate to current financial resources and is not reported in the governmental funds.	2,699,348
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Revenues collected after the City's availability period are reported as deferred inflows of resources in governmental funds, however these amounts have been reported as revenues in the Statement of Activities.	418,436
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Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	3,160,095
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Deferred outflows of resources related to other postemployment benefits do not relate to current financial resources and are not reported in the governmental funds.	2,154,148
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Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(5,499,100)
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Deferred inflows of resources related to other postemployment benefits do not relate to current financial resources and are not reported in the governmental funds.	(1,151,881)
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Some liabilities reported in the Statement of Net Position do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds. These activities consist of:

Compensated absences	(402,037)	
Net pension liability	(47,631,032)	
Total OPEB liability	(18,440,664)	
General obligation bonds payable	(1,768,663)	
Loan payable	<u>(50,000)</u>	
		<u>(68,292,396)</u>

**Net Position of Governmental Activities** \$ (15,701,625)

# City of Blue Island, Illinois

## Governmental Funds

### Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended December 31, 2021

		Major Funds		
		Special Tax Increment Allocation II	Special Tax Increment Allocation III	Special Tax Increment Allocation V
	General			
<b>Revenues</b>				
Property taxes	\$ 3,324,869	\$ 1,199,546	\$ -	\$ 671,718
Other taxes	4,207,730	-	-	-
Licenses	860,067	-	-	-
Intergovernmental	4,093,902	-	-	-
Motor fuel tax allotments	3,922	-	-	-
Permits	406,064	-	-	-
Fines and forfeitures	369,460	-	-	-
Investment income	829	634	1	1,159
Other	3,907,492	-	-	-
Total revenues	17,174,335	1,200,180	1	672,877
<b>Expenditures</b>				
Current:				
General government	5,299,043	22,395	110	450,675
Public safety	7,674,951	-	-	-
Public works	2,469,006	-	-	-
Debt service:				
Principal	10,000	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	177,001	-	-	-
Total expenditures	15,630,001	22,395	110	450,675
Excess (deficiency) of revenues over expenditures	1,544,334	1,177,785	(109)	222,202
<b>Other Financing Sources (Uses)</b>				
Transfers in	427,764	-	-	-
Transfers out	(17,629)	-	-	-
Total other financing sources (uses)	410,135	-	-	-
Net change in fund balances	1,954,469	1,177,785	(109)	222,202
<b>Fund Balances (Deficits), Beginning</b>	(3,463,769)	6,129,841	3,661,701	2,386,684
<b>Fund Balances (Deficits), Ending</b>	\$ (1,509,300)	\$ 7,307,626	\$ 3,661,592	\$ 2,608,886

See notes to financial statements

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<u>Police Pension Contribution</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
\$ 2,198,399	\$ 2,186,125	\$ 9,580,657
-	731,055	4,938,785
-	-	860,067
50,827	1,077,336	5,222,065
-	1,251,637	1,255,559
-	-	406,064
-	155,147	524,607
-	882	3,505
-	-	3,907,492
<u>2,249,226</u>	<u>5,402,182</u>	<u>26,698,801</u>
-	380,700	6,152,923
2,236,211	1,574,775	11,485,937
-	213,437	2,682,443
-	537,590	547,590
-	63,504	63,504
-	103,772	280,773
<u>2,236,211</u>	<u>2,873,778</u>	<u>21,213,170</u>
<u>13,015</u>	<u>2,528,404</u>	<u>5,485,631</u>
8,829	8,800	445,393
-	(427,764)	(445,393)
<u>8,829</u>	<u>(418,964)</u>	<u>-</u>
21,844	2,109,440	5,485,631
-	4,303,912	13,018,369
<u>\$ 21,844</u>	<u>\$ 6,413,352</u>	<u>\$ 18,504,000</u>

See notes to financial statements

## City of Blue Island, Illinois

Reconciliation of Statement of Revenues, Expenditures and Changes in Fund  
Balances of Governmental Funds to Statement of Activities  
Year Ended December 31, 2021

**Net Change in Total Governmental Fund Balances** \$ 5,485,631

Amounts reported for governmental activities in the Statement of Activities  
are different because:

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

Capital expenditures	\$ 258,725	
Depreciation	(863,062)	
		(604,337)

Receivables not currently available are reported as revenue when collected  
or currently available in the fund financial statements but are recognized as  
revenue when earned in the government-wide financial statements. (485,508)

Some expenses in the Statement of Activities do not require the use of current  
financial resources and, therefore, are not reported as expenditures in the  
governmental funds.

Net pension liability	1,230,477	
Net pension asset	1,290,322	
Total OPEB liability	476,754	
Deferred outflows of resources related to pensions	(839,857)	
Deferred outflows of resources related to OPEB	(453,147)	
Deferred inflows of resources related to pensions	(1,048,562)	
Deferred inflows of resources related to OPEB	(588,273)	
Compensated absences	9,861	
		77,575

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.

547,590

**Change in Net Position of Governmental Activities** \$ 5,020,951

**City of Blue Island, Illinois**

Statement of Net Position

Proprietary Funds

December 31, 2021

	Enterprise Funds		
	Water	Golf Course	Total
Assets and Deferred Outflows of Resources			
Assets			
Current assets:			
Cash and cash equivalents	\$ 1,981,518	\$ 522,712	\$ 2,504,230
Restricted cash	37,399	-	37,399
Accounts receivable			
Customers	2,131,990	-	2,131,990
Less: allowance for doubtful accounts	(796,545)	-	(796,545)
Due from other funds	98,906	-	98,906
Prepaid items	-	6,639	6,639
Total current assets	3,453,268	529,351	3,982,619
Noncurrent assets:			
Net pension asset	1,974,823	192,666	2,167,489
Capital assets			
Land	8,958	670,000	678,958
Buildings and land improvements	119,808	4,799,578	4,919,386
Equipment	1,799,375	374,259	2,173,634
Infrastructure	22,943,419	-	22,943,419
Accumulated depreciation	(15,088,626)	(3,070,001)	(18,158,627)
Total noncurrent assets	11,757,757	2,966,502	14,724,259
Total assets	15,211,025	3,495,853	18,706,878
Deferred Outflows of Resources			
Deferred outflows of resources related to pensions	81,219	7,924	89,143
Total deferred outflows of resources	81,219	7,924	89,143

See notes to financial statements

**City of Blue Island, Illinois**

## Statement of Net Position

## Proprietary Funds

December 31, 2021

	<b>Enterprise Funds</b>		
	<b>Water</b>	<b>Golf Course</b>	<b>Total</b>
<b>Liabilities, Deferred Inflows of Resources, and Net Position</b>			
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	\$ 348,125	\$ 55,121	\$ 403,246
Accrued salaries	49,047	1,703	50,750
Accrued interest payable	5,610	-	5,610
Due to other funds	40,182	3,347,233	3,387,415
Other liabilities	-	343	343
Bonds payable	345,000	-	345,000
Installment loan payable	88,982	-	88,982
IEPA loan payable	45,515	-	45,515
Compensated absences	5,602	945	6,547
Total current liabilities	928,063	3,405,345	4,333,408
Noncurrent liabilities:			
Bonds payable	745,000	-	745,000
Unamortized bond premium	22,979	-	22,979
IEPA loan payable	485,389	-	485,389
Total noncurrent liabilities	1,253,368	-	1,253,368
Total liabilities	2,181,431	3,405,345	5,586,776
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources related to pensions	1,469,479	143,364	1,612,843
Total deferred inflows of resources	1,469,479	143,364	1,612,843
<b>Net Position</b>			
Net investment in capital assets	8,050,069	2,773,836	10,823,905
Restricted for debt service	37,399	-	37,399
Restricted for retirement benefits	1,974,823	192,666	2,167,489
Unrestricted	1,579,043	(3,011,434)	(1,432,391)
Total net position	\$ 11,641,334	\$ (44,932)	11,596,402

See notes to financial statements

**City of Blue Island, Illinois****Statement of Revenues, Expenses and Changes in Fund Net Position****Proprietary Funds**

Year Ended December 31, 2021

	<b>Enterprise Funds</b>		
	<b>Water</b>	<b>Golf Course</b>	<b>Total</b>
<b>Operating Revenues</b>			
Water sales	\$ 5,485,119	\$ -	\$ 5,485,119
Sewer maintenance fees	1,027,955	-	1,027,955
Sale of water meters	4,900	-	4,900
Golf course	-	846,884	846,884
Pro shop and concessions	-	274,967	274,967
Miscellaneous	2,705	45,174	47,879
Total operating revenues	6,520,679	1,167,025	7,687,704
<b>Operating Expenses</b>			
Salaries and benefits:			
Full-time salaries	1,077,553	83,058	1,160,611
Part-time salaries	2,754	91,374	94,128
Overtime wages	98,774	-	98,774
Illinois Municipal Retirement Fund	111,761	11,540	123,301
Payroll taxes - FICA and Medicare	86,353	13,317	99,670
Employee medical insurance	268,230	14,760	282,990
Pension items related to actuary adjustments	(536,599)	(50,089)	(586,688)
Life/unemployment insurance	760	1,834	2,594
Total salaries and benefits	1,109,586	165,794	1,275,380
Services:			
Computers and software	4,062	2,346	6,408
Landscaping and grounds maintenance	-	366,995	366,995
Professional consulting and engineering	48,616	195	48,811
Other contractual services	9,264	2,254	11,518
Utilities - electricity	35,031	17,763	52,794
Utilities - water	-	95,324	95,324
Utilities - other	6,364	4,208	10,572
Water billing	45,039	-	45,039
Total services	148,376	489,085	637,461
Supplies and materials:			
Concrete/asphalt/stone	10,272	-	10,272
Gasoline and oil for vehicles	19,562	21,861	41,423
Maintenance supplies	21,503	610	22,113
Operating supplies	-	4,626	4,626
Printing, postage, and office supplies	35,719	335	36,054
Fire hydrants	8,127	-	8,127
Safety equipment and supplies	183	-	183
Uniforms	-	1,116	1,116
Total supplies and materials	95,366	28,548	123,914

See notes to financial statements

# City of Blue Island, Illinois

## Statement of Revenues, Expenses and Changes in Fund Net Position

### Proprietary Funds

Year Ended December 31, 2021

	<b>Enterprise Funds</b>		
	<b>Water</b>	<b>Golf Course</b>	<b>Total</b>
Repairs and maintenance:			
Building	\$ 37,906	\$ 4,935	\$ 42,841
Equipment	6,660	633	7,293
Outside contractors	100,148	509	100,657
Vehicles	23,612	6,505	30,117
Other maintenance	-	6,050	6,050
Total repairs and maintenance	<u>168,326</u>	<u>18,632</u>	<u>186,958</u>
Water from Chicago	2,851,544	-	2,851,544
Merchandise for resale	-	118,206	118,206
Non-capital equipment:			
Water meter purchases	20,726	-	20,726
Office equipment	1,352	-	1,352
Buildings and grounds improvements	-	4,700	4,700
Total non-capital equipment	<u>22,078</u>	<u>4,700</u>	<u>26,778</u>
Miscellaneous:			
Bank charges	35,461	21,276	56,737
Agent/trust fees - debt service	400	-	400
Dues and subscriptions	166	1,370	1,536
Licenses and fees	5,000	777	5,777
Rental and leasing fees	1,345	74,816	76,161
Total miscellaneous	<u>42,372</u>	<u>98,239</u>	<u>140,611</u>
Depreciation	<u>606,238</u>	<u>99,503</u>	<u>705,741</u>
Total operating expenses	<u>5,043,886</u>	<u>1,022,707</u>	<u>6,066,593</u>
Operating income	<u>1,476,793</u>	<u>144,318</u>	<u>1,621,111</u>
<b>Nonoperating Revenues (Expenses)</b>			
Investment income (loss)	259	(1)	258
Interest expense	(80,134)	-	(80,134)
Total nonoperating revenues (expenses)	<u>(79,875)</u>	<u>(1)</u>	<u>(79,876)</u>
Change in net position	1,396,918	144,317	1,541,235
<b>Net Position, Beginning</b>	<u>10,244,416</u>	<u>(189,249)</u>	<u>10,055,167</u>
<b>Net Position, Ending</b>	<u>\$ 11,641,334</u>	<u>\$ (44,932)</u>	<u>\$ 11,596,402</u>

See notes to financial statements



# City of Blue Island, Illinois

## Statement of Cash Flows

### Proprietary Funds

Year Ended December 31, 2021

	<b>Enterprise Funds</b>		
	<b>Water</b>	<b>Golf Course</b>	<b>Total</b>
<b>Cash Flows From Operating Activities</b>			
Cash received from customers and users	\$ 6,378,081	\$ 1,187,208	\$ 7,565,289
Cash payments for goods and services	(3,594,321)	(835,857)	(4,430,178)
Cash payments to employees	(1,658,248)	(217,081)	(1,875,329)
Net cash provided/(used) by operating activities	1,125,512	134,270	1,259,782
<b>Cash Flows From Capital and Related Financing Activities</b>			
Purchase of capital assets	(72,216)	(24,000)	(96,216)
Interest paid on debt	(82,147)	-	(82,147)
Principal payments on bonds	(330,000)	-	(330,000)
Principal payments on loans	(130,438)	-	(130,438)
Principal payments on capital leases	(39,449)	-	(39,449)
Net cash used in capital and related financing activities	(654,250)	(24,000)	(678,250)
<b>Cash Flows From Investing Activities</b>			
Income and dividends received	259	(1)	258
Net cash provided by (used in) investing activities	259	(1)	258
Net increase (decrease) in cash	471,521	110,269	581,790
<b>Cash and Cash Equivalents, Beginning</b>	1,547,396	412,443	1,959,839
<b>Cash and Cash Equivalents, Ending</b>	<u>\$ 2,018,917</u>	<u>\$ 522,712</u>	<u>\$ 2,541,629</u>
<b>Reconciliation to Statement of Net Position</b>			
Cash and cash equivalents	\$ 1,981,518	\$ 522,712	\$ 2,504,230
Restricted cash	37,399	-	37,399
Total cash and cash equivalents	<u>\$ 2,018,917</u>	<u>\$ 522,712</u>	<u>\$ 2,541,629</u>

See notes to financial statements

**City of Blue Island, Illinois**

Statement of Cash Flows

Proprietary Funds

Year Ended December 31, 2021

	<b>Enterprise Funds</b>		
	<b>Water</b>	<b>Golf Course</b>	<b>Total</b>
<b>Reconciliation of Operating Income to Net Cash Provided By Operating Activities</b>			
Operating income (loss)	\$ 1,476,793	\$ 144,318	\$ 1,621,111
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	606,238	99,503	705,741
Change in operating assets and liabilities:			
Accounts receivable	(182,779)	-	(182,779)
Due from other funds	73,530	20,183	93,713
Deferred outflows, pension	(13,464)	1,755	(11,709)
Accounts payable	(299,608)	(74,534)	(374,142)
Accrued salaries	(9,923)	(3,913)	(13,836)
Compensated absences	(2,140)	(1,198)	(3,338)
Net pension asset	(1,178,957)	(78,971)	(1,257,928)
Deferred inflows, pension	655,822	27,127	682,949
Total adjustments	(351,281)	(10,048)	(361,329)
<b>Net Cash Provided (Used) By Operating Activities</b>	<b>\$ 1,125,512</b>	<b>\$ 134,270</b>	<b>\$ 1,259,782</b>
<b>Noncash Capital and Related Financing Activities</b>			
None			

See notes to financial statements

**City of Blue Island, Illinois**

## Statement of Fiduciary Net Position

## Fiduciary Funds

December 31, 2021

	<b>Pension Trust Funds</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 639,032
Investments:	
U.S. treasuries	4,347,353
U.S. agency securities	1,971,481
Mutual funds	15,362,837
Corporate bonds	2,860,500
Money market mutual funds	722,257
Receivables:	
Interest receivable	46,533
Employer contributions receivable	35,791
Prepaid items	795
	<hr/>
Total assets	25,986,579
	<hr/>
<b>Liabilities</b>	
Accounts payable	13,470
Due to primary government	3,773
	<hr/>
Total liabilities	17,243
	<hr/>
<b>Net Position</b>	
Restricted for retirement benefits	25,969,336
	<hr/>
Total net position	\$ 25,969,336
	<hr/>

See notes to financial statements

**City of Blue Island, Illinois**

## Statement of Changes in Fiduciary Net Position

## Fiduciary Funds

Year Ended December 31, 2021

	<b>Pension Trust Funds</b>
<b>Additions</b>	
Contributions:	
Employer contributions	\$ 3,630,076
Employee contributions	487,327
Other contributions	<u>41,990</u>
Total contributions	<u>4,159,393</u>
Investment earnings:	
Interest and dividends on investments	792,313
Net appreciation in fair value of investments	<u>1,934,967</u>
Total investment earnings	2,727,280
Investment expense	<u>71,020</u>
Net investment earnings	<u>2,656,260</u>
Total additions	<u>6,815,653</u>
<b>Deductions</b>	
Benefits and refunds	3,882,540
Administration	<u>51,668</u>
Total deductions	<u>3,934,208</u>
Change in net position	2,881,445
<b>Net Position, Beginning</b>	<u>23,087,891</u>
<b>Net Position, Ending</b>	<u><u>\$ 25,969,336</u></u>

See notes to financial statements

# City of Blue Island, Illinois

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December 31, 2021

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## 1. Summary of Significant Accounting Policies

The City of Blue Island, Illinois (the City) was incorporated in 1872. The City is duly organized and existing under the provisions of the laws of the State of Illinois. The City is governed by an elected Council of seven Aldermen and a Mayor, and provides the following services: public safety (fire and police), streets, sanitation, water, public improvements, planning, recreation, zoning, and general administration.

The accounting policies of the City of Blue Island, Illinois conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

### Reporting Entity

This report includes all of the funds of the City. The reporting entity for the City consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units or its constituents; (2) the primary government or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

Component units are reported using one of three methods, discrete presentation, blended or fiduciary. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

### Discretely Presented Component Unit

#### Blue Island Public Library

The government-wide financial statements include the Blue Island Public Library (Library) as a component unit. The Library is a legally separate organization. The Library is governed by an eight member Board appointed by the City's Mayor. See Note 3. As a component unit, the Library's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2021. Separately issued financial statements of the Blue Island Public Library may be obtained from the Library's office at 2433 York Street, Blue Island, Illinois, 60406.

