

City of Blue Island, Illinois

Financial Statements and
Supplementary Information

December 31, 2022

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, 2022, 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, 2022 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of 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 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 Blue Island Public Library were not audited in accordance with *Government Auditing Standards*.

Emphasis of Matter

As discussed in Note 1, the City adopted the provisions of GASB Statement No. 87, *Leases*, effective January 1, 2022. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 January 5, 2024 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
January 5, 2024

CITY OF BLUE ISLAND, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022

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, 2022.

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 \$1,129,608 (net position). Of this amount, \$42,762,787 represents the net investment in capital assets, and \$24,582,052 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 \$68,474,447. 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 \$72,924,522.

- The City's total net position increased by \$2,975,615. The large increase is primarily due to the decrease in expenses.
- At December 31, 2022, the City's governmental funds reported a combined ending fund balance of \$22,589,855.
- At December 31, 2022, the unassigned fund balance for the governmental funds was at a deficit of \$2,360,947, of which the General Fund was a deficit of \$2,198,769.
- The City of Blue Island's total long-term general obligations and alternate revenue bonds decreased by \$776,991 at December 31, 2022, 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, 2022

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, 2022. 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, 2022

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 \$1,129,608 at the close of December 31, 2022.

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, 2022

Government-wide Financial Analysis (continued)

A summary of the statement of net position of December 31, 2022 is below:

Statement of Net Position
As of December 31, 2022
(in millions)

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Primary Government</u>
Current and other assets	\$ 36.3	\$ 2.2	\$ 38.5
Capital assets	33.1	12.0	45.1
Total assets	<u>69.4</u>	<u>14.2</u>	<u>83.6</u>
Deferred outflows related to pensions	7.7	0.9	8.6
Deferred outflows related to OPEB	2.7	-	2.7
Total deferred outflows of resources	<u>10.4</u>	<u>0.9</u>	<u>11.3</u>
Long-term liabilities	74.3	1.3	75.6
Other liabilities	6.5	1.3	7.8
Total liabilities	<u>80.8</u>	<u>2.6</u>	<u>83.4</u>
Property taxes levied for future periods	7.7	-	7.7
Deferred inflows related to pensions	0.9	-	0.9
Deferred inflows related to OPEB	4.1	-	4.1
Total deferred inflows of resources	<u>12.7</u>	<u>-</u>	<u>12.7</u>
Net position			
Net investment in capital assets	32.1	10.7	42.8
Restricted	24.5	-	24.5
Unrestricted (deficit)	<u>(70.3)</u>	<u>1.8</u>	<u>(68.5)</u>
Total net position	<u>\$ (13.7)</u>	<u>\$ 12.5</u>	<u>\$ (1.2)</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, 2022

Government-wide Financial Analysis (continued)

A summary of the statement of net position at 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
Total assets	<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
Total deferred outflows of resources	<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
Total liabilities	<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
Total deferred inflows of resources	<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>
Total net position	<u>\$ (15.7)</u>	<u>\$ 11.6</u>	<u>\$ (4.1)</u>

Governmental Activities. Governmental activities increased the City's net deficit position by \$2,044,573. The prior year change in net deficit position was an increase of \$5,020,951.

Business-type Activities. Business-type activities increased the City's net position by \$931,042.

CITY OF BLUE ISLAND, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022

Government-wide Financial Analysis (continued)

Changes in Net Position
For the Year Ended December 31, 2022
(in millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	Amount	% of Totals	Amount	% of Totals	Amount	% of Totals
Program revenues:						
Charges for service	\$ 6.1	20.3%	\$ 9.3	100.0%	\$ 15.4	39.1%
Operating grants	1.9	6.3%	-	0.0%	1.9	4.8%
Capital grants	0.5	1.7%	-	0.0%	0.5	1.3%
General revenue:						
Property taxes	9.2	30.5%	-	0.0%	9.2	23.4%
Other taxes	6.2	20.6%	-	0.0%	6.2	15.7%
Other revenues	6.2	20.6%	-	0.0%	6.2	15.7%
Total revenues	<u>30.1</u>		<u>9.3</u>		<u>39.4</u>	
Expenses:						
Governmental activities:						
General government	7.8	27.8%	-	0.0%	7.8	21.4%
Public safety	14.9	53.0%	-	0.0%	14.9	40.8%
Public works	5.3	18.9%	-	0.0%	5.3	14.5%
Interest	0.1	0.4%	-	0.0%	0.1	0.3%
Business-type:						
Water and sewer	-	0.0%	7.3	86.9%	7.3	19.9%
Golf course	-	0.0%	1.1	13.1%	1.1	3.0%
Total expenses	<u>28.1</u>		<u>8.4</u>		<u>36.5</u>	
Change in net position	2.0		0.9		2.9	
Net position - beginning	(15.7)		11.6		(4.1)	
Net position - ending	<u>\$ (13.7)</u>		<u>\$ 12.5</u>		<u>\$ (1.2)</u>	

CITY OF BLUE ISLAND, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022

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	16.9%	\$ 7.7	82.8%	\$ 12.8	32.5%
Operating grants	1.8	6.0%	-	0.0%	1.8	4.6%
Capital grants	0.5	1.7%	-	0.0%	0.5	1.3%
General revenue:						
Property taxes	9.6	31.8%	-	0.0%	9.6	24.4%
Other taxes	5.5	18.3%	-	0.0%	5.5	14.0%
Other revenues	3.7	12.3%	-	0.0%	3.7	9.4%
Total revenues	<u>26.2</u>		<u>7.7</u>		<u>33.9</u>	
Expenses:						
Governmental activities:						
General government	7.1	25.3%	-	0.0%	7.1	19.5%
Public safety	11.5	40.9%	-	0.0%	11.5	31.5%
Public works	2.5	8.9%	-	0.0%	2.5	6.8%
Interest	0.1	0.4%	-	0.0%	0.1	0.3%
Business-type:						
Water and sewer	-	0.0%	5.1	60.7%	5.1	13.9%
Golf course	-	0.0%	1.0	11.9%	1.0	2.7%
Total expenses	<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	(20.7)		10.0		(10.7)	
Net position - ending	<u>\$ (15.7)</u>		<u>\$ 11.6</u>		<u>\$ (4.1)</u>	

Changes in revenue and expenses from December 31, 2021 to December 31, 2022 are reflected above.

CITY OF BLUE ISLAND, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022

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, 2022.

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 surplus of \$1,790,598. The total increase in net position for the funds was \$931,042. 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, 2022

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, 2022. Revenues and expenditures were under budget for the year ended December 31, 2022.

	General Fund (in millions)	
	Original & Final Budget	Actual
Revenues		
Taxes	\$ 7.4	\$ 7.6
Licenses	0.9	0.8
Permits	0.4	0.7
Fines	0.4	0.8
Intergovernmental	5.1	6.1
Other	4.1	4.5
Total revenues	<u>18.3</u>	<u>20.5</u>
Expenditures		
Current		
Administration	3.3	2.9
Building	0.6	0.5
Police	5.4	5.3
Fire	3.5	3.8
Public works	5.5	4.6
Insurance loss	2.9	2.3
Marketing	0.2	0.1
Rec center	0.2	0.1
Capital outlay	0.8	0.8
Debt service	0.1	0.1
Total expenditures	<u>22.5</u>	<u>20.5</u>
Excess (deficiency) of revenues over expenditures	<u>(4.2)</u>	<u>-</u>
Other financing sources (uses)		
Transfers in	0.5	0.3
Lease proceeds	-	0.5
Total other financing sources (uses)	<u>0.5</u>	<u>0.8</u>
Net change in fund balance	<u>\$ (3.7)</u>	<u>\$ 0.8</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, 2022

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, 2022 amounts to \$45,090,347 (\$44,862,495 at December 31, 2021), 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 an ambulance and fire truck.

Capital Assets
Net of Depreciation
(in millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	Dec	Dec	Dec	Dec	Dec	Dec
	2022	2021	2022	2021	2022	2021
Land	\$ 20.3	\$ 20.3	\$ 0.7	\$ 0.7	\$ 21.0	\$ 21.0
Construction in Progress	0.3	0.7	-	-	0.3	0.7
Buildings and land improvement	4.6	4.6	2.1	2.1	6.7	6.7
Infrastructure	6.5	5.9	8.7	9.2	15.2	15.1
Equipment	0.9	0.8	0.5	0.5	1.4	1.3
Lease asset	0.5	-	-	-	0.5	-
Total	<u>\$ 33.1</u>	<u>\$ 32.3</u>	<u>\$ 12.0</u>	<u>\$ 12.5</u>	<u>\$ 45.1</u>	<u>\$ 44.8</u>

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

Long-term Debt. At December 31, 2022, the City has two general obligation bonds outstanding, totaling \$1,560,000 (\$2,160,000 at 2021). 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, 2022 was \$485,389 (\$575,855 at 2021).

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, 2022 and 2021 was \$567,187 and \$826,253, respectively.

CITY OF BLUE ISLAND, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022

Capital Asset and Debt Administration (continued)

	Outstanding General Obligation Debt (in millions)					
	Governmental		Business-type		Total	
	Activities		Activities			
	Dec	Dec	Dec	Dec	Dec	Dec
	2022	2021	2022	2021	2022	2021
General obligation bonds	\$ 0.8	\$ 1.1	\$ -	\$ -	\$ 0.8	\$ 1.1
Alternate revenue source						
bonds	-	-	0.7	1.1	0.7	1.1
Illinois EPA						
Water Supply Loan	-	-	0.5	0.5	0.5	0.5
Illinois Finance Authority						
General obligation bond	0.6	0.7	-	-	0.6	0.7
Installment loans	-	-	-	0.1	-	0.1
	<u>\$ 1.4</u>	<u>\$ 1.8</u>	<u>\$ 1.2</u>	<u>\$ 1.7</u>	<u>\$ 2.6</u>	<u>\$ 3.5</u>

The City's total long-term debt, including notes payable, has decreased by \$881,313 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, 2022 was \$18,819,988.

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, 2022

	Primary Government			Component Unit
	Governmental	Business-Type		Blue Island
	Activities	Activities	Total	Public Library
Assets and Deferred Outflows of Resources				
Assets				
Cash and cash equivalents	\$ 17,354,294	\$ 2,928,733	\$ 20,283,027	\$ 1,004,532
Restricted cash	2,673,115	37,700	2,710,815	-
Receivables (net):				
Taxes	9,669,639	-	9,669,639	660,807
Accounts	607,468	2,754,825	3,362,293	-
Other	1,755,724	-	1,755,724	-
Due from other governmental units	184,339	-	184,339	-
Due from component unit	344,459	-	344,459	-
Internal balances	3,466,612	(3,466,612)	-	-
Prepaid items	208,782	30,157	238,939	8,675
Inventory	-	6,639	6,639	-
Capital assets:				
Capital assets not being depreciated	20,586,869	678,958	21,265,827	228,989
Capital assets being depreciated, net of depreciation	12,556,304	11,268,216	23,824,520	-
Total assets	69,407,605	14,238,616	83,646,221	1,903,003
Deferred Outflows of Resources				
Deferred outflows of resources related to pensions	7,716,557	893,239	8,609,796	496,243
Deferred outflows of resources related to OPEB	2,723,261	-	2,723,261	-
Total deferred outflows of resources	10,439,818	893,239	11,333,057	496,243
Total assets and deferred outflows of resources	\$ 79,847,423	\$ 15,131,855	\$ 94,979,278	\$ 2,399,246

City of Blue Island, Illinois

Statement of Net Position

December 31, 2022

	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	\$ 2,637,919	\$ 885,274	\$ 3,523,193	\$ 63,080
Accrued interest payable	-	3,883	3,883	-
Claims payable	13,153	-	13,153	-
Due to other governmental units	133,390	-	133,390	-
Due to primary government	-	-	-	535,674
Short-term tax anticipation warrants	1,253,802	-	1,253,802	-
Unearned revenues	1,559,299	-	1,559,299	-
Noncurrent liabilities:				
Due within one year	934,038	418,274	1,352,312	25,614
Due in more than one year	74,312,823	1,296,980	75,609,803	255,577
Total liabilities	80,844,424	2,604,411	83,448,835	879,945
Deferred Inflows of Resources				
Property taxes levied for future periods	7,695,212	-	7,695,212	-
Deferred inflows of resources related to pensions	843,341	-	843,341	-
Deferred inflows of resources related to OPEB	4,121,498	-	4,121,498	-
Total deferred inflows of resources	12,660,051	-	12,660,051	-
Net Position				
Net investment in capital assets	32,063,641	10,699,146	42,762,787	-
Restricted for:				
Grants	1,352,165	-	1,352,165	-
Economic development	18,051,977	-	18,051,977	-
Street maintenance	3,994,951	-	3,994,951	-
Public safety	989,152	-	989,152	-
Debt service	156,107	37,700	193,807	-
Unrestricted	(70,265,045)	1,790,598	(68,474,447)	1,519,301
Total net position	(13,657,052)	12,527,444	(1,129,608)	1,519,301
Total liabilities, deferred inflows of resources and net position	\$ 79,847,423	\$ 15,131,855	\$ 94,979,278	\$ 2,399,246