## **Fiduciary Component Units**

The Police Pension Employees' Retirement System (PPERS) is established for the City's police employees. PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the City's Mayor, one pension beneficiary elected by the membership and two police employees elected by the membership constitute the pension board. The City and the PPERS participants are obligated to fund all PPERS costs based upon actuarial valuations. A municipality is considered to have a financial burden if it is legally obligated or has otherwise assumed the obligation to make contributions to the pension plan. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels. PPERS is reported as a fiduciary component unit pension trust fund and the data for the pension is included in the government's fiduciary fund financial statements as a pension trust fund. Separately issued financial statements of the PPERS may be obtained from the PPERS.

The Firefighters' Pension Employees' Retirement System (FPERS) is established for the City's firefighters. FPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the City's Mayor, one pension beneficiary elected by the membership; and two fire employees elected by the membership constitute the pension board. The City and the FPERS participants are obligated to fund all FPERS costs based upon actuarial valuations. A municipality is considered to have a financial burden if it is legally obligated or has otherwise assumed the obligation to make contributions to the pension plan. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels. FPERS is reported as a fiduciary component unit and the data for the pension is included in the government's fiduciary fund financial statements as a pension trust fund. Separately issued financial statements of the PPERS may be obtained from the FPERS.

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

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

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The City does not allocate indirect expenses to functions in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

### **Fund Financial Statements**

Financial statements of the City are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues and expenditures/expenses.

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental or enterprise fund that met the 10 percent test is at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the City believes is particularly important to financial statement users may be reported as a major fund.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

### **Governmental Funds**

The City reports the following major governmental funds:

#### **General Fund**

General Fund accounts for the City's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.

#### **Special Revenue Funds**

Special Tax Increment Allocation II Fund is used to account for the accumulation of incremental tax revenues from the City's second Tax Increment Financing (TIF) District and related expenditures incurred in connection with this TIF.

Special Tax Increment Allocation III Fund is used to account for the accumulation of incremental tax revenues from the City's third Tax Increment Financing (TIF) District and related expenditures incurred in connection with this TIF.

Special Tax Increment Allocation V Fund is used to account for the accumulation of incremental tax revenues from the City's fifth Tax Increment Financing (TIF) District and related expenditures incurred in connection with this TIF.

Police Pension Contribution Fund is used to account for the accumulation of Police Pension contributions and distribute those contributions to the Police Pension Fund.



**Enterprise Funds**

The City reports the following major enterprise funds:

Water Fund accounts for operations of the water and sewer system to the residents of the city. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, maintenance, finance, and billing and collection.

Golf Course Fund accounts for operations of the City-owned 18-hole golf course. Activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations and maintenance.

The City reports the following nonmajor governmental funds:

**Special Revenue Funds**

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

Business District Fund  
Special Tax Increment Allocation IV Fund  
Special Tax Increment Allocation VII Fund  
State Asset Seizure Fund  
Firefighters' Pension Contribution Fund

Motor Fuel Tax Fund  
Special Tax Increment Allocation VI Fund  
Foreign Fire Tax Fund  
Federal Asset Seizure Fund

**Debt Service Fund**

Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for the payment of general long-term debt principal, interest and related costs.

Debt Service Fund

**Capital Projects Fund**

Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Community Development Block Grant  
Fund

In addition, the City reports the following fund types:

**Pension Trust Funds**

Pension Trust Funds are used to account for and report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other postemployment benefit plans or other employee benefit plans.

Police Pension Fund  
Firefighters' Pension Fund

## **Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

### **Fund Financial Statements**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the City is entitled the resources and the amounts are available. Amounts owed to the City which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

### **Proprietary and Fiduciary Funds**

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

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

## **All Financial Statements**

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

## **Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity**

### **Deposits and Investments**

For purposes of the statement of cash flows, the City considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Illinois Statutes authorize the City to make deposits/investments 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 agreement 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 Investment Pool.

Pension funds may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions and the Illinois insurance company general and separate accounts, mutual funds meeting certain requirements, equity securities and corporate bonds meeting certain requirements. Pension funds with net assets in excess of \$10,000,000 and an appointed investment advisor may invest an additional portion of its assets in common and preferred stocks and mutual funds, that meet certain requirements. The police pension fund's investment policy allows investments in all of the above listed accounts, but does exclude any repurchase agreements. The firefighters pension fund allows funds to be invested in any type of security authorized by the Illinois Pension Code.

The City has adopted an investment policy. That policy follows the state statute for allowable investments.

### **Interest Rate Risk**

The City's investment policy does not specifically address interest rate risk. The Police Pension Fund's investment policy limits its exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investment maturities to projected Fund liabilities. The Firefighters' Pension Fund investment policy limits interest rate risk by requiring investment in securities that would give the fixed income portfolio a duration of within 0.25 of the Lehman Intermediate Government Bond index.

## **Credit Risk**

State Statutes limit the investments in commercial paper to the top three ratings of two nationally recognized statistical rating organizations (NRSRO's). The City's investment policy authorizes investments in any type of security allowed for in Illinois statutes regarding the investment of public funds. As of December 31, 2021, all of the City's applicable other investments had either "AAA" or "A-1+" ratings with their applicable rating agency. The Police Pension Fund investment policy limits exposure to credit risk by primarily investing in securities issued by the United States government and its agencies that are implicitly guaranteed by the United States government. The Firefighters' Pension Plan investment policy requires that no more than 20% of the portfolio may be invested in any debt issuer to the exclusion of U.S. Treasury securities and issues of FNMA, FHLMC, FHLB, and GNMA and investments must be rated as investment grade by one of the two largest rating services at the time of purchase. Investment grade is defined as BBB- or higher for Standard & Poor's and Baa3 or higher by Moody's Investor Services.

## **Concentration of Credit Risk**

The City's investment policy does not specifically address concentration of credit risk. The Police Pension Fund and Firefighters' Pension Fund investment policies contain no limitations on the amount that can be invested in any one issuer beyond that stipulated by the Illinois Compiled Statutes. The investment policies and practices provide diversification by asset type, by characteristic, by number of investments, and investment style.

## **Custodial Credit Risk, Deposits**

The City's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance with the collateral held by an agent of the City in the City's name. The Police Pension Fund and Firefighters' Pension Fund investment policies do not specifically address custodial credit risks, deposits.

## **Custodial Credit Risk, Investments**

The City and Pension Funds' investment policies require all securities to be held by a third party custodian and evidenced by safekeeping receipts.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on methods and inputs as outlined in Note 3. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Fund's share price, the price for which the investments could be sold.

See Note 3. for further information.

**Receivables**

Property taxes for levy year 2021 attaches as an enforceable lien on January 1, 2021, on property values assessed as of the same date. Taxes are levied by December following the lien date (by passage of a Tax Levy Ordinance). The 2021 tax levy, which attached as an enforceable lien on the property as of January 1, 2021, has been recorded as a receivable and deferred inflows as of December 31, 2021, net of the allowance for uncollectible. As the tax becomes available to finance current expenditures, they are recognized as revenues. At December 31, 2021, the property taxes receivable and related deferred inflows consisted of the estimated amount collectible from the 2021 levy.

Tax bills for levy year 2021 are prepared by Cook County and issued on or about February 1, 2022 and September 1, 2022, and are payable in two installments, on or about March 1, 2022 and October 1, 2022 or within 30 days of the tax bills being issued.

All trade and property tax receivables are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 60 days comprise the trade accounts receivable allowance for uncollectibles. The property tax receivable allowance is equal to six percent of outstanding property taxes at December 31, 2021.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as internal balances.

**Inventories and Prepaid Items**

Governmental fund inventories, if material, are recorded at cost based on the FIFO method using the purchases method of accounting. Proprietary fund inventories are generally used for construction and/or for operation and maintenance work. They are not for resale. They are valued at cost based on weighted average and charged to construction and/or operation and maintenance expense when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

## Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

Bond covenants of the 2006 Water Fund Revenue Bonds require portions of the debt proceeds, as well as other resources, to be set aside for various purposes. These amounts are reported as restricted assets. The "Operation and Maintenance Account" segregates cash and investments for operations and maintenance for the next succeeding month. The "Debt Service Sub Account" accumulates funds for the payment of current bond and interest maturities becoming due on the next payment dates. Requirements under the Water Fund Revenue Bonds provide for monthly deposits of not less than one-sixth of the next interest payment due, and not less than one-twelfth of the next principal payment due. Funds accumulated in the "Bond Reserve Account" are available for the payment of maturing bond principal or interest, whenever funds are not available for that purpose in the "Bond and Interest Account." Requirements under the Water Fund Revenue Bonds provide for deposits as determined by corporate authorities.

## Capital Assets

### Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets and \$25,000 for buildings, land improvements and infrastructure assets and an estimated useful life in excess of 1 year. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

Buildings and land improvements	20-50 Years
Infrastructure	40-60 Years
Equipment	5-10 Years

### Fund Financial Statements

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

## Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

### **Compensated Absences**

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

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

Employees with a minimum of twenty years of service, who are eligible to retire, are eligible to receive payment for their accumulated sick time upon leaving the employment of the City. The amount received is limited to sixty days at full pay and an additional sixty days at half pay, assuming the employee has accumulated the requisite number of unused sick days. One week of vacation left in the calendar year can be carried over into the next calendar year. Sick pay is accrued when earned for employees with twenty years of service, in both the government-wide and proprietary fund financial statements as a liability.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2021, are determined on the basis of current salary rates and include salary related payments.

### **Long-Term Obligations**

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of bonds payable, loan payable, net pension liabilities, total OPEB liability and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the straight-line method. The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

### **Deferred Inflows of Resources**

A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

### **Equity Classifications**

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

Equity is classified as net position and displayed in three components:

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

- b. **Restricted Net Position** - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. **Unrestricted Net Position** - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

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

### Fund Statements

Governmental fund balances are displayed as follows:

- a. **Nonspendable** - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. **Restricted** - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. **Committed** - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the City Council. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the City Council that originally created the commitment.
- d. **Assigned** - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The Council may take official action to assign amounts. Assignments may take place after the end of the reporting period.
- e. **Unassigned** - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.



## City of Blue Island, Illinois

Notes to Financial Statements  
December 31, 2021

### 2. Stewardship, Compliance and Accountability

#### Excess Expenditures Over Budget

<u>Fund</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Expenditures Over Budget</u>
Debt Service	\$ 486,391	\$ 601,094	\$ 114,703

The City controls expenditures at the object level. Some individual objects experienced expenditures which exceeded budget. The detail of those items can be found in the City's year-end budget to actual report.

#### Deficit Balances

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of December 31, 2021, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>
General	\$ 1,509,300
Debt Service	139,233
Golf Course	44,932

## City of Blue Island, Illinois

Notes to Financial Statements  
December 31, 2021

### 3. Detailed Notes on All Funds

#### Deposits and Investments

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statement of net position and balance sheet as cash and investments.

The City's deposits and investments at year end were comprised of the following:

	<u>Carrying Value</u>	<u>Statement Balances</u>	<u>Associated Risks</u>
Deposits	\$ 14,785,991	\$ 14,781,737	Custodial credit risk - deposits
U.S. agencies, implicitly guaranteed	1,818,680	1,818,680	Credit risk, custodial credit risk - investments, concentration of credit risk, interest rate risk
U.S. agencies, explicitly guaranteed	152,801	152,801	Custodial credit risk - investments, interest rate risk
U.S. treasuries	4,347,353	4,347,353	Custodial credit risk - investments, interest rate risk
Corporate bonds	2,860,500	2,860,500	Credit risk, custodial credit risk - investments, concentration of credit risk, interest rate risk
Mutual funds, other than bond funds	15,362,837	15,362,837	N/A
Illinois Funds	5,875,465	5,875,465	Credit risk
Petty cash	<u>775</u>	<u>-</u>	N/A
Total deposits and investments	<u>\$ 45,204,402</u>	<u>\$ 45,199,373</u>	
Reconciliation to financial statements			
Per statement of net position			
Cash and investments	\$ 16,748,194		
Restricted cash	2,552,748		
Per statement of fiduciary net position			
Cash and cash equivalents	639,032		
U.S. treasuries	4,347,353		
U.S. agency securities	1,971,481		
Mutual funds	15,362,837		
Corporate bonds	2,860,500		
Money market mutual funds	<u>722,257</u>		
Total deposits and investments	<u>\$ 45,204,402</u>		

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

# City of Blue Island, Illinois

Notes to Financial Statements

December 31, 2021

## Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The valuation methods for recurring fair value measurements are as follows:

### Police Pension Fund

Investment Type	December 31, 2021			
	Level 1	Level 2	Level 3	Total
Corporate bonds	\$ -	\$ 911,292	\$ -	\$ 911,292
U.S. agencies	-	1,714,044	-	1,714,044
U.S. treasuries	3,122,477	-	-	3,122,477
Mutual funds, other than bond funds	10,643,497	1,769,185	-	12,412,682
Total	<u>\$ 13,765,974</u>	<u>\$ 4,394,521</u>	<u>\$ -</u>	<u>\$ 18,160,495</u>

### Firefighters' Pension Fund

Investment Type	December 31, 2021			
	Level 1	Level 2	Level 3	Total
Corporate bonds	\$ -	\$ 1,949,208	\$ -	\$ 1,949,208
U.S. agencies	-	257,437	-	257,437
U.S. treasuries	1,224,876	-	-	1,224,876
Mutual funds, other than bond funds	2,950,155	-	-	2,950,155
Total	<u>\$ 4,175,031</u>	<u>\$ 2,206,645</u>	<u>\$ -</u>	<u>\$ 6,381,676</u>

## Custodial Credit Risk

### Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the City's deposits may not be returned to the City.

The City does not have any deposits exposed to custodial credit risk.

## Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

As of December 31, 2021, the Police Pension's investments were rated as follows:

Investment Type	Standard & Poors	Moody's Investors Services
Corporate bonds	BBB - AA+	Baa2 - Aaa
U.S. agencies	AA+	Aaa

# City of Blue Island, Illinois

## Notes to Financial Statements

December 31, 2021

As of December 31, 2021, the Fire Pension's investments were rated as follows:

<u>Investment Type</u>	<u>Standard &amp; Poors</u>	<u>Moody's Investors Services</u>
Corporate bonds	BBB- - AAA	Baa2 - Aaa
U.S. agencies	AA+	Aaa

### Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

At December 31, 2021, the Police Pension Fund has over 5 percent of net plan assets invested in Tennessee Valley Authority securities (5.7%).

At December 31, 2021, the Firefighters' Pension Fund does not hold any securities in excess of 5 percent of net plan assets.

### Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of December 31, 2021, the Police Pension's investments were as follows:

#### Police Pension Fund

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity (In Years)</u>			
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More than 10</u>
Corporate bonds	\$ 911,292	\$ 201,484	\$ 203,927	\$ 505,881	\$ -
U.S. agencies	1,714,044	906,832	524,804	282,408	-
U.S. treasuries	<u>3,122,477</u>	<u>100,844</u>	<u>2,331,524</u>	<u>690,109</u>	<u>-</u>
Total	<u>\$ 5,747,813</u>	<u>\$ 1,209,160</u>	<u>\$ 3,060,255</u>	<u>\$ 1,478,398</u>	<u>\$ -</u>

#### Firefighters' Pension Fund

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity (In Months)</u>			
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More than 10</u>
Corporate bonds	\$ 1,949,208	\$ 252,655	\$ 1,122,049	\$ 574,504	\$ -
U.S. agencies	257,437	-	105,559	43,057	108,821
U.S. treasuries	<u>1,224,876</u>	<u>-</u>	<u>1,103,554</u>	<u>121,322</u>	<u>-</u>
Total	<u>\$ 3,431,521</u>	<u>\$ 252,655</u>	<u>\$ 2,331,162</u>	<u>\$ 738,883</u>	<u>\$ 108,821</u>

See Note 1 for further information on deposit and investment policies.

# City of Blue Island, Illinois

Notes to Financial Statements  
December 31, 2021

## Receivables

Other receivables as of year end for the government's individual major funds and nonmajor governmental funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Nonmajor Funds	Total
Other receivables:			
State income tax	\$ 307,358	\$ -	\$ 307,358
Utility	148,710	-	148,710
Replacement tax	104,389	-	104,389
Business District tax	-	190,289	190,289
Municipal occupational tax	469,453	-	469,453
Use and excise taxes	284,796	-	284,796
Foreign fire tax	-	32,079	32,079
Gaming tax	74,538	-	74,538
Other	177,586	-	177,586
Total	<u>\$ 1,566,830</u>	<u>\$ 222,368</u>	<u>\$ 1,789,198</u>

All of the receivables on the balance sheet are expected to be collected within one year.