City of Blue Island, Illinois

Statement of Activities

Year Ended December 31, 2022

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	\$ 7,774,097	\$ 1,806,136	\$ 33,961	\$ -
Public safety	14,933,049	2,532,804	42,178	-
Public works	5,308,125	1,767,400	1,850,976	523,121
Interest and fiscal charges	50,170	-	-	-
Total governmental activities	28,065,441	6,106,340	1,927,115	523,121
Business type activities:				
Water	7,306,177	8,171,399	-	-
Golf Course	1,060,363	1,111,161	-	-
Total business-type activities	8,366,540	9,282,560	-	-
Total primary government	\$ 36,431,981	\$ 15,388,900	\$ 1,927,115	\$ 523,121
Component Unit				
Blue Island Public Library	\$ 1,427,056	\$ 29,623	\$ 57,962	\$ 79,720

General revenues:

Taxes:

Property taxes

Replacement taxes

Other taxes

Unrestricted intergovernmental revenue:

Income taxes

CARES Act / American Rescue Plan grants

Investment income

Miscellaneous

Total general revenues

Change in net position

Net position, beginning

Net position, ending

See notes to financial statements

Net (Expense) Revenue and Changes in Net Position			Component
Primary Government			Unit
Governmental Activities	Business-Type Activities	Total	Blue Island Public Library
\$ (5,934,000)	\$ -	\$ (5,934,000)	\$ -
(12,358,067)	-	(12,358,067)	-
(1,166,628)	-	(1,166,628)	-
(50,170)	-	(50,170)	-
(19,508,865)	-	(19,508,865)	-
-	865,222	865,222	-
-	50,798	50,798	-
-	916,020	916,020	-
(19,508,865)	916,020	(18,592,845)	-
-	-	-	(1,259,751)
9,215,569	-	9,215,569	1,261,969
934,658	-	934,658	191,215
5,314,521	-	5,314,521	-
3,704,137	-	3,704,137	-
1,558,101	-	1,558,101	-
149,769	15,022	164,791	4,738
676,683	-	676,683	2,758
21,553,438	15,022	21,568,460	1,460,680
2,044,573	931,042	2,975,615	200,929
(15,701,625)	11,596,402	(4,105,223)	1,318,372
\$ (13,657,052)	\$ 12,527,444	\$ (1,129,608)	\$ 1,519,301

See notes to financial statements

City of Blue Island, Illinois

Balance Sheet - Governmental Funds

December 31, 2022

	Major Funds			
	General	Special Tax Increment Allocation II	Special Tax Increment Allocation III	Special Tax Increment Allocation V
Assets				
Cash and cash equivalents	\$ 4,594,135	\$ 3,198,668	\$ 5,937	\$ 1,807,949
Restricted cash	2,673,115	-	-	-
Receivables (net):				
Property taxes	3,775,203	-	-	-
Customers	607,468	-	-	-
Other	1,526,869	-	-	-
Due from other governments	3,120	-	-	25,836
Due from component unit	344,459	-	-	-
Due from other funds	3,754,471	5,511,732	3,655,538	232,510
Prepaid items	208,782	-	-	-
Total assets	<u>\$ 17,487,622</u>	<u>\$ 8,710,400</u>	<u>\$ 3,661,475</u>	<u>\$ 2,066,295</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ 1,753,194	\$ 300,000	\$ -	\$ -
Accrued salaries	391,768	-	-	-
Claims payable	13,153	-	-	-
Short-term tax anticipation warrants	1,253,802	-	-	-
Due to other governments	-	-	-	-
Due to other funds	10,153,140	-	-	11,281
Unearned revenue	1,559,299	-	-	-
Other liabilities	17,759	-	-	-
Total liabilities	<u>15,142,115</u>	<u>300,000</u>	<u>-</u>	<u>11,281</u>
Deferred Inflows of Resources				
Property taxes levied for future period	2,732,879	-	-	-
Unavailable revenue	291,131	-	-	-
Total deferred inflows of resources	<u>3,024,010</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits)				
Nonspendable				
Prepaid items	208,782	-	-	-
Restricted				
Grants	957,709	-	-	-
Debt service	156,107	-	-	-
Economic development	-	8,410,400	3,661,475	2,055,014
Street maintenance	-	-	-	-
Public safety	-	-	-	-
Assigned				
Public safety	133,890	-	-	-
Parking and special events	63,778	-	-	-
Unassigned (deficit)	(2,198,769)	-	-	-
Total fund balances (deficits)	<u>(678,503)</u>	<u>8,410,400</u>	<u>3,661,475</u>	<u>2,055,014</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 17,487,622</u>	<u>\$ 8,710,400</u>	<u>\$ 3,661,475</u>	<u>\$ 2,066,295</u>

See notes to financial statements

Major Funds		
Police Pension Contribution	Nonmajor Governmental	Total Governmental Funds
\$ -	\$ 7,747,605	\$ 17,354,294
-	-	2,673,115
3,155,963	2,738,473	9,669,639
-	-	607,468
-	228,855	1,755,724
-	155,383	184,339
-	-	344,459
102,838	661,803	13,918,892
-	-	208,782
<u>\$ 3,258,801</u>	<u>\$ 11,532,119</u>	<u>\$ 46,716,712</u>
\$ 57,967	\$ 117,231	\$ 2,228,392
-	-	391,768
-	-	13,153
-	-	1,253,802
-	133,390	133,390
-	287,859	10,452,280
-	-	1,559,299
-	-	17,759
<u>57,967</u>	<u>538,480</u>	<u>16,049,843</u>
2,661,348	2,300,985	7,695,212
-	90,671	381,802
<u>2,661,348</u>	<u>2,391,656</u>	<u>8,077,014</u>
-	-	208,782
-	394,456	1,352,165
-	-	156,107
-	3,925,088	18,051,977
-	3,994,951	3,994,951
539,486	449,666	989,152
-	-	133,890
-	-	63,778
-	(162,178)	(2,360,947)
<u>539,486</u>	<u>8,601,983</u>	<u>22,589,855</u>
<u>\$ 3,258,801</u>	<u>\$ 11,532,119</u>	<u>\$ 46,716,712</u>

See notes to financial statements

City of Blue Island, Illinois

Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position
December 31, 2022

Total Fund Balances - Governmental Funds **\$ 22,589,855**

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	\$ 65,273,844	
Accumulated depreciation	<u>(32,130,671)</u>	
		33,143,173

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. 381,802

Deferred outflows of resources related to pensions do not relate to current
financial resources and are not reported in the governmental funds. 7,716,557

Deferred outflows of resources related to other postemployment benefits
do not relate to current financial resources and are not reported in the
governmental funds. 2,723,261

Deferred inflows of resources related to pensions do not relate to current
financial resources and are not reported in the governmental funds. (843,341)

Deferred inflows of resources related to other postemployment benefits
do not relate to current financial resources and are not reported in the
governmental funds. (4,121,498)