## Capital Assets

Capital asset activity for the year ended December 31, 2021, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
Capital assets not being depreciated:				
Land	\$ 20,289,512	\$ -	\$ -	\$ 20,289,512
Construction in progress	690,355	34,244	-	724,599
Total capital assets not being depreciated	<u>20,979,867</u>	<u>34,244</u>	<u>-</u>	<u>21,014,111</u>
Capital assets being depreciated:				
Buildings and land improvements	14,393,797	45,667	-	14,439,464
Equipment	8,781,149	178,814	-	8,959,963
Infrastructure	19,223,971	-	-	19,223,971
Total capital assets being depreciated	<u>42,398,917</u>	<u>224,481</u>	<u>-</u>	<u>42,623,398</u>
Total capital assets	<u>63,378,784</u>	<u>258,725</u>	<u>-</u>	<u>63,637,509</u>
Less accumulated depreciation for:				
Buildings and land improvements	(9,406,948)	(386,015)	-	(9,792,963)
Equipment	(8,027,682)	(147,906)	-	(8,175,588)
Infrastructure	(13,034,092)	(329,141)	-	(13,363,233)
Total accumulated depreciation	<u>(30,468,722)</u>	<u>(863,062)</u>	<u>-</u>	<u>(31,331,784)</u>
Net capital assets being depreciated	<u>11,930,195</u>	<u>(638,581)</u>	<u>-</u>	<u>11,291,614</u>
Total governmental activities capital assets, net of accumulated depreciation	<u>\$ 32,910,062</u>	<u>\$ (604,337)</u>	<u>\$ -</u>	<u>\$ 32,305,725</u>

# City of Blue Island, Illinois

Notes to Financial Statements  
December 31, 2021

Depreciation expense was charged to functions as follows:

## Governmental Activities

General government	\$ 728,242
Public safety	100,505
Public works	<u>34,315</u>
Total governmental activities Depreciation expense	<u>\$ 863,062</u>

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Business-Type Activities</b>				
Capital assets not being depreciation:				
Land	<u>\$ 678,958</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 678,958</u>
Total capital assets not being depreciated	<u>678,958</u>	<u>-</u>	<u>-</u>	<u>678,958</u>
Capital assets being depreciated:				
Buildings and land improvements	4,895,386	24,000	-	4,919,386
Equipment	2,173,634	-	-	2,173,634
Infrastructure	<u>22,871,203</u>	<u>72,216</u>	<u>-</u>	<u>22,943,419</u>
Total capital assets being depreciated	<u>29,940,223</u>	<u>96,216</u>	<u>-</u>	<u>30,036,439</u>
Total capital assets	<u>30,619,181</u>	<u>96,216</u>	<u>-</u>	<u>30,715,397</u>
Less accumulated depreciation for:				
Buildings and land improvements	(2,639,305)	(116,488)	-	(2,755,793)
Equipment	(1,641,196)	(82,079)	-	(1,723,275)
Infrastructure	<u>(13,172,385)</u>	<u>(507,174)</u>	<u>-</u>	<u>(13,679,559)</u>
Total accumulated depreciation	<u>(17,452,886)</u>	<u>(705,741)</u>	<u>-</u>	<u>(18,158,627)</u>
Net capital assets being depreciated	<u>12,487,337</u>	<u>(609,525)</u>	<u>-</u>	<u>11,877,812</u>
Business-type capital assets, net of accumulated depreciation	<u>\$ 13,166,295</u>	<u>\$ (609,525)</u>	<u>\$ -</u>	<u>\$ 12,556,770</u>

Depreciation expense was charged to functions as follows:

## Business-Type Activities

Water	\$ 606,238
Golf course	<u>99,503</u>
Total business-type activities depreciation expense	<u>\$ 705,741</u>

## City of Blue Island, Illinois

Notes to Financial Statements  
December 31, 2021

### Interfund Receivables/Payables and Transfers

#### Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

Receivable Fund	Payable Fund	Amount
General	Special Tax Increment	
General	Allocation Fund VII	\$ 25,401
General	Community Development	15,000
General	Special Tax Increment	
General	Allocation Fund IV	26,753
General	Debt Service	139,233
General	Water	40,182
General	Golf Course	3,248,327
Special Tax Increment		
Allocation II	General	5,229,165
Special Tax Increment		
Allocation III	General	3,655,538
Special Tax Increment		
Allocation V	General	165,539
Police Pension Contribution	General	50,827
Nonmajor Governmental	General	271,746
Business District	General	79,363
Motor Fuel Tax	General	46,342
Fire Pension Contribution	General	35,790
Special Tax Increment		
Allocation Fund VI	General	110,251
Special Tax Increment	Special Tax Increment	
Allocation Fund IV	Allocation Fund V	11,281
Water	Golf Course	98,906
Total, fund financial statements		13,249,644
Less government-wide eliminations		(9,689,389)
Total internal balances, government-wide statement of net position		<u>\$ 3,560,255</u>

All amounts are due within one year.

All remaining balances resulted 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) payments between funds are made.

# City of Blue Island, Illinois

Notes to Financial Statements  
December 31, 2021

## Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>
General	Motor Fuel Tax	\$ 427,764
Police Pension Contribution	General	8,829
Fire Pension Contribution	General	8,800
		<u>445,393</u>
Total, fund financial statements		445,393
Less government-wide eliminations		<u>(445,393)</u>
Total transfers, government-wide statement of activities		<u>\$ -</u>

The transfer from the Motor Fuel Tax Fund to the General Fund was made as a reimbursement for street maintenance costs. The transfers from the General Fund to Police Contribution Fund and Fire Pension Contribution Fund was made for audit invoices paid by the City on the Pensions behalf.

## Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>Governmental Activities</b>					
Bonds and notes payable:					
General obligation bonds	\$ 1,480,000	\$ -	\$ 410,000	\$ 1,070,000	\$ 255,000
Alternative revenue bonds	826,253	-	127,590	698,663	131,476
2017 Ambulance loan, direct borrowing	60,000	-	10,000	50,000	10,000
Subtotal	<u>2,366,253</u>	<u>-</u>	<u>547,590</u>	<u>1,818,663</u>	<u>396,476</u>
Other liabilities:					
Compensated absences	411,898	402,037	411,898	402,037	402,037
Total OPEB liability	18,917,418	-	476,754	18,440,664	-
Net pension liability	<u>48,861,509</u>	<u>2,652,063</u>	<u>3,882,540</u>	<u>47,631,032</u>	<u>-</u>
Total other liabilities	<u>68,190,825</u>	<u>3,054,100</u>	<u>4,771,192</u>	<u>66,473,733</u>	<u>402,037</u>
Total governmental activities long-term liabilities	<u>\$ 70,557,078</u>	<u>\$ 3,054,100</u>	<u>\$ 5,318,782</u>	<u>\$ 68,292,396</u>	<u>\$ 798,513</u>
<b>Business-Type Activities</b>					
Bonds and notes payable:					
Alternative revenue bonds	\$ 1,420,000	\$ -	\$ 330,000	\$ 1,090,000	\$ 345,000
IEPA loan, direct borrowing	575,855	-	44,951	530,904	45,515
Capital leases, direct borrowing	39,449	-	39,449	-	-
Unamortized premium	22,979	-	-	22,979	-
Installment loan, direct borrowing	<u>174,469</u>	<u>-</u>	<u>85,487</u>	<u>88,982</u>	<u>88,982</u>
Subtotal	<u>2,232,752</u>	<u>-</u>	<u>499,887</u>	<u>1,732,865</u>	<u>479,497</u>
Other liabilities:					
Compensated absences	<u>9,885</u>	<u>6,547</u>	<u>9,885</u>	<u>6,547</u>	<u>6,547</u>
Total other liabilities	<u>9,885</u>	<u>6,547</u>	<u>9,885</u>	<u>6,547</u>	<u>6,547</u>
Total business-type activities long-term liabilities	<u>\$ 2,242,637</u>	<u>\$ 6,547</u>	<u>\$ 509,772</u>	<u>\$ 1,739,412</u>	<u>\$ 486,044</u>



# City of Blue Island, Illinois

Notes to Financial Statements  
December 31, 2021

The City is subject to the Illinois Municipal Code, which limits the amount of certain indebtedness to 8.625 percent of the most recent available equalized assessed valuation of the City. As of December 31, 2021, the statutory debt limit for the City was \$23,822,198, providing a debt margin of \$20,432,631.

## General Obligation Bonds

All general obligation bonds payable are backed by the full faith and credit of the City. Bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund.

<u>Governmental Activities</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2021</u>
<b>General Obligation Debt</b>					
2019 Series General Obligation (Judgment Funding) bonds, with semiannual interest payments due each June 15 and December 15 and annual principal payments due each December 15	November 26, 2019	December 15, 2025	2.20% - 2.95%	\$ 1,550,000	\$ 1,070,000
2011 General Obligation (Judgment Funding) Bonds, original principal \$1,100,000, semiannual principal of \$55,000 due July 1 and January 1	November 9, 2011	January 1, 2021	Variable	1,100,000	-
Total governmental activities, general obligation debt					<u>\$ 1,070,000</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 255,000	\$ 29,210
2023	265,000	22,836
2024	275,000	15,812
2025	<u>275,000</u>	<u>8,112</u>
Total	<u>\$ 1,070,000</u>	<u>\$ 75,970</u>

# City of Blue Island, Illinois

Notes to Financial Statements  
December 31, 2021

## Alternative Revenue Debt

Governmental activities alternative revenue bonds are payable from revenues derived from .  
Business-type activities alternative revenue bonds are payable only from revenues derived the operations of the water system.

Alternative revenue debt payable at December 31, 2021, consists of the following:

<u>Governmental Activities</u>						<b>Balance</b>
<b>Alternative Revenue Debt</b>	<b>Date of</b>	<b>Final</b>	<b>Interest</b>	<b>Original</b>		<b>December 31,</b>
	<b>Issue</b>	<b>Maturity</b>	<b>Rates</b>	<b>Indebtedness</b>		<b>2021</b>
Illinois Finance Authority General Obligation Bonds (Alternate Revenue Source), with semiannual interest payments due each June 1 and December 1 and annual principal payments due each December 1	June 14, 2016	December 1, 2026	3.00%	\$ 1,300,000	\$	698,663
Total governmental activities, alternative revenue debt						<u>\$ 698,663</u>

<u>Business-Type Activities</u>						<b>Balance</b>
<b>Alternative Revenue Debt</b>	<b>Date of</b>	<b>Final</b>	<b>Interest</b>	<b>Original</b>		<b>December 31,</b>
	<b>Issue</b>	<b>Maturity</b>	<b>Rates</b>	<b>Indebtedness</b>		<b>2021</b>
2006 Waterworks and Sewerage (Alternate Revenue Source) Bonds, with semiannual interest payments due June 1 and December 1 and annual principal due December 1	November 9, 2006	December 1, 2024	4.25% - 4.75%	\$ 4,635,000	\$	1,090,000
Total business-type activities, alternative revenue debt						<u>\$ 1,090,000</u>

Debt service requirements to maturity are as follows:

<b>Years</b>	<b>Governmental Activities Alternative Revenue Debt</b>		<b>Business-Type Activities Alternative Revenue Debt</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2022	\$ 131,476	\$ 20,960	\$ 345,000	\$ 51,775
2023	135,481	17,016	365,000	35,388
2024	139,607	12,951	380,000	18,050
2025	143,859	8,763	-	-
2026	148,240	4,447	-	-
Total	<u>\$ 698,663</u>	<u>\$ 64,137</u>	<u>\$ 1,090,000</u>	<u>\$ 105,213</u>

# City of Blue Island, Illinois

Notes to Financial Statements  
December 31, 2021

## Loans Payable

Loans payable at December 31, 2021 consist of the following:

### Governmental Activities

<u>Loans Payable</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2021</u>
2017 Illinois Finance Authority installment loan for the purchase of an ambulance, with annual principal payments due each November 1	December 12, 2016	November 1, 2026	0.00%	\$ 100,000	\$ 50,000
Total governmental activities loans payable					<u>\$ 50,000</u>

### Business-Type Activities

<u>Loans Payable</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2021</u>
2018 installment loan for the purchase of public works vehicles, with annual principal and interest payments due each June 15	May 15, 2018	June 15, 2022	4.09%	\$ 428,118	\$ 88,982
Illinois Environmental Protection Agency Public Water Supply Loan Program, with semiannual principal and interest payments due each April 7 and October 7	June 7, 2013	October 7, 2032	1.25%	897,560	530,904
Total business-type activities loans payable					<u>\$ 619,886</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities Loans Payable</u>		<u>Business-Type Activities Loans Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 10,000	\$ -	\$ 134,497	\$ 10,135
2023	10,000	-	46,085	5,924
2024	10,000	-	46,663	5,346
2025	10,000	-	47,248	4,761
2026	10,000	-	47,841	4,168
2027-2031	-	-	248,354	11,692
2032	-	-	49,198	454
Total	<u>\$ 50,000</u>	<u>\$ -</u>	<u>\$ 619,886</u>	<u>\$ 42,480</u>

## City of Blue Island, Illinois

Notes to Financial Statements  
December 31, 2021

### Restatement of Net Position

Net position has been restated to correct an error in the recognition of property taxes levied for future periods.

Governmental Activities net position, December 31, 2020 (as reported)	\$ (13,158,593)
Less property taxes levied for 2021 operations recognized as revenue in 2020	<u>(7,563,983)</u>
Governmental Activities net position, December 31, 2020 (as restated)	<u><u>\$ (20,722,576)</u></u>
Net income of the prior year would have been increased (decreased) by	<u><u>\$ 22,953</u></u>

### Component Unit

#### Blue Island Public Library

This report contains the Blue Island Public Library (Library), which is included as a component unit.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

#### a. Basis of Accounting/Measurement Focus

The Library follows the full accrual basis of accounting and the flow of economic resources measurement focus.

#### b. Deposits and Investments

	<u>Carrying Value</u>	<u>Statement Balances</u>	<u>Associated Risks</u>
Deposits	\$ 639,479	\$ 641,195	Custodial credit risk - deposits
Cash on hand	<u>460</u>	<u>-</u>	N/A
Total deposits and investments	<u><u>\$ 639,939</u></u>	<u><u>\$ 641,195</u></u>	

### Custodial Credit Risk

#### Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the Library's deposits may not be returned to the Library.

The Library does not have any deposits exposed to custodial credit risk.

## City of Blue Island, Illinois

Notes to Financial Statements  
December 31, 2021

### c. Capital Assets

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>	<b>Useful Lives (Years)</b>
Buildings	\$ 75,258	\$ -	\$ -	\$ 75,258	20 - 40
Equipment	290,871	-	-	290,871	5 - 20
Less accumulated depreciation	<u>(196,286)</u>	<u>(21,197)</u>	<u>-</u>	<u>(217,483)</u>	
Total	<u>\$ 169,843</u>	<u>\$ (21,197)</u>	<u>\$ -</u>	<u>\$ 148,646</u>	

## 4. Other Information

### Employees' Retirement System

The City's defined benefit pension plans, administered by the Illinois Municipal Retirement Fund (IMRF), for Regular and Sheriff's Law Enforcement Personnel (SLEP), provide retirement and disability benefits, post-retirement increases, 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 Illinois Pension Code establishes the provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position and required supplementary information. The report may be obtained at [www.imrf.org](http://www.imrf.org).

The City participates in two benefit plans under IMRF. The vast majority of members participate in the Regular Plan. The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs.

### Illinois Municipal Retirement Fund

#### Plan Description

Both IMRF benefit plans have two tiers. Members who first participated in IMRF or an Illinois Reciprocal System prior to January 1, 2011 participate in Tier 1. All other members participate in Tier 2. For Tier 1 participants, pension benefits vest after 8 years of service. Participating members who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with 8 years of service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1-2/3 percent of their final rate of earnings (average of the highest 48 consecutive months' earnings during the last 10 years) for credited service up to 15 years and 3 percent for each year thereafter.

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

## City of Blue Island, Illinois

Notes to Financial Statements  
December 31, 2021

Under the employer number within IMRF, both the City and Library contribute to the plan. As a result, IMRF is considered to be an agent multiple-employer plan through which cost-sharing occurs between the City and Library.

### Plan Membership

At December 31, 2021, the measurement date, membership in the plan was as follows:

	<u>Regular Plan</u>	<u>SLEP</u>
Retirees and beneficiaries	122	-
Inactive, non-retired members	82	1
Active members	<u>71</u>	<u>-</u>
Total	<u><u>275</u></u>	<u><u>1</u></u>

### Contributions

As set by statute, City and Library employees participating in the Regular and SLEP plans are required to contribute 4.50 percent and 7.50 percent, respectively, of their annual covered salary. The statute requires the City and Library to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City and Library's actuarially determined contribution rates for calendar year 2021 were 9.50% and 14.10%, respectively, of annual covered payroll for the Regular and SLEP plans. The City and Library also contribute for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

### Net Pension Liability/(Asset)

The net pension liabilities/(assets) were measured as of December 31, 2021, and the total pension liabilities used to calculate the net pension liabilities/(assets) were determined by an actuarial valuation as of that date.

### Summary of Significant Accounting Policies

For purposes of measuring the net pension liabilities/(assets), deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Regular and SLEP plans and additions to/deductions from the Regular and SLEP plans fiduciary net position have been determined on the same basis as they are reported by IMRF. 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.

### Actuarial Assumptions

The total pension liabilities for the Regular and SLEP plans were determined by actuarial valuations performed as of December 31, 2021 using the following actuarial methods and assumptions:

	Regular Plan	SLEP
Actuarial cost method	Entry Age Normal	Entry Age Normal
Asset valuation method	Market Value	Market Value
Actuarial assumptions		
Investment Rate of Return	7.25%	7.25%
Salary increases	2.85% to 13.75%, including inflation	2.85% to 13.75%, including inflation
Price inflation	2.25%	2.25%

### Mortality

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

### Long-Term Expected Real Rate of Return

The long-term expected rate of return on pension plan investments was determined using an asset allocation study 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 long-term expected rate of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Projected Returns/Risks	
		One Year Arithmetic	Ten Year Geometric
Equities	39.00 %	3.25 %	1.90 %
International equities	15.00	4.89	3.15
Fixed income	25.00	(0.50)	(0.60)
Real estate	10.00	4.20	3.30
Alternatives	10.00		
Private equity		8.85	5.50
Commodities		2.90	1.70
Cash equivalents	1.00	(0.90)	(0.90)

# City of Blue Island, Illinois

## Notes to Financial Statements

December 31, 2021

### Discount Rate

The discount rates used to measure the total pension liabilities for the Regular and SLEP plans were 7.25% and 7.25%, respectively, the same as the prior year valuations. The projection of cash flows used to determine the discount rates assumed that member contributions will be made at the current contribution rates and that City and Library contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefits to determine the total pension liability.

### Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liabilities/(assets) to changes in the discount rates. The table below presents net pension liabilities/(assets) of the City and Library calculated using the discount rates of 7.25% and 7.25%, respectively as well as what the net pension liabilities/(assets) would be if it were to be calculated using discount rates that are 1 percentage point lower (6.25% for Regular and 6.25% for SLEP) or 1 percentage point higher (8.25% for Regular and 8.25% for SLEP) than the current rates:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
<b>Regular Plan:</b>			
Total pension liability	\$ 26,223,060	\$ 23,748,893	\$ 21,748,893
Plan fiduciary net pension	<u>28,565,535</u>	<u>28,565,535</u>	<u>28,565,535</u>
Net pension liability/(asset)	<u>\$ (2,342,475)</u>	<u>\$ (4,816,642)</u>	<u>\$ (6,816,642)</u>
<b>Regular Plan - Library:</b>			
Total pension liability	\$ 6,555,765	\$ 5,937,223	\$ 5,437,227
Plan fiduciary net pension	<u>7,141,384</u>	<u>7,141,384</u>	<u>7,141,384</u>
Net pension liability/(asset)	<u>\$ (585,619)</u>	<u>\$ (1,204,161)</u>	<u>\$ (1,704,157)</u>
<b>Regular Plan - Total:</b>			
Total pension liability	\$ 32,778,825	\$ 29,686,116	\$ 27,186,120
Plan fiduciary net pension	<u>35,706,919</u>	<u>35,706,919</u>	<u>35,706,919</u>
Net pension liability/(asset)	<u>\$ (2,928,094)</u>	<u>\$ (6,020,803)</u>	<u>\$ (8,520,799)</u>
<b>SLEP:</b>			
Total pension liability	\$ 157,099	\$ 146,026	\$ 140,177
Plan fiduciary net pension	<u>196,221</u>	<u>196,221</u>	<u>196,221</u>
Net pension liability/(asset)	<u>\$ (39,122)</u>	<u>\$ (50,195)</u>	<u>\$ (56,044)</u>



# City of Blue Island, Illinois

## Notes to Financial Statements

December 31, 2021

### Changes in Net Pension Liability/(Asset)

The changes in net pension liabilities/(assets) for the Regular and SLEP plans for the calendar year ended December 31, 2021 were as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
	(a)	(b)	(a) - (b)
<b>Regular Plan - City:</b>			
Balances at December 31, 2020	\$ 23,088,403	\$ 25,362,307	\$ (2,273,904)
Service cost	274,409	-	274,409
Interest on total pension liability	1,630,184	-	1,630,184
Differences between expected and actual experience of the total pension liability	236,516	-	236,516
Benefit payments, including refunds of employee contributions	(1,480,619)	(1,480,619)	-
Contributions, employer	-	257,710	(257,710)
Contributions, employee	-	123,790	(123,790)
Net investment income	-	4,434,870	(4,434,870)
Other (net transfer)	-	(132,523)	132,523
Balances at December 31, 2021	<u>\$ 23,748,893</u>	<u>\$ 28,565,535</u>	<u>\$ (4,816,642)</u>
<b>Regular Plan - Library:</b>			
Balances at December 31, 2020	\$ 5,772,101	\$ 6,340,577	\$ (568,476)
Service cost	68,602	-	68,602
Interest on total pension liability	407,546	-	407,546
Differences between expected and actual experience of the total pension liability	59,129	-	59,129
Benefit payments, including refunds of employee contributions	(370,155)	(370,155)	-
Contributions, employer	-	64,428	(64,428)
Contributions, employee	-	30,947	(30,947)
Net investment income	-	1,108,718	(1,108,718)
Other (net transfer)	-	(33,131)	33,131
Balances at December 31, 2021	<u>\$ 5,937,223</u>	<u>\$ 7,141,384</u>	<u>\$ (1,204,161)</u>
<b>Regular Plan - Total:</b>			
Balances at December 31, 2020	\$ 28,860,504	\$ 31,702,884	\$ (2,842,380)
Service cost	343,011	-	343,011
Interest on total pension liability	2,037,730	-	2,037,730
Differences between expected and actual experience of the total pension liability	295,645	-	295,645
Benefit payments, including refunds of employee contributions	(1,850,774)	(1,850,774)	-
Contributions, employer	-	322,138	(322,138)
Contributions, employee	-	154,737	(154,737)
Net investment income	-	5,543,588	(5,543,588)
Other (net transfer)	-	(165,654)	165,654
Balances at December 31, 2021	<u>\$ 29,686,116</u>	<u>\$ 35,706,919</u>	<u>\$ (6,020,803)</u>

Plan fiduciary net position as a percentage of the total pension liability

120.28 %

# City of Blue Island, Illinois

## Notes to Financial Statements

December 31, 2021

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
<b>SLEP:</b>			
Balances at December 31, 2020	\$ 129,179	\$ 173,863	\$ (44,684)
Interest on total pension liability	9,365	-	9,365
Differences between expected and actual experience of the total pension liability	7,482	-	7,482
Net investment income	-	23,165	(23,165)
Other (net transfer)	-	(807)	807
Balances at December 31, 2021	<u>\$ 146,026</u>	<u>\$ 196,221</u>	<u>\$ (50,195)</u>

Plan fiduciary net position as a percentage of the total pension liability 134.37 %

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

For the year ended December 31, 2021, the City and Library recognized pension expense of \$(1,287,719) and \$445 for the Regular and SLEP plans, respectively. The City and Library reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>Regular Plan - City:</b>		
Difference between expected and actual experience	\$ 198,094	\$ -
Assumption changes	-	26,951
Net difference between projected and actual earnings on pension plan investments	-	3,557,145
Total	<u>\$ 198,094</u>	<u>\$ 3,584,096</u>
<b>Regular Plan - Library:</b>		
Difference between expected and actual experience	\$ 49,524	\$ -
Assumption changes	-	6,738
Net difference between projected and actual earnings on pension plan investments	-	889,286
Total	<u>\$ 49,524</u>	<u>\$ 896,024</u>
<b>Regular Plan - Total:</b>		
Difference between expected and actual experience	\$ 247,618	\$ -
Assumption changes	-	33,689
Net difference between projected and actual earnings on pension plan investments	-	4,446,431
Total	<u>\$ 247,618</u>	<u>\$ 4,480,120</u>

# City of Blue Island, Illinois

Notes to Financial Statements  
December 31, 2021

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
<b>SLEP:</b>		
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 14,075
Total	<u>\$ -</u>	<u>\$ 14,075</u>

The amounts reported as deferred outflows and inflows of resources related to pensions (\$ (4,232,502) for Regular and \$ (14,075) for SLEP) will be recognized in pension expense as follows:

<b>Year Ending December 31,</b>	<b>Regular Plan</b>			<b>SLEP</b>
	<b>City</b>	<b>Library</b>	<b>Total</b>	
2022	\$ (648,823)	\$ (162,206)	\$ (811,029)	\$ (3,149)
2023	(1,333,303)	(333,326)	(1,666,629)	(5,340)
2024	(875,727)	(218,932)	(1,094,659)	(3,469)
2025	<u>(528,149)</u>	<u>(132,036)</u>	<u>(660,185)</u>	<u>(2,117)</u>
Total	<u>\$ (3,386,002)</u>	<u>\$ (846,500)</u>	<u>\$ (4,232,502)</u>	<u>\$ (14,075)</u>

## Police Pension

### Plan Description

Police sworn personnel are covered by the Police Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes (Chapter 40 ILCS 5/3) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund.

As provided for in the Illinois Compiled Statutes, the Plan provides retirement benefits as well as death and disability benefits to employees grouped into two tiers. Tier 1 is for employees hired prior to January 1, 2011 and Tier 2 is for employees hired after that date. The following is a summary of the Police Pension Fund as provided for in Illinois Compiled Statutes.

*Tier 1* - Covered employees 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 on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 8 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 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 paid upon reaching at least the age 55, by 3 percent of the original pension and 3 percent compounded annually thereafter.

## City of Blue Island, Illinois

Notes to Financial Statements  
December 31, 2021

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*Tier 2* - Covered employees attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive a monthly pension of 2.5 percent of the final average salary for each year of creditable service. The salary is initially capped at \$106,800 but increases annually thereafter and is limited to 75 percent of final average salary. Employees with 10 or more years of creditable service may retire at or after age 50 and receive a reduced retirement benefit. The monthly pension of a police shall be increased annually on the January 1 occurring either on or after the attainment of age 60 or the first anniversary of the pension start date, whichever is later. Each annual increase shall be calculated at 3 percent or one-half the annual unadjusted percentage increase in the CPI, whichever is less.

### Plan Membership

At December 31, 2021, the Police Pension membership consisted of:

Retirees and beneficiaries	40
Inactive, non-retired members	9
Active members	<u>32</u>
Total	<u><u>81</u></u>

### Contributions

Covered employees are required to contribute 9.91 percent 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 City is required to contribute the remaining amounts necessary to finance the plans as actuarially determined by an enrolled actuary. Effective January 1, 2011 the City's contributions must accumulate to the point where the past service cost for the Police Pension Plan is 90 percent funded by the year 2040. The City's actuarially determined contribution rate for the fiscal year ending December 31, 2021 was 97.84 percent of annual covered payroll.

### Net Pension Liability/(Asset)

The net pension liability/(asset) was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability/(asset) was determined by an annual actuarial valuation as of that date.

### Summary of Significant Accounting Policies

The financial statements of the Police Pension Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which contributions are due. The City's contributions are recognized when due and a formal commitment to provide the contributions are made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximated fair value. Investments that do not have an established market are reported at estimated fair values.

### **Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation performed as of December 31, 2021 using the following actuarial methods and assumptions:

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value
Actuarial assumptions	
Interest rate	7.00%
Inflation	2.50%
Projected salary increases	3.50% - 11.00%
Cost-of-living adjustments	1.25% - 3.00%

Mortality rates were based on the PubS-2010 Mortality Tables, projected 5 years past the valuation date with scale MP-2019.

### **Long-Term Expected Real Rate of Return**

The long-term expected rate of return on the Police Pension Plan's investments was determined using a building block method. The best estimate for future real rates of return are developed for each of the major asset classes. Future real rates of return are weighted based on the target allocation within the Plan investment policy. Expectation inflation is added back in. Adjustment is made to reflect geometric returns. Best estimated or arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of December 31, 2021 are as follows:

<b>Asset Class</b>	<b>Target</b>	<b>Long-Term Expected Real Rate of Return</b>
Cash	3.00 %	(0.10)%
Fixed income	32.00	3.20
Domestic equity large caps	52.00	3.60
Domestic equity small caps	5.00	4.50
International developed foreign	5.00	5.20
Real estate	3.00	4.00

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

### **Discount Rate**

The discount rate used to measure the total pension liability for the Police Pension Plan was 7.00 percent, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

# City of Blue Island, Illinois

## Notes to Financial Statements

December 31, 2021

### Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate of 7.00 percent as well as what the net pension liability would be if it were to be calculated using a discount rate that is 1 percentage point lower (6.00 percent) or 1 percentage point higher (8.00 percent) than the current rate:

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
Total pension liability	\$ 53,604,727	\$ 47,111,641	\$ 41,795,788
Plan fiduciary net position	<u>18,902,019</u>	<u>18,902,019</u>	<u>18,902,019</u>
Net pension liability	<u><u>\$ 34,702,708</u></u>	<u><u>\$ 28,209,622</u></u>	<u><u>\$ 22,893,769</u></u>

### Changes in Net Pension Liability/(Asset)

The City's changes in net pension liability/(asset) for the calendar year ended December 31, 2021 was as follows:

	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability/Asset (a) - (b)</b>
Balances at December 31, 2020	\$ 46,291,446	\$ 16,487,998	\$ 29,803,448
Service cost	609,813	-	609,813
Interest on total pension liability	3,203,018	-	3,203,018
Differences between expected and actual experience of the total pension liability	(704,923)	-	(704,923)
Benefit payments, including refunds of employee contributions	(2,287,713)	(2,287,713)	-
Contributions - employer	-	2,198,399	(2,198,399)
Contributions - employee	-	300,526	(300,526)
Net investment income	-	2,232,694	(2,232,694)
Administration	-	(29,885)	29,885
Balances at December 31, 2021	<u><u>\$ 47,111,641</u></u>	<u><u>\$ 18,902,019</u></u>	<u><u>\$ 28,209,622</u></u>

## City of Blue Island, Illinois

Notes to Financial Statements  
December 31, 2021

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

For the year ended December 31, 2021, the City recognized pension expense of \$2,016,515. The City reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,317,900	\$ 793,095
Assumption changes	362,994	102,033
Net difference between projected and actual earnings on pension plan investments	-	1,729,201
Total	<u>\$ 1,680,894</u>	<u>\$ 2,624,329</u>

The amounts reported as deferred outflows and inflows of resources related to pensions (\$943,435) will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2022	\$ (244,042)
2023	(395,527)
2024	(243,037)
2025	<u>(60,829)</u>
Total	<u>\$ (943,435)</u>

### Firefighters' Pension

#### Plan Description

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 and employee and employer contribution levels are governed by Illinois State Statutes (Chapter 40 ILCS 5/3) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund.

As provided for in the Illinois Compiled Statutes, the Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits to employees grouped into two tiers. Tier 1 is for employees hired prior to January 1, 2011 and Tier 2 is for employees hired after that date. The following is a summary of the Firefighters' Pension Plan as provided for in Illinois Compiled Statutes.

## City of Blue Island, Illinois

Notes to Financial Statements  
December 31, 2021

*Tier 1* - Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one half of the monthly salary attached to the rank held in the fire service at the date of retirement. The monthly pension shall be increased by one twelfth of 2.5 percent of such monthly salary for each additional month over 20 years of service through 30 years of service to a maximum of 75 percent 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 percent of the original pension and 3 percent compounded annually thereafter.

*Tier 2* - Covered employees attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive a monthly pension of 2.5 percent of the final average salary for each year of creditable service. The salary is initially capped at \$106,800 but increases annually thereafter and is limited to 75 percent of final average salary. Employees with 10 or more years of creditable service may retire at or after age 50 and receive a reduced retirement benefit. The monthly pension of a firefighter shall be increased annually on the January 1 occurring either on or after the attainment of age 60 or the first anniversary of the pension start date, whichever is later. Each annual increase shall be calculated at 3 percent or one-half the annual unadjusted percentage increase in the CPI, whichever is less.

### Plan Membership

At December 31, 2021, the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries	27
Inactive, non-retired members	15
Active members	<u>31</u>
Total	<u><u>73</u></u>

### Contributions

Participants contribute a fixed percentage of their base salary to the plans. At December 31, 2021, the contribution percentage was 9.455 percent. If a participant leaves covered employment with less than 20 years of service, accumulated participant contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plans as actuarially determined by an enrolled actuary. Effective January 1, 2011 the City's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is 90 percent funded by the year 2040. The City's actuarially determined contribution rate for the fiscal year ending December 31, 2021 was 93.10 percent of annual covered payroll.

### Net Pension Liability/(Asset)

The net pension liability/(asset) was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability/(asset) was determined by an annual actuarial valuation as of that date.



### Summary of Significant Accounting Policies

The financial statements of the Firefighters' Pension Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which contributions are due. The City's contributions are recognized when due and a formal commitment to provide the contributions are made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximated fair value. Investments that do not have an established market are reported at estimated fair values.

### Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed as of December 31, 2021 using the following actuarial methods and assumptions:

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value
Actuarial assumptions	
Interest rate	7.00%
Inflation	2.50%
Projected salary increases	3.50% to 12.50%
Cost-of-living adjustments	1.25% to 3.00%

Mortality rates were based on the PubS-2010 Mortality Tables, projected 5 years past the valuation date with scale MP-2019.

### Long-Term Expected Real Rate of Return

The long-term expected rate of return on the Firefighters' Pension Plan's investments was determined using a building block method. The best estimate for future real rates of return are developed for each of the major asset classes. Future real rates of return are weighted based on the target allocation within the Plan investment policy. Expectation inflation is added back in. Adjustment is made to reflect geometric returns. Best estimated or arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of December 31, 2021 are as follows:

<b>Asset Class</b>	<b>Target</b>	<b>Long-Term Expected Real Rate of Return</b>
Cash	2.49 %	(1.50)%
Fixed income - short-term government	7.84	(1.50)
Fixed income - intermediate government	16.18	-
Fixed income - intermediate corporate	28.72	1.00
Stock	44.77	6.00

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

# City of Blue Island, Illinois

Notes to Financial Statements  
December 31, 2021

## Discount Rate

The discount rate used to measure the total pension liability for the Firefighters' Pension Plan was 7.00 percent, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

## Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate of 7.00 percent as well as what the net pension liability would be if it were to be calculated using a discount rate that is 1 percentage point lower (6.00 percent) or 1 percentage point higher (8.00 percent) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total pension liability	\$ 30,049,310	\$ 26,488,727	\$ 23,569,770
Plan fiduciary net position	<u>7,067,317</u>	<u>7,067,317</u>	<u>7,067,317</u>
Net pension liability	<u>\$ 22,981,993</u>	<u>\$ 19,421,410</u>	<u>\$ 16,502,453</u>

## Changes in Net Pension Liability/(Asset)

The City's changes in net pension liability/(asset) for the calendar year ended December 31, 2021 was as follows:

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability/Asset (a) - (b)</u>
Balances at December 31, 2020	\$ 25,657,955	\$ 6,599,893	\$ 19,058,062
Service cost	559,959	-	559,959
Interest on total pension liability	1,779,435	-	1,779,435
Differences between expected and actual experience of the total pension liability	44,215	-	44,215
Benefit payments, including refunds of employee contributions	(1,594,827)	(1,594,827)	-
Contributions, employer	-	1,431,677	(1,431,677)
Contributions, employee	-	186,801	(186,801)
Contributions, buy back	41,990	41,990	-
Net investment income	-	423,566	(423,566)
Administration	-	(21,783)	21,783
Balances at December 31, 2021	<u>\$ 26,488,727</u>	<u>\$ 7,067,317</u>	<u>\$ 19,421,410</u>

## City of Blue Island, Illinois

Notes to Financial Statements  
December 31, 2021

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

For the year ended December 31, 2021, the City recognized pension expense of \$1,681,932. The City reported deferred outflows and inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 1,009,887	\$ 491,890
Assumption changes	360,363	92,482
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>305,071</u>
Total	<u>\$ 1,370,250</u>	<u>\$ 889,443</u>

The amounts reported as deferred outflows and inflows of resources related to pensions \$481,007 will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2022	\$ 5,338
2023	20,637
2024	153,740
2025	44,423
2026	125,571
Thereafter	<u>131,098</u>
Total	<u>\$ 480,807</u>

### Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; injuries to employees; or natural disasters. The City purchases commercial insurance to provide coverage for losses from property damage. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There has been no significant reduction in insurance coverage.

## City of Blue Island, Illinois

Notes to Financial Statements  
December 31, 2021

### Self Insurance

The City is self-insured for workers' compensation and general liability. Expenditures are recorded as incurred for payment of employee workers compensation and general liability claims and administration fees.

At December 31, 2021, total unpaid claims, including an estimate of claims that have been incurred but not reported to the administrative agent, totaled \$319,011. The estimates are developed based on reports prepared by the administrative agent. The City does not allocate overhead costs or other non-incremental costs to the claims liability. For the two years ended December 31, 2020 and December 31, 2021, changes in the total liability for unpaid workers compensation and general liability claims are summarized as follows:

	<b>Workers' Compensation</b>	<b>General Liability</b>	<b>Total</b>
Unpaid Claims, December 31, 2019	\$ 40,323	\$ 1,982,991	\$ 2,023,314
Current year claims and changes in estimates	238,228	13,038	251,266
Claim payments	(34,728)	(1,588,887)	(1,623,615)
Unpaid Claims, December 31, 2020	243,823	407,142	650,965
Current year claims and changes in estimates	101,903	45,000	146,903
Claim payments	<u>(160,726)</u>	<u>(304,979)</u>	<u>(465,705)</u>
Unpaid Claims, December 31, 2021	<u>\$ 185,000</u>	<u>\$ 147,163</u>	<u>\$ 332,163</u>

### Commitments and Contingencies

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability band expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

The City has active construction projects as of December 31, 2021. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

### Other Postemployment Benefits

#### Plan Description

The City administers a single-employer defined benefit postemployment healthcare plan. The plan allows employees who retire and meet retirement eligibility requirements under one of the City's retirement plans to continue health insurance coverage as a participant in the City's plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement No. 75.