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	(427,807)	
Net pension liability	(56,648,888)	
Total OPEB liability	(16,275,634)	
General obligation and alternative revenue bonds payable	(1,382,187)	
Loan payable	(40,000)	
Lease liability	<u>(472,345)</u>	
		<u>(75,246,861)</u>

Net Position of Governmental Activities **\$ (13,657,052)**

City of Blue Island, Illinois

Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended December 31, 2022

	Major Funds			
	General	Special Tax Increment Allocation II	Special Tax Increment Allocation III	Special Tax Increment Allocation V
Revenues				
Property taxes	\$ 3,067,917	\$ 1,400,078	\$ -	\$ 205,220
Other taxes	4,509,862	-	-	-
Licenses	832,928	-	-	-
Intergovernmental	6,097,783	-	-	-
Motor fuel tax allotments	-	-	-	-
Permits	657,628	-	-	-
Fines and forfeitures	748,868	-	-	-
Investment income	65,545	2,696	3	1,938
Other	4,501,890	-	-	-
Total revenues	20,482,421	1,402,774	3	207,158
Expenditures				
Current:				
General government	5,784,525	300,000	120	761,030
Public safety	9,235,382	-	-	-
Public works	4,584,338	-	-	-
Debt service:				
Principal	69,991	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	821,661	-	-	-
Total expenditures	20,495,897	300,000	120	761,030
Excess (deficiency) of revenues over expenditures	(13,476)	1,102,774	(117)	(553,872)
Other Financing Sources (Uses)				
Transfers in	311,937	-	-	-
Transfers out	-	-	-	-
Lease proceeds	532,336	-	-	-
Total other financing sources (uses)	844,273	-	-	-
Net change in fund balances	830,797	1,102,774	(117)	(553,872)
Fund Balances (Deficits), Beginning	(1,509,300)	7,307,626	3,661,592	2,608,886
Fund Balances (Deficits), Ending	\$ (678,503)	\$ 8,410,400	\$ 3,661,475	\$ 2,055,014

See notes to financial statements

Major Funds		
Police Pension Contribution	Nonmajor Governmental	Total Governmental Funds
\$ 2,263,562	\$ 2,278,792	\$ 9,215,569
-	812,715	5,322,577
-	-	832,928
102,837	1,165,492	7,366,112
-	1,183,921	1,183,921
-	-	657,628
-	167,386	916,254
-	79,587	149,769
-	-	4,501,890
<u>2,366,399</u>	<u>5,687,893</u>	<u>30,146,648</u>
-	513,874	7,359,549
1,848,757	1,458,449	12,542,588
-	723,936	5,308,274
-	386,476	456,467
-	50,170	50,170
-	54,420	876,081
<u>1,848,757</u>	<u>3,187,325</u>	<u>26,593,129</u>
<u>517,642</u>	<u>2,500,568</u>	<u>3,553,519</u>
-	-	311,937
-	(311,937)	(311,937)
-	-	532,336
<u>-</u>	<u>(311,937)</u>	<u>532,336</u>
517,642	2,188,631	4,085,855
21,844	6,413,352	18,504,000
<u>\$ 539,486</u>	<u>\$ 8,601,983</u>	<u>\$ 22,589,855</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, 2022

Net Change in Total Governmental Fund Balances \$ 4,085,855

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	\$ 1,754,701	
Depreciation	<u>(917,253)</u>	
		837,448

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. (36,634)

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 asset / liability	(11,717,204)	
Total OPEB liability	2,165,030	
Deferred outflows of resources related to pensions	4,570,537	
Deferred outflows of resources related to OPEB	569,113	
Deferred inflows of resources related to pensions	4,641,684	
Deferred inflows of resources related to OPEB	(2,969,617)	
Compensated absences	<u>(25,770)</u>	
		(2,766,227)

Debt issued provides current financial resources to governmental funds, but
issuing debt increases long-term liabilities in the statement of net position.

Leases issued (532,336)

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.

456,467

Change in Net Position of Governmental Activities \$ 2,044,573

City of Blue Island, Illinois

Statement of Net Position

Proprietary Funds

December 31, 2022

	Enterprise Funds		
	Water	Golf Course	Total
Assets and Deferred Outflows of Resources			
Assets			
Current assets:			
Cash and cash equivalents	\$ 2,199,475	\$ 729,258	\$ 2,928,733
Restricted cash	37,700	-	37,700
Accounts receivable			
Customers	4,370,182	-	4,370,182
Less: allowance for doubtful accounts	(1,615,357)	-	(1,615,357)
Due from other funds	98,915	-	98,915
Prepaid items	29,429	728	30,157
Inventory	-	6,639	6,639
Total current assets	5,120,344	736,625	5,856,969
Noncurrent assets:			
Capital assets			
Land	8,958	670,000	678,958
Buildings and land improvements	119,808	4,805,778	4,925,586
Equipment	1,885,612	374,259	2,259,871
Infrastructure	22,943,419	-	22,943,419
Accumulated depreciation	(15,690,490)	(3,170,170)	(18,860,660)
Total noncurrent assets	9,267,307	2,679,867	11,947,174
Total assets	14,387,651	3,416,492	17,804,143
Deferred Outflows of Resources			
Deferred outflows of resources related to pensions	793,990	99,249	893,239
Total deferred outflows of resources	793,990	99,249	893,239

City of Blue Island, Illinois

Statement of Net Position

Proprietary Funds

December 31, 2022

	Enterprise Funds		
	Water	Golf Course	Total
Liabilities, Deferred Inflows of Resources, and Net Position			
Liabilities			
Current liabilities:			
Accounts payable	\$ 739,925	\$ 86,015	\$ 825,940
Accrued salaries	56,227	2,764	58,991
Accrued interest payable	3,883	-	3,883
Due to other funds	196,863	3,368,664	3,565,527
Other liabilities	-	343	343
Bonds payable	365,000	-	365,000
IEPA loan payable	46,085	-	46,085
Compensated absences	6,212	977	7,189
Total current liabilities	1,414,195	3,458,763	4,872,958
Noncurrent liabilities:			
Bonds payable	380,000	-	380,000
Unamortized bond premium	17,639	-	17,639
IEPA loan payable	439,304	-	439,304
Net pension liability	408,922	51,115	460,037
Total noncurrent liabilities	1,245,865	51,115	1,296,980
Total liabilities	2,660,060	3,509,878	6,169,938
Net Position			
Net investment in capital assets	8,019,279	2,679,867	10,699,146
Restricted for debt service	37,700	-	37,700
Unrestricted	4,464,602	(2,674,004)	1,790,598
Total net position	\$ 12,521,581	\$ 5,863	12,527,444

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, 2022

	Enterprise Funds		
	Water	Golf Course	Total
Operating Revenues			
Water sales	\$ 6,630,704	\$ -	\$ 6,630,704
Sewer maintenance fees	1,530,680	-	1,530,680
Sale of water meters	7,171	-	7,171
Golf course	-	786,661	786,661
Pro shop and concessions	-	267,023	267,023
Miscellaneous	2,844	57,477	60,321
Total operating revenues	8,171,399	1,111,161	9,282,560
Operating Expenses			
Salaries and benefits:			
Full-time salaries	1,124,159	42,026	1,166,185
Part-time salaries	9,832	117,486	127,318
Overtime wages	106,082	-	106,082
Illinois Municipal Retirement Fund	66,890	3,885	70,775
Payroll taxes - FICA and Medicare	90,363	11,938	102,301
Employee medical insurance	264,815	7,614	272,429
Pension items related to actuary adjustments	201,495	9,092	210,587
Life/unemployment insurance	932	109	1,041
Total salaries and benefits	1,864,568	192,150	2,056,718
Services:			
Computers and software	6,449	2,418	8,867
Landscaping and grounds maintenance	-	372,739	372,739
Professional consulting and engineering	105,102	-	105,102
Other contractual services	12,221	15,627	27,848
Utilities - electricity	39,803	16,179	55,982
Utilities - water	-	23,301	23,301
Utilities - other	7,092	4,674	11,766
Water billing	41,862	-	41,862
Total services	212,529	434,938	647,467
Supplies and materials:			
Concrete/asphalt/stone	8,043	-	8,043
Gasoline and oil for vehicles	23,720	40,288	64,008
Maintenance supplies	38,491	1,826	40,317
Operating supplies	-	8,486	8,486
Printing, postage, and office supplies	37,800	52	37,852
Fire hydrants	31,815	-	31,815
Safety equipment and supplies	815	-	815
Uniforms	-	3,641	3,641
Total supplies and materials	140,684	54,293	194,977

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, 2022

	Enterprise Funds		
	Water	Golf Course	Total
Repairs and maintenance:			
Building	\$ 49,723	\$ 11,788	\$ 61,511
Equipment	32,251	1,845	34,096
Outside contractors	668,512	540	669,052
Vehicles	23,906	4,147	28,053
Machinery & equipment	-	13,438	13,438
Total repairs and maintenance	<u>774,392</u>	<u>31,758</u>	<u>806,150</u>
Water from Chicago	3,604,665	-	3,604,665
Merchandise for resale	-	133,562	133,562
Non-capital equipment:			
Water meter purchases	7,937	-	7,937
Office equipment	7,488	-	7,488
Buildings and grounds improvements	-	31,017	31,017
Total non-capital equipment	<u>15,425</u>	<u>31,017</u>	<u>46,442</u>
Miscellaneous:			
Bank charges	33,246	17,849	51,095
Agent/trust fees - debt service	200	-	200
Dues and subscriptions	220	150	370
Licenses and fees	5,000	776	5,776
Rental and leasing fees	1,201	63,701	64,902
Total miscellaneous	<u>39,867</u>	<u>82,476</u>	<u>122,343</u>
Depreciation	<u>601,864</u>	<u>100,169</u>	<u>702,033</u>
Total operating expenses	<u>7,253,994</u>	<u>1,060,363</u>	<u>8,314,357</u>
Operating income	<u>917,405</u>	<u>50,798</u>	<u>968,203</u>
Nonoperating Revenues (Expenses)			
Investment income (loss)	15,025	(3)	15,022
Interest expense	<u>(52,183)</u>	<u>-</u>	<u>(52,183)</u>
Total nonoperating revenues (expenses)	<u>(37,158)</u>	<u>(3)</u>	<u>(37,161)</u>
Change in net position	880,247	50,795	931,042
Net Position, Beginning	<u>11,641,334</u>	<u>(44,932)</u>	<u>11,596,402</u>
Net Position, Ending	<u>\$ 12,521,581</u>	<u>\$ 5,863</u>	<u>\$ 12,527,444</u>

See notes to financial statements

City of Blue Island, Illinois

Statement of Cash Flows

Proprietary Funds

Year Ended December 31, 2022

	Enterprise Funds		Total
	Water	Golf Course	
Cash Flows From Operating Activities			
Cash received from customers and users	\$ 6,908,700	\$ 1,132,592	\$ 8,041,292
Cash payments for goods and services	(4,425,200)	(736,817)	(5,162,017)
Cash payments to employees	(1,655,283)	(183,026)	(1,838,309)
Net cash provided/(used) by operating activities	828,217	212,749	1,040,966
Cash Flows From Capital and Related Financing Activities			
Purchase of capital assets	(86,237)	(6,200)	(92,437)
Interest paid on debt	(59,250)	-	(59,250)
Principal payments on bonds	(345,000)	-	(345,000)
Principal payments on loans	(134,497)	-	(134,497)
Principal payments on capital leases	-	-	-
Net cash used in capital and related financing activities	(624,984)	(6,200)	(631,184)
Cash Flows From Investing Activities			
Income and dividends received	15,025	(3)	15,022
Net cash provided by (used in) investing activities	15,025	(3)	15,022
Net increase (decrease) in cash	218,258	206,546	424,804
Cash and Cash Equivalents, Beginning	2,018,917	522,712	2,541,629
Cash and Cash Equivalents, Ending	<u>\$ 2,237,175</u>	<u>\$ 729,258</u>	<u>\$ 2,966,433</u>
Reconciliation to Statement of Net Position			
Cash and cash equivalents	\$ 2,199,475	\$ 729,258	\$ 2,928,733
Restricted cash	37,700	-	37,700
Total cash and cash equivalents	<u>\$ 2,237,175</u>	<u>\$ 729,258</u>	<u>\$ 2,966,433</u>

See notes to financial statements

City of Blue Island, Illinois

Statement of Cash Flows

Proprietary Funds

Year Ended December 31, 2022

	Enterprise Funds		
	Water	Golf Course	Total
Reconciliation of Operating Income to Net Cash Provided By Operating Activities			
Operating income (loss)	\$ 917,405	\$ 50,798	\$ 968,203
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	601,864	100,169	702,033
Change in operating assets and liabilities:			
Accounts receivable	(1,419,380)	-	(1,419,380)
Due from / to other funds	156,672	21,431	178,103
Prepaid items	(29,429)	(728)	(30,157)
Deferred outflows, pension	(712,771)	(91,325)	(804,096)
Accounts payable	391,800	30,894	422,694
Accrued salaries	7,180	1,061	8,241
Compensated absences	610	32	642
Net pension asset / liability	2,383,745	243,781	2,627,526
Deferred inflows, pension	(1,469,479)	(143,364)	(1,612,843)
Total adjustments	(89,188)	161,951	72,763
Net Cash Provided (Used) By Operating Activities	\$ 828,217	\$ 212,749	\$ 1,040,966
Noncash Capital and Related Financing Activities			
None			