#### Benefits Provided

The benefits provided are the same as those provided for active employees. Spouses and dependents of eligible retirees are also eligible for medical coverage. All employees of the City are eligible to receive postemployment health care benefits. Coverage for retirees and their spouses and dependents is provided for life.

## City of Blue Island, Illinois

Notes to Financial Statements  
December 31, 2021

Under the terms of the Plan, pursuant to City policy and certain contractual agreements, the Retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly toward the cost of health insurance premiums. Those retired prior to December 31, 2015, with the exception of two retirees with special arrangements, either contribute \$0 or have a contribution of \$75 per month for any level of coverage (single, employee plus spouse, or family). The City contributes the remainder of the cost. Per City ordinance, those retiring on or after December 31, 2015 pay 15% of the active premium for single coverage. All future retirees who cover a spouse pay 100% of the spouse premium.

### Plan Membership

At December 31, 2020, the actuarial valuation date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	74
Active plan members	<u>105</u>
Total	<u><u>179</u></u>

### Total OPEB Liability

The City's total OPEB liability of \$18,440,664 was measured as of December 31, 2021, and was determined by an actuarial valuation as of December 31, 2020.

### Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	Varies by service
Healthcare cost trend rates	Initial rate of 7.00%; grading down to the ultimate trend rate of 4.00%
Discount rate	2.25%

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

Mortality rates were based on the PubS-2010 Mortality Tables, with adjustments for mortality improvements based on Scale MP-2020.

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study for the period as of December 31, 2020 updated to December 31, 2021.

## City of Blue Island, Illinois

Notes to Financial Statements  
December 31, 2021

### Changes in the Total OPEB Liability

	<b>Total OPEB Liability</b>
Balances at December 31, 2020	<u>\$ 18,917,418</u>
Changes for the year:	
Service cost	629,551
Interest	371,236
Changes in assumptions or other inputs	(850,704)
Benefit payments	<u>(626,837)</u>
Net changes	<u>(476,754)</u>
Balances at December 31, 2021	<u><u>\$ 18,440,664</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 1.93 percent in 2020 to 2.25 percent in 2021.

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

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	<b>1% Decrease</b>	<b>Discount Rate</b>	<b>1% Increase</b>
Total OPEB liability	<u>\$ 21,308,574</u>	<u>\$ 18,440,664</u>	<u>\$ 16,123,880</u>

### Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
Total OPEB liability	<u>\$ 15,681,219</u>	<u>\$ 18,440,664</u>	<u>\$ 21,958,123</u>

## City of Blue Island, Illinois

Notes to Financial Statements  
December 31, 2021

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

For the year ended December 31, 2021, the City recognized OPEB expense of \$1,193,553. At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 430,349	
Changes of assumptions or other inputs	<u>1,723,799</u>	<u>1,151,881</u>
Total	<u>\$ 2,154,148</u>	<u>\$ 1,151,881</u>

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

#### Year Ended December 31:

2022	\$ 190,716
2023	190,716
2024	190,716
2025	331,619
2026	220,030
Thereafter	<u>(121,530)</u>
Total	<u>\$ 1,002,267</u>

### Subsequent Event

Subsequent to December 31, 2021, the investment markets have experienced significant volatility. It is highly likely that the values of the City's investments have changed by material amounts since year end.

### Tax Increment Financing District

The City of Blue Island has established several Tax Increment Redevelopment Project Areas (RPA's) to encourage redevelopment of certain sites for more market oriented commercial uses of the properties that will enhance their value and improve their contributions to the City and its surrounding areas. As part of the redevelopment plans, the City has made significant improvements to utilities, public parking, intersections and traffic signalization, streets and landscaping. The redevelopment plans also include site preparation, land acquisition and assembly, and demolition/clearance.

Construction and development in the RPA's were the responsibility of developers and are substantially complete. To entice development of the areas, the City created tax increment financing (TIF) districts to finance public improvements made within the RPA's.

Several funds have been established to record the revenues generated in the RPA's that relate directly to servicing the debt issued to make public improvements in the RPA's.

## **Tax Abatement**

Tax abatements are a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The City is disclosing all abatement agreements individually.

For the year ended December 31, 2021, the City rebated 50% of its share of the sales tax and 90% of the incremental TIF property tax revenues generated by a local business for the costs of acquiring and redeveloping a vacant lot under the terms of a redevelopment agreement. The sales tax abatement for the year amounted to \$46,101. The incremental TIF property tax abatement from TIF VI for the year amounted to \$84,502. The total rebate is subject to reduction if the company does not comply with all local, state, and federal statutes relative to operating a business within the City. The original agreement was for a total rebate of \$1,500,000. As of December 31, 2021, there were reductions totaling \$350,000. The agreement expires on the earlier of December 31, 2030 or the aggregate rebate of \$1,150,000. As of December 31, 2021, there is still \$353,864 outstanding for the rebate.

## **Effect of New Accounting Standards on Current-Period Financial Statements**

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 87, *Leases*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*
- Statement No. 99, *Omnibus 2022*
- Statement No. 100, *Accounting Changes and Error Corrections an amendment of GASB Statement No. 62*
- Statement No. 101, *Compensated Absences*

When they become effective, application of these standards may restate portions of these financial statements.



## REQUIRED SUPPLEMENTARY INFORMATION

## City of Blue Island, Illinois

Illinois Municipal Retirement Fund - Regular Plan

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

Last Seven Fiscal Years

	2015	2016	2017	2018
<b>Total Pension Liability</b>				
Service cost	\$ 444,650	\$ 434,534	\$ 446,907	\$ 367,879
Interest changes of benefit terms	1,939,318	1,970,691	2,000,154	1,955,101
Differences between expected and actual experience	(290,772)	(344,654)	(475,962)	(60,522)
Changes of assumptions	31,044	(30,866)	(813,574)	699,542
Benefit payments, including refunds of member contributions	(1,629,851)	(1,701,750)	(1,654,494)	(1,782,940)
Net change in total pension liability	494,389	327,955	(496,969)	1,179,060
<b>Total Pension Liability, Beginning</b>	26,450,174	26,944,563	27,272,518	26,775,549
<b>Total Pension Liability, Ending</b>	<u>\$ 26,944,563</u>	<u>\$ 27,272,518</u>	<u>\$ 26,775,549</u>	<u>\$ 27,954,609</u>
<b>Plan Fiduciary Net Position</b>				
Employer contributions	\$ 597,843	\$ 600,448	\$ 567,359	\$ 461,756
Employee contributions	232,918	183,811	177,917	149,054
Net investment income	120,436	1,609,690	4,515,172	(1,696,994)
Benefit payments, including refunds of member contributions	(1,629,851)	(1,701,750)	(1,654,494)	(1,782,940)
Other (net transfer)	(185,890)	147,811	(540,150)	321,540
Net change in plan fiduciary net position	(864,544)	840,010	3,065,804	(2,547,584)
<b>Plan Fiduciary Net Position, Beginning</b>	24,486,767	23,622,223	24,462,233	27,528,037
<b>Plan Fiduciary Net Position, Ending</b>	<u>\$ 23,622,223</u>	<u>\$ 24,462,233</u>	<u>\$ 27,528,037</u>	<u>\$ 24,980,453</u>
<b>City's Net Pension Liability (Asset), Ending</b>	<u>\$ 3,322,340</u>	<u>\$ 2,810,285</u>	<u>\$ (752,488)</u>	<u>\$ 2,974,156</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	87.67%	89.70%	102.81%	89.36%
<b>Covered Payroll</b>	\$ 4,177,805	\$ 4,084,680	\$ 3,953,724	\$ 3,312,321
<b>City's Net Pension Liability (Asset) as a Percentage of Covered Payroll</b>	79.52%	68.80%	-19.03%	89.79%

### Notes to Schedule:

The information above includes both City and Library.

The City implemented GASB Statement No. 68 in fiscal year 2015. Information prior to fiscal year 2015 is not available. Additional years' information will be presented as it becomes available.

<b>2019</b>	<b>2020</b>	<b>2021</b>
\$ 361,991	\$ 327,442	\$ 343,011
1,975,538	1,984,681	2,037,730
(421,741)	410,236	295,645
-	(187,451)	-
<u>(1,773,602)</u>	<u>(1,771,199)</u>	<u>(1,850,774)</u>
142,186	763,709	825,612
<u>27,954,609</u>	<u>28,096,795</u>	<u>28,860,504</u>
<u>\$ 28,096,795</u>	<u>\$ 28,860,504</u>	<u>\$ 29,686,116</u>
\$ 389,078	\$ 570,259	\$ 322,138
145,243	189,961	154,737
4,885,688	4,205,858	5,543,588
(1,773,602)	(1,771,199)	(1,850,774)
<u>(27,256)</u>	<u>(91,599)</u>	<u>(165,654)</u>
3,619,151	3,103,280	4,004,035
<u>24,980,453</u>	<u>28,599,604</u>	<u>31,702,884</u>
<u>\$ 28,599,604</u>	<u>\$ 31,702,884</u>	<u>\$ 35,706,919</u>
<u>\$ (502,809)</u>	<u>\$ (2,842,380)</u>	<u>\$ (6,020,803)</u>
101.79%	109.85%	120.28%
\$ 3,260,560	\$ 3,481,435	\$ 3,390,923
-15.42%	-81.64%	-177.56%

See notes to required supplementary information

# City of Blue Island, Illinois

Illinois Municipal Retirement Fund - Regular Plan

Schedule of Employer Contributions

Last Seven Fiscal Years

	2015	2016	2017	2018	2019
Actuarially determined contribution	\$ 597,844	\$ 600,448	\$ 567,359	\$ 449,482	\$ 393,550
Contributions in relation to the actuarially determined contribution	597,843	600,448	567,359	461,756	389,078
Contribution deficiency (excess)	\$ 1	\$ -	\$ -	\$ (12,274)	\$ 4,472
Covered payroll	\$ 4,177,805	\$ 4,084,680	\$ 3,955,724	\$ 3,312,321	\$ 3,260,560
Contributions as a percentage of covered payroll	14.31%	14.70%	14.34%	13.94%	11.93%
	2020	2021			
Actuarially determined contribution	\$ 570,259	\$ 322,138			
Contributions in relation to the actuarially determined contribution	570,259	322,138			
Contribution deficiency (excess)	\$ -	\$ -			
Covered payroll	\$ 3,481,435	\$ 3,390,923			
Contributions as a percentage of covered payroll	16.38%	9.50%			

## Notes to Schedule:

The information above includes both City and Library.

The City implemented GASB Statement No. 68 in fiscal year 2015. Information prior to fiscal year 2015 is not available. Additional years' information will be presented as it becomes available.

Valuation date: Actuarially determined contributions are calculated as of December 31.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	22-year closed period
Asset valuation method	5-year smoothed market, 20% corridor
Inflation	2.50%
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□
Mortality	RP-2014 Employee Mortality Table, adjusted to match current IMRF experience

Other information:

There were no benefit changes during the year.

See notes to required supplementary information

# City of Blue Island, Illinois

Illinois Municipal Retirement Fund - SLEP

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

Last Seven Fiscal Years

	2015	2016	2017	2018
<b>Total Pension Liability</b>				
Interest changes of benefit terms	\$ 3,999	\$ 4,299	\$ 4,622	\$ 7,553
Differences between expected and actual experience	1	1	34,391	1,147
Changes of assumptions	-	-	62	942
Net change in total pension liability	4,000	4,300	39,075	9,642
<b>Total Pension Liability, Beginning</b>	53,326	57,326	61,626	100,701
<b>Total Pension Liability, Ending</b>	<u>\$ 57,326</u>	<u>\$ 61,626</u>	<u>\$ 100,701</u>	<u>\$ 110,343</u>
<b>Plan Fiduciary Net Position</b>				
Net investment income	\$ 579	\$ 8,069	\$ 16,453	\$ (697)
Other (net transfer)	(4,115)	230	(258)	387
Net change in plan fiduciary net position	(3,536)	8,299	16,195	(310)
<b>Plan Fiduciary Net Position, Beginning</b>	115,759	112,223	120,522	136,717
<b>Plan Fiduciary Net Position, Ending</b>	<u>\$ 112,223</u>	<u>\$ 120,522</u>	<u>\$ 136,717</u>	<u>\$ 136,407</u>
<b>City's Net Pension Liability (Asset), Ending</b>	<u>\$ (54,897)</u>	<u>\$ (58,896)</u>	<u>\$ (36,016)</u>	<u>\$ (26,064)</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	195.76%	195.57%	135.77%	123.62%
<b>Covered Payroll</b>	\$ -	\$ -	\$ -	\$ -
<b>City's Net Pension Liability (Asset) as a Percentage of Covered Payroll</b>	0.00%	0.00%	0.00%	0.00%

## Notes to Schedule:

The City implemented GASB Statement No. 68 in fiscal year 2015. Information prior to fiscal year 2015 is not available. Additional years' information will be presented as it becomes available.

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<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 8,000	\$ 8,661	\$ 9,365
1,119	(183)	7,482
<u>-</u>	<u>1,239</u>	<u>-</u>
9,119	9,717	16,847
<u>110,343</u>	<u>119,462</u>	<u>129,179</u>
<u>\$ 119,462</u>	<u>\$ 129,179</u>	<u>\$ 146,026</u>
\$ 19,233	\$ 18,043	\$ 23,165
<u>(276)</u>	<u>456</u>	<u>(807)</u>
18,957	18,499	22,358
<u>136,407</u>	<u>155,364</u>	<u>173,863</u>
<u>\$ 155,364</u>	<u>\$ 173,863</u>	<u>\$ 196,221</u>
<u>\$ (35,902)</u>	<u>\$ (44,684)</u>	<u>\$ (50,195)</u>
130.05%	134.59%	134.37%
\$ -	\$ -	\$ -
0.00%	0.00%	0.00%

See notes to required supplementary information

# City of Blue Island, Illinois

Illinois Municipal Retirement Fund - SLEP

Schedule of Employer Contributions

Last Seven Fiscal Years

	2015	2016	2017	2018	2019
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%
	2020	2021			
Actuarially determined contribution	\$ -	\$ -			
Contributions in relation to the actuarially determined contribution	-	-			
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>			
Covered payroll	\$ -	\$ -			
Contributions as a percentage of covered payroll	0.00%	0.00%			

## Notes to Schedule:

The City implemented GASB Statement No. 68 in fiscal year 2015. Information prior to fiscal year 2015 is not available. Additional years' information will be presented as it becomes available.

Valuation date: Actuarially determined contributions are calculated as of December 31 of the prior fiscal year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	22-year closed period
Asset valuation method	5-year smoothed market, 20% corridor
Inflation	2.50%
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
Mortality	RP-2014 Employee Mortality Table, adjusted to match current IMRF experience

See notes to required supplementary information

## City of Blue Island, Illinois

### Police Pension Plan

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

Last Seven Fiscal Years

	2015	2016	2017	2018
<b>Total Pension Liability</b>				
Service cost	\$ 680,338	\$ 704,304	\$ 726,660	\$ 679,927
Interest changes of benefit terms	2,442,326	2,545,604	2,648,675	2,712,322
Differences between expected and actual experience	-	(116,773)	(94,231)	(640,348)
Changes of assumptions	-	-	(612,198)	1,088,982
Change of benefit terms	-	-	-	-
Benefit payments, including refunds of member contributions	(1,641,553)	(1,700,906)	(1,665,189)	(1,760,675)
Net change in total pension liability	1,481,111	1,432,229	1,003,717	2,080,208
<b>Total Pension Liability, Beginning</b>	<u>35,030,812</u>	<u>36,511,923</u>	<u>37,944,152</u>	<u>38,947,869</u>
<b>Total Pension Liability, Ending</b>	<u><u>\$ 36,511,923</u></u>	<u><u>\$ 37,944,152</u></u>	<u><u>\$ 38,947,869</u></u>	<u><u>\$ 41,028,077</u></u>
<b>Plan Fiduciary Net Position</b>				
Employer contributions	\$ 1,393,531	\$ 1,451,138	\$ 1,549,657	\$ 1,778,990
Employee contributions	272,545	266,787	272,180	274,014
Net investment income	22,529	549,978	1,350,264	(494,090)
Benefit payments, including refunds of member contributions	(1,641,553)	(1,700,906)	(1,665,189)	(1,760,675)
Administration	(30,316)	(38,706)	(31,842)	(48,726)
Other	-	30,630	(1)	-
Net change in plan fiduciary net position	16,736	558,921	1,475,069	(250,487)
<b>Plan Fiduciary Net Position, Beginning</b>	<u>9,999,226</u>	<u>10,015,962</u>	<u>10,574,883</u>	<u>12,049,952</u>
<b>Plan Fiduciary Net Position, Ending</b>	<u><u>\$ 10,015,962</u></u>	<u><u>\$ 10,574,883</u></u>	<u><u>\$ 12,049,952</u></u>	<u><u>\$ 11,799,465</u></u>
<b>City's Net Pension Liability, Ending</b>	<u><u>\$ 26,495,961</u></u>	<u><u>\$ 27,369,269</u></u>	<u><u>\$ 26,897,917</u></u>	<u><u>\$ 29,228,612</u></u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	27.43%	27.87%	30.94%	28.76%
<b>Covered Payroll</b>	\$ 2,728,224	\$ 2,692,099	\$ 2,746,519	\$ 2,765,025
<b>City's Net Pension Liability as a Percentage of Covered Payroll</b>	971.18%	1016.65%	979.35%	1057.08%

#### Notes to Schedule:

The City implemented GASB Statement No. 67 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

Additional years' information will be presented as it becomes available.