See notes to financial statements

City of Blue Island, Illinois

Statement of Fiduciary Net Position

Fiduciary Funds

December 31, 2022

	Pension Trust Funds
Assets	
Cash and cash equivalents	\$ 997,161
Investments:	
Illinois Police Officers' Pension Investment Fund	14,835,520
Illinois Firefighters' Pension Investment Fund	5,015,338
Money market mutual funds	936,491
Receivables:	
Interest receivable	2,724
Total assets	21,787,234
Liabilities	
Accounts payable	1,779
Due to primary government	2,023
Total liabilities	3,802
Net Position	
Restricted for retirement benefits	21,783,432
Total net position	\$ 21,783,432

See notes to financial statements

City of Blue Island, Illinois

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

Year Ended December 31, 2022

	Pension Trust Funds
Additions	
Contributions:	
Employer contributions	\$ 3,058,008
Employee contributions	551,348
Other contributions	<u>60,021</u>
Total contributions	<u>3,669,377</u>
Investment earnings:	
Interest and dividends on investments	212,434
Net appreciation (depreciation) in fair value of investments	<u>(4,073,372)</u>
Total investment earnings	(3,860,938)
Investment expense	<u>32,035</u>
Net investment earnings	<u>(3,892,973)</u>
Total additions	<u>(223,596)</u>
Deductions	
Benefits and refunds	3,903,439
Administration	<u>58,869</u>
Total deductions	<u>3,962,308</u>
Change in net position	(4,185,904)
Net Position, Beginning	<u>25,969,336</u>
Net Position, Ending	<u><u>\$ 21,783,432</u></u>

See notes to financial statements

City of Blue Island, Illinois

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December 31, 2022

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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, 2022. 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

In June of 2017, the GASB issued Statement No. 87, *Leases*. This Statement requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right-to-use an underlying asset. Under the Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, which enhances the relevance and consistency of information about the City's leasing activities. This standard was implemented January 1, 2022.

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% 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% test is at least 5% 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.

Illinois Public Act 101 0610 consolidated the assets of the state's more than 650 downstate and suburban public safety pension funds into two consolidated investment funds and required the Police Pension Fund and Firefighters' Pension Fund to pool their funds for investment purposes. During the year, the investments of the Police Pension Fund were transferred to Illinois Police Officers' Pension Investment Fund and the investments of the Firefighters' Pension Fund were transferred to Illinois Firefighters' Pension Investment Fund. The Illinois Police Officers' Pension Investment Fund and the Illinois Firefighters' Pension Investment Fund are external investment pools valued at share price, the price for which the investments could be sold. The Illinois Police Officers' Pension Investment Fund's investment policy statement has an investment objective to earn a long-term, net-of-fees, investment return that meets or exceeds the actuarial assumed rate of return and the return of the Policy Benchmark consistent with the risk level expected from the asset allocation. In the March 4, 2022 actuarial experience study the Illinois Police Officers' Pension Investment Fund's actuaries recommended an investment return of 6.75%.

The Illinois Firefighters' Pension Investment Fund's investment policy has an investment objective that seeks to maximize the likelihood of meeting long-term return objectives, while (i) maintaining prudent risk exposure, (ii) controlling fees and expenses related to management of the Fund and (iii) complying with the governing provisions of the Illinois Pension Code (40 ILCS 5 et seq.) and other applicable laws and regulations. Long-term return objectives are based on an assumed rate of return as set forth by the Illinois Firefighters' Pension Investment Fund's actuary. In the December 1, 2021 actuarial experience study the Illinois Firefighters' Pension Investment Fund's actuaries recommended an investment return of 7.125%.

Additional information related to the Illinois Police Officers' Pension Investment Fund can be found at <https://www.ipopif.org>. Additional information related to the Illinois Firefighters' Pension Investment Fund can be found at <https://ifpif.org>.

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, 2022, 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 2022 attaches as an enforceable lien on January 1, 2022, 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 2022 tax levy, which attached as an enforceable lien on the property as of January 1, 2022, has been recorded as a receivable and deferred inflows as of December 31, 2022, net of the allowance for uncollectible. As the tax becomes available to finance current expenditures, they are recognized as revenues. At December 31, 2022, the property taxes receivable and related deferred inflows consisted of the estimated amount collectible from the 2022 levy.

Tax bills for levy year 2022 are prepared by Cook County and issued on or about February 1, 2023 and November 23, 2023, and are payable in two installments, on or about March 1, 2023 and December 1, 2023 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, 2022.

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.

City of Blue Island, Illinois

Notes to Financial Statements
December 31, 2022

Depreciation and amortization of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation and amortization reflected in the statement of net position. Depreciation and amortization 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

Lease assets are typically amortized over the lease term.

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, 2022, 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, lease liabilities, 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.

Leases

The City is a lessee because it leases capital assets from other entities. As a lessee, the City reports a lease liability and an intangible right-to-use capital asset (known as the lease asset) on the government-wide financial statements and proprietary fund statements. In the governmental fund financial statements, the City recognizes lease proceeds and capital outlay at initiation of the lease, and the outflow of resources for the lease liability as a debt service payment.

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/amortization 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.

City of Blue Island, Illinois

Notes to Financial Statements
December 31, 2022

- 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.

2. Stewardship, Compliance and Accountability

Excess Expenditures Over Budget

<u>Funds</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Expenditures Over Budget</u>
Special Tax Increment Allocation II	\$ 203,300	\$ 300,000	\$ 96,700
CDBG	450,000	572,304	122,304

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.

City of Blue Island, Illinois

Notes to Financial Statements
December 31, 2022

Deficit Balances

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

As of December 31, 2022, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>
General	\$ 678,503
State Asset Seizure	1,247
Debt Service	160,931

3. Detailed Notes on All Funds

Deposits 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	\$ 13,697,057	\$ 13,658,606	Custodial credit risk - deposits
Illinois Police Officers' Pension Investment Fund	14,835,520	14,835,520	Credit risk
Illinois Firefighters' Pension Investment Fund	5,015,338	5,015,338	Credit risk
Mutual funds, other than bond funds	936,491	936,491	N/A
Illinois Funds	10,293,171	10,293,171	Credit risk
Petty cash	<u>775</u>	<u>-</u>	N/A
Total deposits and investments	<u>\$ 44,778,352</u>	<u>\$ 44,739,126</u>	
Reconciliation to financial statements			
Per statement of net position			
Cash and investments	\$ 20,145,279		
Restricted cash	2,848,563		
Per statement of fiduciary net position			
Cash and cash equivalents	997,161		
Illinois Police Officers' Pension Investment Fund	14,835,520		
Illinois Firefighters' Pensions Investment Fund	5,015,338		
Money market mutual funds	<u>936,491</u>		
Total deposits and investments	<u>\$ 44,778,352</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, 2022

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, 2022			Total
	Level 1	Level 2	Level 3	
Mutual funds, other than bond funds	\$ 936,491	\$ -	\$ -	\$ 936,491
Total	<u>\$ 936,491</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 936,491</u>

The Illinois Police Officers' Pension Investment Fund, Illinois Firefighters' Pension Investment Fund, and Illinois Funds are measured at net asset value. The City and Firefighters' Pension Fund hold no investments measured at fair value.