<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 682,415	\$ 676,218	\$ 609,813
2,850,649	2,983,244	3,203,018
348,808	1,767,566	(704,923)
-	-	-
82,600	-	-
<u>(1,973,857)</u>	<u>(2,154,274)</u>	<u>(2,287,713)</u>
1,990,615	3,272,754	820,195
<u>41,028,077</u>	<u>43,018,692</u>	<u>46,291,446</u>
<u>\$ 43,018,692</u>	<u>\$ 46,291,446</u>	<u>\$ 47,111,641</u>
\$ 1,969,070	\$ 2,092,595	\$ 2,198,399
303,957	291,786	300,526
2,320,022	1,923,903	2,232,694
(1,973,857)	(2,154,274)	(2,287,713)
(43,745)	(40,924)	(29,885)
<u>-</u>	<u>-</u>	<u>-</u>
2,575,447	2,113,086	2,414,021
<u>11,799,465</u>	<u>14,374,912</u>	<u>16,487,998</u>
<u>\$ 14,374,912</u>	<u>\$ 16,487,998</u>	<u>\$ 18,902,019</u>
<u>\$ 28,643,780</u>	<u>\$ 29,803,448</u>	<u>\$ 28,209,622</u>
33.42%	35.62%	40.12%
\$ 3,067,175	\$ 2,944,359	\$ 2,683,902
933.88%	1012.22%	1051.07%

See notes to required supplementary information

# City of Blue Island, Illinois

## Police Pension Plan Schedule of Employer Contributions Last Seven Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Actuarially determined contribution	\$ 1,828,354	\$ 1,983,274	\$ 2,183,443	\$ 2,219,180	\$ 2,436,772
Contributions in relation to the actuarially determined contribution	<u>1,393,531</u>	<u>1,451,138</u>	<u>1,549,657</u>	<u>1,778,990</u>	<u>1,969,070</u>
Contribution deficiency (excess)	<u>\$ 434,823</u>	<u>\$ 532,136</u>	<u>\$ 633,786</u>	<u>\$ 440,190</u>	<u>\$ 467,702</u>
Covered payroll	\$ 2,728,224	\$ 2,692,099	\$ 2,746,519	\$ 2,765,025	\$ 3,067,175
Contributions as a percentage of covered payroll	51.08%	53.90%	56.42%	64.34%	64.20%
	<u>2020</u>	<u>2021</u>			
Actuarially determined contribution	\$ 2,636,450	\$ 2,626,144			
Contributions in relation to the actuarially determined contribution	<u>2,092,595</u>	<u>2,198,399</u>			
Contribution deficiency (excess)	<u>\$ 543,855</u>	<u>\$ 427,745</u>			
Covered payroll	\$ 2,944,359	\$ 2,683,902			
Contributions as a percentage of covered payroll	71.07%	81.91%			

### Notes to Schedule:

The City implemented GASB Statement No. 67 in fiscal year 2015. Information prior to fiscal year 2015 is derived from actuarial valuations developed in conformity with GASB Statement No. 25 and 27.

Valuation date: Actuarially determined contributions are calculated as of December 31 of the prior fiscal year.

### Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-Age Normal
Amortization method	Level percentage of payroll, 100% through 2040
Remaining amortization period	19 years
Asset valuation method	5-year smoothed market
Inflation	2.50%
Salary increases	3.50% - 11.00%
Investment rate of return	7.00%
Retirement age	Capped at age 70
Mortality	Mortality rates were based on the PubS-2010 Adjusted for Plan Status, Demographics, and Illinois Public Pension Data

# City of Blue Island, Illinois

## Firefighters' Pension Plan Schedule of Changes in the City's Net Pension Liability and Related Ratios Last Eight Fiscal Years

	2015	2015*	2016	2017
<b>Total Pension Liability</b>				
Service cost	\$ 372,458	\$ 222,555	\$ 389,787	\$ 415,552
Interest changes of benefit terms	1,365,783	938,174	1,517,922	1,499,278
Differences between expected and actual experience	-	1,284,305	(947,307)	35,329
Changes of assumptions	-	-	-	(323,689)
Change of benefit terms	-	-	-	-
Contributions - buy back	-	-	-	-
Benefit payments, including refunds of member contributions	(1,172,182)	(819,391)	(1,243,408)	(1,261,624)
Net change in total pension liability	566,059	1,625,643	(283,006)	364,846
<b>Total Pension Liability, Beginning</b>	19,724,816	20,290,875	21,916,518	21,633,512
<b>Total Pension Liability, Ending</b>	<u>\$ 20,290,875</u>	<u>\$ 21,916,518</u>	<u>\$ 21,633,512</u>	<u>\$ 21,998,358</u>
<b>Plan Fiduciary Net Position</b>				
Employer contributions	\$ 620,292	\$ 414,265	\$ 827,078	\$ 949,612
Employee contributions	151,368	102,431	149,420	151,166
Contributions - buy back	-	-	-	-
Net investment income	334,367	(47,070)	260,486	507,247
Benefit payments, including refunds of member contributions	(1,172,182)	(819,391)	(1,243,408)	(1,261,624)
Other	-	(480,228)	-	(591)
Administration	(26,586)	(35,437)	(38,197)	(33,282)
Net change in plan fiduciary net position	(92,741)	(865,430)	(44,621)	312,528
<b>Plan Fiduciary Net Position, Beginning</b>	5,899,425	5,806,684	4,941,254	4,896,633
<b>Plan Fiduciary Net Position, Ending</b>	<u>\$ 5,806,684</u>	<u>\$ 4,941,254</u>	<u>\$ 4,896,633</u>	<u>\$ 5,209,161</u>
<b>City's Net Pension Liability, Ending</b>	<u>\$ 14,484,191</u>	<u>\$ 16,975,264</u>	<u>\$ 16,736,879</u>	<u>\$ 16,789,197</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	28.62%	22.55%	22.63%	23.68%
<b>Covered Payroll</b>	\$ 1,497,091	\$ 1,592,913	\$ 1,580,328	\$ 1,598,794
<b>City's Net Pension Liability (Asset) as a Percentage of Covered Payroll</b>	967.49%	1065.67%	1059.08%	1050.12%

### Notes to Schedule:

The City implemented GASB Statement No. 68 in fiscal year 2015. Information prior to fiscal year 2015 is not available. Additional years' information will be presented as it becomes available.

\* The Firefighters' Pension Fund changed fiscal years from April 30 to December 31 in 2015, resulting in a stub year for the year ended December 31, 2015

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 407,765	\$ 396,688	\$ 478,163	\$ 559,959
1,521,202	1,655,636	1,664,009	1,779,435
561,963	(623,980)	960,350	44,215
840,847	-	-	-
-	73,307	-	-
-	-	-	41,990
<u>(1,349,337)</u>	<u>(1,451,100)</u>	<u>(1,475,916)</u>	<u>(1,594,827)</u>
1,982,440	50,551	1,626,606	830,772
<u>21,998,358</u>	<u>23,980,798</u>	<u>24,031,349</u>	<u>25,657,955</u>
<u><u>\$ 23,980,798</u></u>	<u><u>\$ 24,031,349</u></u>	<u><u>\$ 25,657,955</u></u>	<u><u>\$ 26,488,727</u></u>
\$ 1,105,164	\$ 1,394,336	\$ 1,334,789	\$ 1,431,677
156,442	185,879	193,562	186,801
-	-	-	41,990
(240,143)	801,243	856,881	423,566
(1,349,337)	(1,451,100)	(1,475,916)	(1,594,827)
-	-	-	-
<u>(44,511)</u>	<u>(39,797)</u>	<u>(36,760)</u>	<u>(21,783)</u>
(372,385)	890,561	872,556	467,424
<u>5,209,161</u>	<u>4,836,776</u>	<u>5,727,337</u>	<u>6,599,893</u>
<u><u>\$ 4,836,776</u></u>	<u><u>\$ 5,727,337</u></u>	<u><u>\$ 6,599,893</u></u>	<u><u>\$ 7,067,317</u></u>
<u><u>\$ 19,144,022</u></u>	<u><u>\$ 18,304,012</u></u>	<u><u>\$ 19,058,062</u></u>	<u><u>\$ 19,421,410</u></u>
20.17%	23.83%	25.72%	26.68%
\$ 1,654,595	\$ 1,959,524	\$ 2,047,192	\$ 1,975,685
1157.02%	934.11%	930.94%	983.02%

See notes to required supplementary information

## City of Blue Island, Illinois

### Firefighters' Pension Plan Schedule of Employer Contributions Last Eight Fiscal Years

	<u>2015*</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Actuarially determined contribution	\$ 946,532	\$ 730,545	\$ 1,204,671	\$ 1,344,770	\$ 1,450,782
Contributions in relation to the actuarially determined contribution	<u>620,292</u>	<u>414,265</u>	<u>827,078</u>	<u>949,612</u>	<u>1,105,164</u>
Contribution deficiency (excess)	<u>\$ 326,240</u>	<u>\$ 316,280</u>	<u>\$ 377,593</u>	<u>\$ 395,158</u>	<u>\$ 345,618</u>
Covered payroll	\$ 1,497,091	\$ 1,592,913	\$ 1,580,328	\$ 1,598,794	\$ 1,654,595
Contributions as a percentage of covered payroll	41.43%	26.01%	52.34%	59.40%	66.79%
	<u>2019</u>	<u>2020</u>	<u>2021</u>		
Actuarially determined contribution	\$ 1,540,465	\$ 1,709,932	\$ 1,839,316		
Contributions in relation to the actuarially determined contribution	<u>1,394,336</u>	<u>1,334,789</u>	<u>1,431,677</u>		
Contribution deficiency (excess)	<u>\$ 146,129</u>	<u>\$ 375,143</u>	<u>\$ 407,639</u>		
Covered payroll	\$ 1,959,524	\$ 2,047,192	\$ 1,975,685		
Contributions as a percentage of covered payroll	71.16%	65.20%	72.46%		

#### Notes to Schedule:

The City implemented GASB Statement No. 67 in fiscal year 2015. Information prior to fiscal year 2015 is derived from actuarial valuations developed in conformity with GASB Statement No. 25 and 27.

\* The Firefighters' Pension Fund changed fiscal years from April 30 to December 31 in 2015, resulting in a stub year for the year ended December 31, 2015

Valuation date: Actuarially determined contributions are calculated as of December 31 of the prior fiscal year.

#### Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-Age Normal
Amortization method	Level percentage of payroll, 100% through 2040
Remaining amortization period	19 years
Asset valuation method	5-year smoothed market
Inflation	2.50%
Salary increases	3.50% - 12.35%
Investment rate of return	7.00%
Retirement age	Capped at age 70
Mortality	Mortality rates were based on the Pub-2010S Adjusted for Plan Status, Demographics, and Illinois Public Pension Data

## City of Blue Island, Illinois

### Other Postemployment Benefit Plan Schedule of Changes in the City's Net OPEB Liability and Related Ratios Last Four Fiscal Years

	2018	2019	2020	2021
<b>Total OPEB Liability</b>				
Service cost	\$ 431,024	\$ 402,014	\$ 464,339	\$ 629,551
Interest	502,667	553,579	532,731	371,236
Differences between expected and actual experience	-	-	602,489	-
Changes of assumptions	(986,314)	781,117	1,788,424	(850,704)
Benefit payments, including refunds of member contributions	(594,130)	(641,660)	(689,785)	(626,837)
Net change in total OPEB liability	(646,753)	1,095,050	2,698,198	(476,754)
<b>Total OPEB Liability, Beginning</b>	<u>15,770,923</u>	<u>15,124,170</u>	<u>16,219,220</u>	<u>18,917,418</u>
<b>Total OPEB Liability, Ending</b>	<u>\$ 15,124,170</u>	<u>\$ 16,219,220</u>	<u>\$ 18,917,418</u>	<u>\$ 18,440,664</u>
<b>Covered Payroll</b>	\$ 6,715,604	\$ 7,058,100	\$ 7,172,305	\$ 7,538,093
<b>City's Total OPEB Liability as a Percentage of Covered Payroll</b>	225.21%	229.80%	263.76%	244.63%

#### Notes To Schedule:

The City implemented GASB Statement No. 75 in fiscal year 2018. Information prior to fiscal year 2018 is not available.

A Schedule of Contributions is not presented as the plan is a pay-as-you-go and, as such, no actuarially determined contribution is determined.

#### Methods and assumptions used to determine contribution rates:

Inflation	2.50%
Salary increases	2.64% - 12.50%
Investment rate of return	2.25%
Future medical plan participation	60% participation assumed, with 50% electing spouse coverage
Healthcare cost trend rates	Initial rate of 7.00% in fiscal 2021, then 7.50% in fiscal 2022, grading down to the ultimate trend rate of 4.00% in fiscal 2075.
Mortality	PubS-2010 mortality tables with projected improvements using scale MP-2020

**City of Blue Island, Illinois**

Required Supplementary Information

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

Year Ended December 31, 2021

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget Positive (Negative)</b>
<b>Revenues</b>			
Property taxes	\$ 3,360,000	\$ 3,324,869	\$ (35,131)
Other taxes	3,785,000	4,207,730	422,730
Licenses	792,975	860,067	67,092
Intergovernmental	5,157,253	4,093,902	(1,063,351)
Motor fuel tax allotments	-	3,922	3,922
Permits	349,000	406,064	57,064
Fines and forfeitures	334,400	369,460	35,060
Investment income	25,000	829	(24,171)
Other	3,225,300	3,907,492	682,192
Total revenues	17,028,928	17,174,335	145,407
<b>Expenditures</b>			
Current:			
General government	5,457,913	5,299,043	158,870
Public safety	8,470,458	7,674,951	795,507
Public works	3,010,557	2,469,006	541,551
Capital outlay	524,000	177,001	346,999
Debt service			
Principal	10,000	10,000	-
Interest and fiscal charges	16,000	-	16,000
Total expenditures	17,488,928	15,630,001	1,858,927
Excess (deficiency) of revenue over expenditures	(460,000)	1,544,334	2,004,334
<b>Other Financing Sources (Uses)</b>			
Transfers in	460,000	427,764	32,236
Transfers out	-	(17,629)	(17,629)
Total other financing sources (uses)	460,000	410,135	14,607
Net change in fund balance	\$ -	1,954,469	\$ 1,954,469
<b>Fund Balances (Deficit), Beginning of Year</b>		(3,463,769)	
<b>Fund Balances (Deficit), End of Year</b>		\$ (1,509,300)	

See notes to required supplementary information

**City of Blue Island, Illinois**

Required Supplementary Information

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

Special Tax Increment Allocation II Fund - Major Special Revenue Fund

Year Ended December 31, 2021

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget Positive (Negative)</b>
<b>Revenues</b>			
Property taxes	\$ 696,800	\$ 1,199,546	\$ 502,746
Investment income	3,000	634	(2,366)
Total revenues	699,800	1,200,180	500,380
<b>Expenditures</b>			
Current:			
General government	699,800	22,395	677,405
Total expenditures	699,800	22,395	677,405
Net change in fund balance	\$ -	1,177,785	\$ 1,177,785
<b>Fund Balances, Beginning</b>		6,129,841	
<b>Fund Balances, Ending</b>		\$ 7,307,626	

See notes to required supplementary information



## City of Blue Island, Illinois

Required Supplementary Information

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

Special Tax Increment Allocation V Fund - Major Special Revenue Fund

Year Ended December 31, 2021

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget Positive (Negative)</b>
<b>Revenues</b>			
Property taxes	\$ 1,329,200	\$ 671,718	\$ (657,482)
Investment income	300	1,159	859
Total revenues	<u>1,329,500</u>	<u>672,877</u>	<u>(656,623)</u>
<b>Expenditures</b>			
Current:			
General government	<u>1,329,500</u>	<u>450,675</u>	<u>878,825</u>
Total expenditures	<u>1,329,500</u>	<u>450,675</u>	<u>878,825</u>
Net change in fund balance	<u>\$ -</u>	<u>222,202</u>	<u>\$ 222,202</u>
<b>Fund Balances, Beginning</b>		<u>2,386,684</u>	
<b>Fund Balances, Ending</b>		<u>\$ 2,608,886</u>	

See notes to required supplementary information

**City of Blue Island, Illinois**

Required Supplementary Information

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

Police Pension Contribution Fund - Major Special Revenue Fund

Year Ended December 31, 2021

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget Positive (Negative)</b>
<b>Revenues</b>			
Property taxes	\$ 2,486,640	\$ 2,198,399	\$ (288,241)
Intergovernmental	35,000	50,827	15,827
Total revenues	2,521,640	2,249,226	(272,414)
<b>Expenditures</b>			
Public safety			
Pension contributions	2,521,640	2,236,211	285,429
Total expenditures	2,521,640	2,236,211	285,429
Excess (deficiency) of revenue over expenditures	-	13,015	13,015
<b>Other Financing Sources</b>			
Transfers in	-	8,829	(8,829)
Total other financing sources	-	8,829	8,829
Net change in fund balance	\$ -	21,844	\$ 21,844
<b>Fund Balances, Beginning</b>		-	
<b>Fund Balances, Ending</b>		\$ 21,844	

See notes to required supplementary information

### Budgetary Information

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America, except for depreciation in the proprietary funds. Annual appropriated budgets are adopted at the function level for the General, Special Revenue, and Proprietary Funds, except where indicated below. Debt Service Funds have initially been covenanted on a multi-year basis. Projects in the Capital Projects Fund are budgeted by grant agreement on a multi-year basis. No budget is adopted for the Special Tax Increment Allocation Funds. All annual appropriations lapse at year end.

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

- The Appropriation Ordinance is prepared in tentative form by the Finance Director, reviewed and approved by the City Aldermen, and is made available for public inspection at least ten days prior to final Board action. A public hearing is held on the tentative Appropriation Ordinance to obtain taxpayer comments.
- Prior to April 1, the appropriation is legally enacted through the passage of an Appropriation Ordinance. All actual expenditures contained herein have been compared to the annual appropriation. The City Council passed the appropriation ordinance on March 24, 2020.
- The City Aldermen may:
  - By two-thirds vote transfer within any department amounts appropriated for an object or purpose to another object or purpose. No object or purpose can be reduced below an amount sufficient to provide for all obligations incurred or to be incurred against the appropriation.
  - Adopt a supplemental Appropriation Ordinance in an amount not to exceed any additional revenue available, including unappropriated fund balances, or amounts estimated to be received after adoption of the annual Appropriation Ordinance.
- No other appropriation can be adopted during the fiscal year, unless approved by a petition signed by fifty (50) percent of the number of individuals who voted for Mayor at the last general municipal election, or by a majority of individuals voting on the question in a regular general election or an emergency referendum.
- Management cannot amend the Appropriation Ordinance. However, expenditures may exceed appropriations at the sub-object level. The City Aldermen, as outlined above, must approve expenditures that exceed individual appropriations at the object level.

For the year ended December 31, 2021, there were no budget amendments.