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, 2022, the City's investments were rated as follows:

Investment Type	Standard & Poors	Moody's Investors Services
Illinois Funds	AAAm	NR

The City also held investments in the following external pools which are not rated:

Illinois Police Officers' Pension Investment Fund

Illinois Firefighters' Pension Investment Fund

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

City of Blue Island, Illinois

Notes to Financial Statements
December 31, 2022

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	\$ 335,731	\$ -	\$ 335,731
Utility	148,710	-	148,710
Replacement tax	151,579	-	151,579
Business district tax	-	196,775	196,775
Municipal occupational tax	437,427	-	437,427
Use and excise taxes	300,890	-	300,890
Foreign fire tax	-	32,080	32,080
Gaming tax	37,099	-	37,099
Other	<u>115,433</u>	<u>-</u>	<u>115,433</u>
Total	<u><u>\$ 1,526,869</u></u>	<u><u>\$ 228,855</u></u>	<u><u>\$ 1,755,724</u></u>

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

City of Blue Island, Illinois

Notes to Financial Statements
December 31, 2022

Capital Assets

Capital asset activity for the year ended December 31, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets not being depreciated / amortized:				
Land	\$ 20,289,512	\$ -	\$ -	\$ 20,289,512
Construction in progress	<u>724,599</u>	<u>-</u>	<u>427,242</u>	<u>297,357</u>
Total capital assets not being depreciated / amortized	<u>21,014,111</u>	<u>-</u>	<u>427,242</u>	<u>20,586,869</u>
Capital assets being depreciated / amortized:				
Buildings and land improvements	14,439,464	367,886	-	14,807,350
Equipment	8,959,963	249,862	118,366	9,091,459
Infrastructure	19,223,971	1,032,405	-	20,256,376
Right to use lease asset, equipment	<u>-</u>	<u>531,790</u>	<u>-</u>	<u>531,790</u>
Total capital assets being depreciated / amortized	<u>42,623,398</u>	<u>2,181,943</u>	<u>118,366</u>	<u>44,686,975</u>
Total capital assets	<u>63,637,509</u>	<u>2,181,943</u>	<u>545,608</u>	<u>65,273,844</u>
Less accumulated depreciation / amortization for:				
Buildings and land improvements	(9,792,963)	(385,352)	-	(10,178,315)
Equipment	(8,175,588)	(164,767)	118,366	(8,221,989)
Infrastructure	(13,363,233)	(340,497)	-	(13,703,730)
Right to use lease asset, equipment	<u>-</u>	<u>(26,637)</u>	<u>-</u>	<u>(26,637)</u>
Total accumulated depreciation / amortization	<u>(31,331,784)</u>	<u>(917,253)</u>	<u>118,366</u>	<u>(32,130,671)</u>
Net capital assets being depreciated / amortized	<u>11,291,614</u>	<u>1,264,690</u>	<u>-</u>	<u>12,556,304</u>
Total governmental activities capital assets, net of accumulated depreciation / amortization	<u>\$ 32,305,725</u>	<u>\$ 1,264,690</u>	<u>\$ 427,242</u>	<u>\$ 33,143,173</u>

Depreciation/amortization expense was charged to functions as follows:

Governmental Activities

General government	\$ 738,934
Public safety	134,428
Public works	<u>43,891</u>
Total governmental activities depreciation/amortization expense	<u>\$ 917,253</u>

City of Blue Island, Illinois

Notes to Financial Statements
December 31, 2022

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-Type Activities				
Capital assets not being depreciation:				
Land	\$ 678,958	\$ -	\$ -	\$ 678,958
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	4,919,386	6,200	-	4,925,586
Equipment	2,173,634	86,237	-	2,259,871
Infrastructure	<u>22,943,419</u>	<u>-</u>	<u>-</u>	<u>22,943,419</u>
Total capital assets being depreciated	<u>30,036,439</u>	<u>92,437</u>	<u>-</u>	<u>30,128,876</u>
Total capital assets	<u>30,715,397</u>	<u>92,437</u>	<u>-</u>	<u>30,807,834</u>
Less accumulated depreciation for:				
Buildings and land improvements	(2,755,793)	(102,980)	-	(2,858,773)
Equipment	(1,723,275)	(77,705)	-	(1,800,980)
Infrastructure	<u>(13,679,559)</u>	<u>(521,348)</u>	<u>-</u>	<u>(14,200,907)</u>
Total accumulated depreciation	<u>(18,158,627)</u>	<u>(702,033)</u>	<u>-</u>	<u>(18,860,660)</u>
Net capital assets being depreciated	<u>11,877,812</u>	<u>(609,596)</u>	<u>-</u>	<u>11,268,216</u>
Business-type capital assets, net of accumulated depreciation	<u>\$ 12,556,770</u>	<u>\$ (609,596)</u>	<u>\$ -</u>	<u>\$ 11,947,174</u>

Depreciation expense was charged to functions as follows:

Business-Type Activities

Water	\$ 601,864
Golf course	<u>100,169</u>
Total business-type activities depreciation expense	<u>\$ 702,033</u>

City of Blue Island, Illinois

Notes to Financial Statements
December 31, 2022

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 Allocation Fund IV	\$ 9,239
General	Special Tax Increment Allocation Fund VII	13,297
General	Debt Service	250,323
General	CDBG	15,000
General	Water	196,863
General	Golf Course	3,269,749
Special Tax Increment Allocation II	General	5,511,732
Special Tax Increment Allocation III	General	3,655,538
Special Tax Increment Allocation V	General	232,510
Police Pension Contribution	General	102,838
Business District	General	214,572
Motor Fuel Tax	General	253,284
Firefighters' Pension Contribution	General	72,414
Special Tax Increment Allocation Fund VI	General	110,252
Special Tax Increment Allocation Fund IV	Special Tax Increment Allocation Fund V	11,281
Water	Golf Course	<u>98,915</u>
Total, fund financial statements		14,017,807
Less government-wide eliminations		<u>(10,551,195)</u>
Total internal balances, government-wide statement of net position		<u>\$ 3,466,612</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.

Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount
General	Motor Fuel Tax	\$ 311,937
Total, fund financial statements		311,937
Less government-wide eliminations		<u>(311,937)</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.