## **SUPPLEMENTARY INFORMATION**

# City of Blue Island, Illinois

## General Fund

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

Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>Revenues</b>			
Property taxes	\$ 3,360,000	\$ 3,324,869	\$ (35,131)
Other taxes			
Sales tax	1,400,000	1,746,631	346,631
Local use tax	975,000	930,848	(44,152)
Utility taxes	1,120,000	1,069,776	(50,224)
Cannabis use tax	15,000	33,316	18,316
Video gaming tax	275,000	427,159	152,159
Total other taxes	3,785,000	4,207,730	422,730
Licenses			
Vehicle	560,000	571,631	11,631
Business	140,000	199,446	59,446
Contractors	2,000	-	(2,000)
Animal	675	630	(45)
Building and housing inspections	75,000	77,215	2,215
Elevator inspections	15,000	3,680	(11,320)
Liquor licenses	-	7,500	7,500
Machine	-	(35)	(35)
Other	300	-	(300)
Total licenses	792,975	860,067	67,092
Intergovernmental			
State income tax	2,575,000	3,178,556	603,556
Personal property replacement tax	240,000	405,028	165,028
Grants	2,342,253	510,318	(1,831,935)
Total intergovernmental	5,157,253	4,093,902	(1,063,351)
Motor fuel tax allotments	-	3,922	3,922
Permits			
Building	275,000	338,674	63,674
Electrical	20,000	17,214	(2,786)
Other	54,000	50,176	(3,824)
Total permits	349,000	406,064	57,064

(Continued)

**City of Blue Island, Illinois****General Fund****Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

Year Ended December 31, 2021

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget Positive (Negative)</b>
Fines and forfeitures			
Police	\$ 302,400	\$ 364,149	\$ 61,749
Building violations	21,000	5,211	(15,789)
Compliance court	11,000	100	(10,900)
Total fines and forfeitures	<u>334,400</u>	<u>369,460</u>	<u>35,060</u>
Investment income	25,000	829	(24,171)
Other			
Ambulance user fees	700,000	1,015,518	315,518
City parking lots	60,000	66,239	6,239
Maintenance of state roads and traffic signals	130,000	61,852	(68,148)
Towing fees	80,000	100,825	20,825
Engineering	12,000	-	(12,000)
Reimbursements	18,500	274,742	256,242
Rent/lease/sale of property	90,000	101,756	11,756
Sanitation and recycling fees	1,685,000	1,734,823	49,823
Television franchise fees	190,000	186,459	(3,541)
Telephone franchise fees	78,000	64,181	(13,819)
Vital statistics	32,000	16,704	(15,296)
Miscellaneous	<u>149,800</u>	<u>284,393</u>	<u>134,593</u>
Total other	<u>3,225,300</u>	<u>3,907,492</u>	<u>682,192</u>
Total revenues	<u>17,028,928</u>	<u>17,174,335</u>	<u>145,407</u>

(Continued)

# City of Blue Island, Illinois

## General Fund

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

Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>Expenditures</b>			
General government			
Administration			
Salaries and benefits			
Full-time salaries - Mayor's Office	\$ 55,535	\$ 49,636	\$ 5,899
Part-time salaries - Mayor's Office	33,600	33,600	-
Full-time salaries - Finance	137,292	160,105	(22,813)
Part-time salaries - Finance	10,600	10,600	-
Overtime salaries - Finance	300	-	300
Full-time salaries - Clerk's Office	71,803	64,550	7,253
Overtime salaries - Clerk's Office	-	318	(318)
Full-time salaries - general government	108,188	77,356	30,832
Part-time salaries - general government	5,000	-	5,000
Aldermen salaries - general government	61,500	52,795	8,705
Illinois Municipal Retirement Fund	101,200	34,161	67,039
Unemployment insurance	6,000	4,040	1,960
Payroll taxes - FICA and Medicare	37,400	49,285	(11,885)
Total salaries and benefits	628,419	536,446	91,973
Services			
Professional fees	75,000	73,804	1,196
Computers and software	104,167	151,140	(46,973)
Legal	180,000	448,297	(268,297)
Other	3,000	2,079	921
Professional consulting and engineering	175,000	369,148	(194,148)
Telephone	301,000	328,957	(27,957)
Training	1,850	400	1,450
Insurance	1,887	2,132	(245)
Total services	841,904	1,375,957	(534,053)
Supplies and materials			
Board up expenditures	15,000	1,662	13,338
Maintenance supplies	2,000	1,721	279
Operating supplies	50	40	10
Printing, postage, and office supplies	7,525	9,442	(1,917)
Vehicle sticker program	16,200	17,168	(968)
Small equipment	5,000	3,838	1,162
Total supplies and materials	45,775	33,871	11,904

(Continued)

# City of Blue Island, Illinois

## General Fund

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

Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Repairs and maintenance			
Equipment	\$ 9,150	\$ 10,635	\$ (1,485)
Building maintenance and repair	15,000	15,642	(642)
Total repairs and maintenance	24,150	26,277	(2,127)
Miscellaneous			
Bank service charges	5,000	36,394	(31,394)
Dues and subscriptions	24,750	32,099	(7,349)
Community promotions	800	899	(99)
Employee/office services	2,200	3,109	(909)
Legal notices	2,950	2,764	186
Licenses and payroll service fees	56,250	51,329	4,921
Meetings and seminars	1,620	1,620	-
Rental and leasing	800	-	800
Travel/transportation	300	-	300
Grant pass-through expenditures	50,000	483,350	(433,350)
Other	984,139	18,838	965,301
Total miscellaneous	1,128,809	630,402	498,407
Total administration	2,669,057	2,602,953	66,104
Building department			
Salaries and benefits			
Full-time salaries	270,125	239,446	30,679
Part-time salaries	81,660	32,413	49,247
Overtime salaries	3,200	11,467	(8,267)
Illinois Municipal Retirement Fund	33,750	23,033	10,717
Unemployment insurance	-	3,606	(3,606)
Payroll taxes - FICA and Medicare	27,150	20,637	6,513
Uniforms	600	-	600
Total salaries and benefits	416,485	330,602	85,883
Services			
Computers and software	3,500	2,346	1,154
Professional consulting and engineering	2,000	623	1,377
Legal notices	150	-	150
Training	1,000	-	1,000
Total services	6,650	2,969	3,681

(Continued)



# City of Blue Island, Illinois

## General Fund

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

Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Supplies and materials			
Gasoline and oil for vehicles	\$ 2,000	\$ 3,959	\$ (1,959)
Printing, postage, and office supplies	3,500	1,976	1,524
Total supplies and materials	5,500	5,935	(435)
Repairs and maintenance			
Elevator inspections	3,200	3,492	(292)
Equipment	1,500	712	788
Vehicles	1,500	420	1,080
Total repairs and maintenance	6,200	4,624	1,576
Miscellaneous			
Dues and subscriptions	1,000	355	645
Meetings and seminars	250	-	250
Travel/transportation	100	-	100
Total miscellaneous	1,350	355	995
Total building department	436,185	344,485	91,700
Insurance department			
Employee insurance benefits			
Employee medical insurance	1,160,000	1,708,313	(548,313)
Life/unemployment insurance	10,000	10,507	(507)
Total employee insurance benefits	1,170,000	1,718,820	(548,820)
Services			
Auto/property damage claims	13,500	27,056	(13,556)
Insurance - buildings/vehicles	70,000	90,591	(20,591)
Insurance fees	15,000	94,638	(79,638)
Liability claim expense	50,000	101,903	(51,903)
Personal injury claims	300,000	82,156	217,844
Workers compensation disability medical clai	8,000	-	8,000
Accident claims	15,000	-	15,000
Medical liability claims	30,000	-	30,000
Settlement payments	500,000	45,000	455,000
Total services	1,001,500	441,344	560,156
Total insurance department	2,171,500	2,160,164	11,336

(Continued)

**City of Blue Island, Illinois****General Fund****Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

Year Ended December 31, 2021

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget Positive (Negative)</b>
Marketing department			
Salaries and benefits			
Full-time salaries	\$ -	\$ 257	\$ (257)
Part-time salaries	14,000	10,271	3,729
Illinois Municipal Retirement Fund	2,425	1,097	1,328
Payroll taxes - FICA and Medicare	1,970	836	1,134
Total salaries and benefits	18,395	12,461	5,934
Miscellaneous			
Advertising and marketing	21,000	21,403	(403)
Community promotions	18,000	24,390	(6,390)
Cal-Sag reimbursements	-	33,297	(33,297)
Total miscellaneous	39,000	79,090	(40,090)
Total marketing department	57,395	91,551	(34,156)
Rec-center department			
Salaries and benefits			
Full-time salaries	55,888	54,840	1,048
Part-time salaries	22,200	15,488	6,712
Illinois Municipal Retirement Fund	7,500	6,450	1,050
Payroll taxes - FICA and Medicare	5,982	5,155	827
Total salaries and benefits	91,570	81,933	9,637
Services			
Telephone	1,000	1,839	(839)
Utilities	1,500	2,148	(648)
Other contractual services	6,150	4,485	1,665
Total services	8,650	8,472	178
Supplies and materials			
Printing, postage, and office supplies	1,600	84	1,516
Maintenance supplies	2,000	1,419	581
Operating supplies	500	341	159
Small equipment	250	-	250
Total supplies and materials	4,350	1,844	2,506

(Continued)

**City of Blue Island, Illinois****General Fund****Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

Year Ended December 31, 2021

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget Positive (Negative)</b>
Repairs and maintenance			
Equipment	\$ 3,570	\$ 34	\$ 3,536
Building and maintenance repair	500	4,422	(3,922)
Outside contractors	5,637	2,263	3,374
	<u>9,707</u>	<u>6,719</u>	<u>2,988</u>
Total repairs and maintenance			
Miscellaneous			
Rental and leasing	500	-	500
Community promotions	9,000	922	8,078
	<u>9,500</u>	<u>922</u>	<u>8,578</u>
Total miscellaneous			
Total rec-center department	<u>123,777</u>	<u>99,890</u>	<u>23,887</u>
Total general government	<u>5,457,913</u>	<u>5,299,043</u>	<u>158,870</u>
Public safety			
Police department			
Salaries and benefits			
Full-time salaries - officers	3,295,622	3,184,707	110,915
Overtime salaries - officers	210,000	238,445	(28,445)
Full-time salaries - records and desk clerks	411,200	410,878	322
Part-time salaries - records and desk clerks	1,950	1,902	48
Overtime salaries - records and desk clerks	23,000	22,989	11
Part-time police - records and desk clerks	109,000	106,706	2,294
Residency stipend	30,000	-	30,000
Illinois Municipal Retirement Fund	50,000	38,969	11,031
Payroll taxes - FICA and Medicare	78,000	85,484	(7,484)
Unemployment insurance	5,000	-	5,000
	<u>4,213,772</u>	<u>4,090,080</u>	<u>123,692</u>
Total salaries and benefits			

(Continued)

**City of Blue Island, Illinois****General Fund****Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

Year Ended December 31, 2021

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget Positive (Negative)</b>
Services			
Animal care	\$ 7,500	\$ 814	\$ 6,686
Dispatch services	239,989	197,169	42,820
Computers and software	13,500	16,578	(3,078)
Prisoner care	1,600	924	676
Professional consulting	3,750	10,300	(6,550)
Telephone	20,000	29,139	(9,139)
Training	31,000	31,406	(406)
Utilities	400	778	(378)
Other contractual services	-	65	(65)
Total services	317,739	287,173	30,566
Supplies and materials			
Ammunition/guns	5,000	3,862	1,138
Gasoline and oil for vehicles	77,000	106,466	(29,466)
Maintenance supplies	2,500	2,513	(13)
Operating supplies	4,000	5,947	(1,947)
Printing, postage, and office supplies	19,000	16,719	2,281
Tasers	10,453	10,453	-
Tools	500	500	-
Uniforms	15,015	14,421	594
Coronavirus supplemental grant	16,705	240	16,465
Total supplies and materials	150,173	161,121	(10,948)
Repairs and maintenance			
Building	80,000	59,478	20,522
Equipment	129,000	52,739	76,261
Vehicles	35,000	35,321	(321)
Total repairs and maintenance	244,000	147,538	96,462

(Continued)

# City of Blue Island, Illinois

## General Fund

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

Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Miscellaneous			
Community promotions	\$ 500	\$ 3,269	\$ (2,769)
Dues and subscriptions	3,500	3,120	380
Employee/office services	-	593	(593)
JAG grant expense	9,230	9,230	-
License/fees	500	113	387
Travel/transportation	-	220	(220)
Other	-	1,000	(1,000)
Total miscellaneous	13,730	17,545	(3,815)
Total police department	4,939,414	4,703,457	235,957
Fire department			
Salaries and benefits			
Full-time salaries	2,533,984	2,267,389	266,595
Overtime salaries	267,750	245,563	22,187
Residency stipend	5,000	-	5,000
Illinois Municipal Retirement Fund	4,050	4,275	(225)
Payroll taxes - FICA and Medicare	42,100	33,925	8,175
Total salaries and benefits	2,852,884	2,551,152	301,732
Services			
Ambulance processing fees	30,000	40,040	(10,040)
911 charges	169,000	142,132	26,868
Computers and software	8,500	14,217	(5,717)
Professional consulting	4,000	7,805	(3,805)
Telephone	500	275	225
Utilities	1,000	1,192	(192)
Training	18,500	17,416	1,084
Total services	231,500	223,077	8,423
Supplies and materials			
Gasoline and oil for vehicles	2,900	4,191	(1,291)
Maintenance supplies	3,000	269	2,731
Operating supplies	10,000	11,365	(1,365)
Emergency medical supplies	15,000	7,917	7,083
Printing, postage, and office supplies	1,100	798	302
Small equipment	16,900	26,699	(9,799)
Uniforms	20,000	19,304	696
Total supplies and materials	68,900	70,543	(1,643)

(Continued)

**City of Blue Island, Illinois****General Fund****Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

Year Ended December 31, 2021

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget Positive (Negative)</b>
Repairs and maintenance			
Building	\$ 197,900	\$ 11,565	\$ 186,335
Equipment	3,500	4,588	(1,088)
Vehicles	103,000	53,726	49,274
Total repairs and maintenance	304,400	69,879	234,521
Miscellaneous			
Community promotions	750	-	750
Dues and subscriptions	8,000	5,255	2,745
Licenses/fees	250	77	173
Meetings and seminars	500	20	480
Physical exams	21,060	17,471	3,589
Rentals and leasing fees	250	204	46
Travel/transportation	100	-	100
Natural gas	1,150	-	1,150
Other	-	1,272	(1,272)
Total miscellaneous	32,060	24,299	7,761
Total fire department	3,489,744	2,938,950	550,794
Civil service commission			
Services			
Personnel hiring/exams	20,000	25,421	(5,421)
Legal fees	2,500	7,123	(4,623)
Legal notices	1,000	-	1,000
Total services	23,500	32,544	(9,044)
Total civil service commission	23,500	32,544	(9,044)
Emergency management department			
Supplies and materials			
Emergency supplies	17,800	-	17,800
Total supplies and materials	17,800	-	17,800
Total emergency management department	17,800	-	17,800
Total public safety	8,470,458	7,674,951	795,507

(Continued)

# City of Blue Island, Illinois

## General Fund

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

Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Public works			
Salaries and benefits			
Full-time salaries	\$ 424,150	\$ 434,282	\$ (10,132)
Part-time salaries	15,000	2,754	12,246
Overtime salaries	26,500	24,377	2,123
Illinois Municipal Retirement Fund	43,000	44,321	(1,321)
Payroll taxes - FICA and Medicare	35,800	33,299	2,501
Total salaries and benefits	544,450	539,033	5,417
Services			
Computers and software	2,757	2,346	411
Engineering	31,000	741	30,259
Garbage and recycling	1,390,000	1,432,918	(42,918)
Other contractual	1,200	2,652	(1,452)
Utilities	262,250	243,102	19,148
Total services	1,687,207	1,681,759	5,448
Supplies and materials			
Building and street signs	10,000	12,348	(2,348)
Gasoline and oil for vehicles	45,000	46,596	(1,596)
Maintenance supplies	15,000	12,279	2,721
Printing, postage, and office supplies	1,000	504	496
Small equipment	2,000	369	1,631
Tools	1,000	959	41
Total supplies and materials	74,000	73,055	945
Repairs and maintenance			
Building	5,000	1,075	3,925
Equipment	23,000	5,643	17,357
Equipment rental	1,000	-	1,000
Vehicles	53,000	39,472	13,528
Parking lot maintenance	25,000	9,032	15,968
Street lighting system	20,000	37,141	(17,141)
Street resurfacing/repair	500,000	13,854	486,146
Traffic signals	25,000	21,017	3,983
Tree program	45,000	44,805	195
Outside contractors	4,000	-	4,000
Total repairs and maintenance	701,000	172,039	528,961

(Continued)

# City of Blue Island, Illinois

## General Fund

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

Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Miscellaneous			
Dues and subscriptions	\$ 150	\$ -	\$ 150
Training	3,000	3,000	-
Employee/office services	700	-	700
Travel/transportation	50	-	50
Other	-	120	(120)
Total miscellaneous	3,900	3,120	780
Total public works	3,010,557	2,469,006	541,551
Capital Outlay			
Police department	46,000	46,000	-
Fire department	150,000	1,601	148,399
Public works department	328,000	129,400	198,600
Total capital outlay	524,000	177,001	346,999
Debt Service			
Principal	10,000	10,000	-
Interest and fiscal charges	16,000	-	16,000
Total debt service	26,000	10,000	16,000
Total expenditures	17,488,928	15,630,001	1,858,927
Excess (deficiency) of revenues over expenditures	(460,000)	1,544,334	2,004,334
<b>Other Financing Sources (Uses)</b>			
Transfers in	460,000	427,764	(32,236)
Transfers out	-	(17,629)	(17,629)
Total other financing sources (uses)	460,000	410,135	(49,865)
Net change in fund balances	\$ -	1,954,469	\$ 1,954,469
<b>Fund Balance (Deficit), Beginning of Year</b>		(3,463,769)	
<b>Fund Balance (Deficit), End of Year</b>		\$ (1,509,300)	

(Concluded)



# City of Blue Island, Illinois

Nonmajor Governmental Funds

Combining Balance Sheet

December 31, 2021

	Special Revenue Funds				
	Business District	Motor Fuel Tax	Special Tax Increment Allocation IV	Special Tax Increment Allocation VI	Special Tax Increment Allocation VII
<b>Assets</b>					
Cash and cash equivalents	\$ 2,848,069	\$ 2,528,496	\$ 110,745	\$ 70,836	\$ 105,555
Receivables (net):					
Property taxes	-	-	-	-	-
Other	190,289	-	-	-	-
Due from other governments	-	151,611	-	-	-
Due from other funds	79,363	46,342	-	121,532	-
Total assets	<u>\$ 3,117,721</u>	<u>\$ 2,726,449</u>	<u>\$ 110,745</u>	<u>\$ 192,368</u>	<u>\$ 105,555</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>					
<b>Liabilities</b>					
Accounts payable	\$ 53,373	\$ 622	\$ -	\$ -	\$ (1)
Due to other governments	-	-	-	-	-
Due to other funds	-	-	26,753	-	25,401
Total liabilities	<u>53,373</u>	<u>622</u>	<u>26,753</u>	<u>-</u>	<u>25,400</u>
<b>Deferred Inflows of Resources</b>					
Property taxes levied for future period	-	-	-	-	-
Unavailable revenue	64,823	20,802	-	-	-
Total deferred inflows of resources	<u>64,823</u>	<u>20,802</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances (Deficits)</b>					
Restricted					
Grants	-	-	-	-	-
Economic development	2,999,525	-	83,992	192,368	80,155
Street maintenance	-	2,705,025	-	-	-
Public safety	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total fund balances (deficits)	<u>2,999,525</u>	<u>2,705,025</u>	<u>83,992</u>	<u>192,368</u>	<u>80,155</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 3,117,721</u>	<u>\$ 2,726,449</u>	<u>\$ 110,745</u>	<u>\$ 192,368</u>	<u>\$ 105,555</u>

Special Revenue Funds					Capital Projects Fund	Total Nonmajor Funds
Foreign Fire Tax	State Asset Seizure	Federal Asset Seizure	Firefighters' Pension Contribution	Debt Service	CDBG	
\$ 37,886	\$ 127,556	\$ 11,283	\$ -	\$ -	\$ 409,138	\$ 6,249,564
-	-	-	1,694,676	439,088	-	2,133,764
32,079	-	-	-	-	-	222,368
-	-	-	-	-	-	151,611
-	-	-	35,790	-	-	283,027
<u>\$ 69,965</u>	<u>\$ 127,556</u>	<u>\$ 11,283</u>	<u>\$ 1,730,466</u>	<u>\$ 439,088</u>	<u>\$ 409,138</u>	<u>\$ 9,040,334</u>
\$ -	\$ -	\$ -	\$ 20,387	\$ -	\$ -	\$ 74,381
-	126,825	-	-	-	-	126,825
-	-	-	-	139,233	15,000	206,387
<u>-</u>	<u>126,825</u>	<u>-</u>	<u>20,387</u>	<u>139,233</u>	<u>15,000</u>	<u>407,593</u>
-	-	-	1,694,676	439,088	-	2,133,764
-	-	-	-	-	-	85,625
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,694,676</u>	<u>439,088</u>	<u>-</u>	<u>2,219,389</u>
-	-	-	-	-	394,138	394,138
-	-	-	-	-	-	3,356,040
-	-	-	-	-	-	2,705,025
69,965	731	11,283	15,403	-	-	97,382
-	-	-	-	(139,233)	-	(139,233)
<u>69,965</u>	<u>731</u>	<u>11,283</u>	<u>15,403</u>	<u>(139,233)</u>	<u>394,138</u>	<u>6,413,352</u>
<u>\$ 69,965</u>	<u>\$ 127,556</u>	<u>\$ 11,283</u>	<u>\$ 1,730,466</u>	<u>\$ 439,088</u>	<u>\$ 409,138</u>	<u>\$ 9,040,334</u>

# City of Blue Island, Illinois

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Year Ended December 31, 2021

	Special Revenue Funds				
	Business District	Motor Fuel Tax	Special Tax Increment Allocation IV	Special Tax Increment Allocation VI	Special Tax Increment Allocation VII
<b>Revenues</b>					
Property taxes	\$ -	\$ -	\$ 61,968	\$ 141,568	\$ 66,304
Other taxes	731,055	-	-	-	-
Intergovernmental	-	1,041,546	-	-	-
Motor fuel tax allotments	-	1,251,637	-	-	-
Fines and forfeitures	-	-	-	-	-
Investment income	38	695	15	6	14
Total revenues	731,093	2,293,878	61,983	141,574	66,318
<b>Expenditures</b>					
Current:					
General government	279,576	-	10,510	84,561	6,053
Public safety	-	-	-	-	-
Public works	-	213,437	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	279,576	213,437	10,510	84,561	6,053
Excess (deficiency) of revenues over expenditures	451,517	2,080,441	51,473	57,013	60,265
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	(427,764)	-	-	-
Total other financing sources (uses)	-	(427,764)	-	-	-
Net change in fund balances	451,517	1,652,677	51,473	57,013	60,265
<b>Fund Balances (Deficits), Beginning</b>	2,548,008	1,052,348	32,519	135,355	19,890
<b>Fund Balances (Deficits), Ending</b>	<u>\$ 2,999,525</u>	<u>\$ 2,705,025</u>	<u>\$ 83,992</u>	<u>\$ 192,368</u>	<u>\$ 80,155</u>

Special Revenue Funds					Capital Projects Fund	Total Nonmajor Funds
Foreign Fire Tax	State Asset Seizure	Federal Asset Seizure	Firefighters' Pension Contribution	Debt Service	CDBG	
\$ -	\$ -	\$ -	\$ 1,395,886	\$ 520,399	\$ -	\$ 2,186,125
-	-	-	-	-	-	731,055
-	-	-	35,790	-	-	1,077,336
-	-	-	-	-	-	1,251,637
-	-	155,147	-	-	-	155,147
-	12	20	-	-	82	882
-	12	155,167	1,431,676	520,399	82	5,402,182
-	-	-	-	-	-	380,700
16,180	15,135	118,387	1,425,073	-	-	1,574,775
-	-	-	-	-	-	213,437
-	-	-	-	537,590	-	537,590
-	-	-	-	63,504	-	63,504
-	-	103,772	-	-	-	103,772
16,180	15,135	222,159	1,425,073	601,094	-	2,873,778
(16,180)	(15,123)	(66,992)	6,603	(80,695)	82	2,528,404
-	-	-	8,800	-	-	8,800
-	-	-	-	-	-	(427,764)
-	-	-	8,800	-	-	(418,964)
(16,180)	(15,123)	(66,992)	15,403	(80,695)	82	2,109,440
86,145	15,854	78,275	-	(58,538)	394,056	4,303,912
<u>\$ 69,965</u>	<u>\$ 731</u>	<u>\$ 11,283</u>	<u>\$ 15,403</u>	<u>\$ (139,233)</u>	<u>\$ 394,138</u>	<u>\$ 6,413,352</u>

## City of Blue Island, Illinois

Business District Fund

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

Year Ended December 31, 2021

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget Positive (Negative)</b>
<b>Revenues</b>			
Business district taxes	\$ 625,000	\$ 731,055	\$ 106,055
Investment income	-	38	38
Total revenues	625,000	731,093	106,093
<b>Expenditures</b>			
Current:			
General government	625,000	279,576	345,424
Total expenditures	625,000	279,576	345,424
Net change in fund balances	\$ -	451,517	\$ 451,517
<b>Fund Balance, Beginning</b>		2,548,008	
<b>Fund Balance, Ending</b>		\$ 2,999,525	

**City of Blue Island, Illinois**

Motor Fuel Tax Fund

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

Year Ended December 31, 2021

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget Positive (Negative)</b>
<b>Revenues</b>			
Intergovernmental	\$ -	\$ 1,041,546	\$ 1,041,546
Motor fuel tax allotments	923,000	1,251,637	328,637
Investment income	10,000	695	(9,305)
Total revenues	933,000	2,293,878	1,360,878
<b>Expenditures</b>			
Current:			
Public works	533,000	213,437	319,563
Total expenditures	533,000	213,437	319,563
Excess (deficiency) of revenues over expenditures	400,000	2,080,441	1,680,441
<b>Other Financing Uses</b>			
Transfers out	(400,000)	(427,764)	27,764
Total other financing uses	(400,000)	(427,764)	27,764
Net change in fund balances	\$ -	1,652,677	\$ 1,652,677
<b>Fund Balance, Beginning</b>		1,052,348	
<b>Fund Balance, Ending</b>		\$ 2,705,025	

**City of Blue Island, Illinois**

Special Tax Increment Allocation IV Fund

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

Year Ended December 31, 2021

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget Positive (Negative)</b>
<b>Revenues</b>			
Property taxes	\$ 49,000	\$ 61,968	\$ 12,968
Investment income	200	15	(185)
Total revenues	<u>49,200</u>	<u>61,983</u>	<u>12,783</u>
<b>Expenditures</b>			
Current:			
General government	<u>49,200</u>	<u>10,510</u>	<u>38,690</u>
Total expenditures	<u>49,200</u>	<u>10,510</u>	<u>38,690</u>
Net change in fund balances	<u>\$ -</u>	<u>51,473</u>	<u>\$ 51,473</u>
<b>Fund Balance, Beginning</b>		<u>32,519</u>	
<b>Fund Balance, Ending</b>		<u>\$ 83,992</u>	

**City of Blue Island, Illinois**

Special Tax Increment Allocation VI Fund

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

Year Ended December 31, 2021

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget Positive (Negative)</b>
<b>Revenues</b>			
Property taxes	\$ 145,000	\$ 141,568	\$ (3,432)
Investment income	100	6	(94)
Total revenues	145,100	141,574	(3,526)
<b>Expenditures</b>			
Current:			
General government	145,100	84,561	60,539
Total expenditures	145,100	84,561	60,539
Net change in fund balances	\$ -	57,013	\$ 57,013
<b>Fund Balance, Beginning</b>		135,355	
<b>Fund Balance, Ending</b>		\$ 192,368	



**City of Blue Island, Illinois**

Special Tax Increment Allocation VII Fund

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

Year Ended December 31, 2021

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget Positive (Negative)</b>
<b>Revenues</b>			
Property taxes	\$ 25,000	\$ 66,304	\$ 41,304
Investment income	100	14	(86)
Total revenues	25,100	66,318	41,218
<b>Expenditures</b>			
Current:			
General government	25,000	6,053	18,947
Total expenditures	25,000	6,053	18,947
Net change in fund balances	\$ 100	60,265	\$ 60,165
<b>Fund Balance, Beginning</b>		19,890	
<b>Fund Balance, Ending</b>		\$ 80,155	

**City of Blue Island, Illinois**

Firefighters' Pension Contribution Fund

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

Year Ended December 31, 2021

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget Positive (Negative)</b>
<b>Revenues</b>			
Property taxes	\$ 1,496,991	\$ 1,395,886	\$ (101,105)
Personal property replacement tax	25,000	35,790	10,790
Total revenues	1,521,991	1,431,676	(90,315)
<b>Expenditures</b>			
Current:			
Pension contributions	1,521,991	1,425,073	96,918
Total expenditures	1,521,991	1,425,073	96,918
Excess (deficiency) of revenues over expenditures	-	6,603	6,603
<b>Other Financing Sources</b>			
Transfers in	-	8,800	(8,800)
Total other financing sources	-	8,800	(8,800)
Net change in fund balances	\$ -	15,403	\$ 15,403
<b>Fund Balance, Beginning</b>		-	
<b>Fund Balance, Ending</b>		\$ 15,403	

**City of Blue Island, Illinois**

Debt Service Fund

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

Year Ended December 31, 2021

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget Positive (Negative)</b>
<b>Revenues</b>			
Property taxes	\$ 486,391	\$ 520,399	\$ 34,008
Total revenues	486,391	520,399	34,008
<b>Expenditures</b>			
Debt service:			
Principal	413,819	537,590	(123,771)
Interest and fiscal charges	72,572	63,504	9,068
Total expenditures	486,391	601,094	(114,703)
Net change in fund balances	\$ -	(80,695)	\$ (80,695)
<b>Fund Balance (Deficit), Beginning</b>		(58,538)	
<b>Fund Balance (Deficit), Ending</b>		<u>\$ (139,233)</u>	

**City of Blue Island, Illinois**

CDBG Fund

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

Year Ended December 31, 2021

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget Positive (Negative)</b>
<b>Revenues</b>			
Intergovernmental	\$ 140,000	\$ -	\$ (140,000)
Investment income	-	82	82
Total revenues	140,000	82	(139,918)
<b>Expenditures</b>			
Current:			
General government	140,000	-	140,000
Public works	-	-	-
Total expenditures	140,000	-	140,000
Net change in fund balances	\$ -	82	\$ 82
<b>Fund Balance, Beginning</b>		394,056	
<b>Fund Balance, Ending</b>		\$ 394,138	

**City of Blue Island, Illinois**

Pension Trust Funds  
Combining Statement of Fiduciary Net Position  
December 31, 2021

	<u>Police Pension</u>	<u>Firefighters' Pension</u>	<u>Total</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 9,942	\$ 629,090	\$ 639,032
Investments:			
U.S. treasuries	3,122,477	1,224,876	4,347,353
U.S. agency securities	1,714,044	257,437	1,971,481
Mutual funds	12,412,682	2,950,155	15,362,837
Corporate bonds	911,292	1,949,208	2,860,500
Money market mutual funds	722,257	-	722,257
Receivables:			
Interest receivable	22,000	24,533	46,533
Employer contributions receivable	-	35,791	35,791
Prepaid items	795	-	795
	<u>18,915,489</u>	<u>7,071,090</u>	<u>25,986,579</u>
Total assets			
	<u>18,915,489</u>	<u>7,071,090</u>	<u>25,986,579</u>
<b>Liabilities</b>			
Accounts payable	13,470	-	13,470
Due to primary government	-	3,773	3,773
	<u>13,470</u>	<u>3,773</u>	<u>17,243</u>
Total liabilities			
	<u>13,470</u>	<u>3,773</u>	<u>17,243</u>
<b>Net Position</b>			
Restricted for retirement benefits	18,902,019	7,067,317	25,969,336
	<u>18,902,019</u>	<u>7,067,317</u>	<u>25,969,336</u>
Total net position	<u>\$ 18,902,019</u>	<u>\$ 7,067,317</u>	<u>\$ 25,969,336</u>

**City of Blue Island, Illinois**

## Pension Trust Funds

## Combining Statement of Changes in Fiduciary Net Position

Year Ended December 31, 2021

	<b>Police Pension</b>	<b>Firefighters' Pension</b>	<b>Total</b>
<b>Additions</b>			
Contributions:			
Employer contributions	\$ 2,198,399	\$ 1,431,677	\$ 3,630,076
Employee contributions	300,526	186,801	487,327
Other contributions	-	41,990	41,990
Total contributions	<u>2,498,925</u>	<u>1,660,468</u>	<u>4,159,393</u>
Investment earnings:			
Interest and dividends on investments	681,377	110,936	792,313
Net appreciation in fair value of investments	<u>1,594,816</u>	<u>340,151</u>	<u>1,934,967</u>
Total investment earnings	2,276,193	451,087	2,727,280
Investment expense	<u>43,499</u>	<u>27,521</u>	<u>71,020</u>
Net investment earnings	<u>2,232,694</u>	<u>423,566</u>	<u>2,656,260</u>
Total additions	<u>4,731,619</u>	<u>2,084,034</u>	<u>6,815,653</u>
<b>Deductions</b>			
Benefits and refunds	2,287,713	1,594,827	3,882,540
Administration	<u>29,885</u>	<u>21,783</u>	<u>51,668</u>
Total deductions	<u>2,317,598</u>	<u>1,616,610</u>	<u>3,934,208</u>
Change in net position	2,414,021	467,424	2,881,445
<b>Net Position, Beginning</b>	<u>16,487,998</u>	<u>6,599,893</u>	<u>23,087,891</u>
<b>Net Position, Ending</b>	<u>\$ 18,902,019</u>	<u>\$ 7,067,317</u>	<u>\$ 25,969,336</u>

**City of Blue Island, Illinois****Schedule of Valuations, Rates, and Extensions for Tax Levies**

Year Ended December 31, 2021

<b>Tax Levy Year</b>	<b>Assessed Valuation</b>	<b>Extended Tax Rate</b>
2011	\$ 245,174,072	3.0379
2012	223,319,634	3.3069
2013	209,449,861	3.9485
2014	201,553,201	3.0730
2015	197,423,852	3.2280
2016	204,634,824	0.3290
2017	233,481,372	2.9550
2018	232,661,354	3.1571
2019	233,760,710	3.3339
2020	276,199,401	2.8912

The 2020 gross tax levy is analyzed below:

	<b>Rate</b>	<b>Percent</b>	<b>Amount</b>
General:			
Corporate	0.3357	11.61	\$ 927,201
Garbage	0.0336	1.16	92,802
Illinois Municipal Retirement Fund	0.0847	2.93	233,940
Liability insurance	0.0248	0.86	68,497
Street and bridge	0.0746	2.58	206,044
Fire protection	0.2539	8.78	701,270
Police protection	0.3349	11.58	924,991
Social security	0.0788	2.73	217,645
Auditing	0.0187	0.65	51,649
Workers' compensation	0.0028	0.10	7,733
Total General	1.2425	42.98	3,431,772
Bond and interest	0.2108	7.29	582,032
Police pension	0.8801	30.44	2,430,830
Firefighters' pension	0.5578	19.29	1,540,676
Total	2.8912	100.00	\$ 7,985,310

# City of Blue Island, Illinois

## Schedule of General Obligation Debt Service to Maturity

Year Ended December 31, 2021

### Governmental Activities:

Year	Total		Illinois Finance Authority General Obligation Bonds (Alternative Revenue Source)		2019 Series General Obligation (Judgment Funding) Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 386,476	\$ 50,170	\$ 131,476	\$ 20,960	\$ 255,000	\$ 29,210
2023	400,481	39,852	135,481	17,016	265,000	22,836
2024	414,607	28,763	139,607	12,951	275,000	15,812
2025	418,859	16,875	143,859	8,763	275,000	8,112
2026	148,240	4,447	148,240	4,447	-	-
Total	\$ 1,768,663	\$ 140,107	\$ 698,663	\$ 64,137	\$ 1,070,000	\$ 75,970

### Business-Type Activities:

Year	Total		Illinois Environmental Protection Agency Public Water Supply Loan Program		2006 Waterworks and Sewerage (Alternative Revenue Source) Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 390,515	\$ 58,270	\$ 45,515	\$ 6,495	\$ 345,000	\$ 51,775
2023	411,085	41,312	46,085	5,924	365,000	35,388
2024	426,663	23,396	46,663	5,346	380,000	18,050
2025	47,248	4,761	47,248	4,761	-	-
2026	47,841	4,168	47,841	4,168	-	-
2027	48,441	3,569	48,441	3,569	-	-
2028	49,048	2,961	49,048	2,961	-	-
2029	49,663	2,346	49,663	2,346	-	-
2030	50,286	1,723	50,286	1,723	-	-
2031	50,916	1,093	50,916	1,093	-	-
2032	49,198	454	49,198	454	-	-
Total	\$ 1,620,904	\$ 144,053	\$ 530,904	\$ 38,840	\$ 1,090,000	\$ 105,213



## City of Blue Island, Illinois

Calculation of Legal Debt Margin  
December 31, 2021

	<b>2020 Tax Levy Year</b>
Assessed valuation	<u>\$ 276,199,401</u>
Statutory debt limitation (8.625% of assessed valuation)	23,822,198
Total debt:	
General obligation debt outstanding at December 31, 2021	<u>3,389,567</u>
Legal Debt Margin	<u>\$ 20,432,631</u>