City of Blue Island, Illinois

Notes to Financial Statements
December 31, 2022

Short-Term Debt Activity

During the year, the City issued short-term debt, in the form of a bridge loan from Cook County, for \$1,783,795 in order to address cash flow issues arising from delays in the finalization of the 2021 property tax extension and associated tax bills by Cook County.

Short-term debt activity for the year ended December 31, 2022, was as follows:

	Beginning Balance	Issued	Redeemed	Ending Balance
Bridge loan	\$ -	\$ 1,783,795	\$ 529,993	\$ 1,253,802
Total	<u>\$ -</u>	<u>\$ 1,783,795</u>	<u>\$ 529,993</u>	<u>\$ 1,253,802</u>

Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2022, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and notes payable:					
General obligation bonds	\$ 1,070,000	\$ -	\$ 255,000	\$ 815,000	\$ 265,000
Alternative revenue bonds	698,663	-	131,476	567,187	135,481
2017 Ambulance loan, direct borrowing	50,000	-	10,000	40,000	10,000
Subtotal	<u>1,818,663</u>	<u>-</u>	<u>396,476</u>	<u>1,422,187</u>	<u>410,481</u>
Other liabilities:					
Compensated absences	402,037	427,807	402,037	427,807	427,807
Lease liability	-	532,336	59,991	472,345	95,750
Total OPEB liability	18,440,664	-	2,165,030	16,275,634	-
Net pension liability	<u>47,631,032</u>	<u>14,984,056</u>	<u>5,966,200</u>	<u>56,648,888</u>	<u>-</u>
Total other liabilities	<u>66,473,733</u>	<u>15,944,199</u>	<u>8,593,258</u>	<u>73,824,674</u>	<u>523,557</u>
Total governmental activities long-term liabilities	<u>\$ 68,292,396</u>	<u>\$ 15,944,199</u>	<u>\$ 8,989,734</u>	<u>\$ 75,246,861</u>	<u>\$ 934,038</u>
Business-Type Activities					
Bonds and notes payable:					
Alternative revenue bonds	\$ 1,090,000	\$ -	\$ 345,000	\$ 745,000	\$ 365,000
IEPA loan, direct borrowing	530,904	-	45,515	485,389	46,085
Unamortized premium	22,979	-	5,340	17,639	-
Installment loan, direct borrowing	<u>88,982</u>	<u>-</u>	<u>88,982</u>	<u>-</u>	<u>-</u>
Subtotal	<u>1,732,865</u>	<u>-</u>	<u>484,837</u>	<u>1,248,028</u>	<u>411,085</u>
Other liabilities:					
Compensated absences	6,547	7,189	6,547	7,189	7,189
Net pension liability	<u>-</u>	<u>1,200,247</u>	<u>740,210</u>	<u>460,037</u>	<u>-</u>
Total other liabilities	<u>6,547</u>	<u>1,207,436</u>	<u>746,757</u>	<u>467,226</u>	<u>7,189</u>
Total business-type activities long-term liabilities	<u>\$ 1,739,412</u>	<u>\$ 1,207,436</u>	<u>\$ 1,231,594</u>	<u>\$ 1,715,254</u>	<u>\$ 418,274</u>

City of Blue Island, Illinois

Notes to Financial Statements
December 31, 2022

The City is subject to the Illinois Municipal Code, which limits the amount of certain indebtedness to 8.625% of the most recent available equalized assessed valuation of the City. As of December 31, 2022, the statutory debt limit for the City was \$21,432,564, providing a debt margin of \$18,819,988.

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, 2022</u>
General Obligation Debt					
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	\$ 815,000
Total governmental activities, general obligation debt					\$ 815,000

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 265,000	\$ 22,836
2024	275,000	15,812
2025	<u>275,000</u>	<u>8,112</u>
Total	<u>\$ 815,000</u>	<u>\$ 46,760</u>

City of Blue Island, Illinois

Notes to Financial Statements
December 31, 2022

Alternative Revenue Debt

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

Alternative revenue debt payable at December 31, 2022, consists of the following:

<u>Governmental Activities</u>					<u>Balance</u>
<u>Alternative Revenue Debt</u>	<u>Date of</u>	<u>Final</u>	<u>Interest</u>	<u>Original</u>	<u>December 31,</u>
	<u>Issue</u>	<u>Maturity</u>	<u>Rates</u>	<u>Indebtedness</u>	<u>2022</u>
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	\$ 567,187
Total governmental activities, alternative revenue debt					\$ 567,187

<u>Business-Type Activities</u>					<u>Balance</u>
<u>Alternative Revenue Debt</u>	<u>Date of</u>	<u>Final</u>	<u>Interest</u>	<u>Original</u>	<u>December 31,</u>
	<u>Issue</u>	<u>Maturity</u>	<u>Rates</u>	<u>Indebtedness</u>	<u>2022</u>
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	\$ 745,000
Total business-type activities, alternative revenue debt					\$ 745,000

Debt service requirements to maturity are as follows:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Alternative Revenue Debt</u>		<u>Alternative Revenue Debt</u>	
<u>Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
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	\$ 567,187	\$ 43,177	\$ 745,000	\$ 53,438

City of Blue Island, Illinois

Notes to Financial Statements
December 31, 2022

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, 2022</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	\$ 40,000
Total governmental activities loans payable					<u>\$ 40,000</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, 2022</u>
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	\$ 485,389
Total business-type activities loans payable					<u>\$ 485,389</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>
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	-	-	48,441	3,569
2028-2032	-	-	249,111	8,577
Total	<u>\$ 40,000</u>	<u>\$ -</u>	<u>\$ 485,389</u>	<u>\$ 32,345</u>

Lease Disclosures

Lessee - Lease Liabilities

Governmental Activities

<u>Lease Liabilities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
2022 police car lease	\$ -	\$ 266,919	\$ 59,991	\$ 206,928	\$ 47,162
2022 ambulance lease	-	265,417	-	265,417	48,588
Total	<u>\$ -</u>	<u>\$ 532,336</u>	<u>\$ 59,991</u>	<u>\$ 472,345</u>	<u>\$ 95,750</u>

City of Blue Island, Illinois

Notes to Financial Statements
December 31, 2022

Future minimum lease payments are as follows:

<u>Years</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 95,750	\$ 24,575
2024	100,824	19,501
2025	106,175	14,151
2026	111,818	8,508
2027	57,778	2,557
Total	<u>\$ 472,345</u>	<u>\$ 69,292</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/Masurement 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	\$ 1,004,041	\$ 1,021,124	Custodial credit risk, deposits
Cash on hand	491	-	N/A
Total deposits and investments	<u>\$ 1,004,532</u>	<u>\$ 1,021,124</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.

Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Library will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

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

City of Blue Island, Illinois

Notes to Financial Statements
December 31, 2022

c. Capital Assets

	Beginning Balance	Additions	Deletions	Ending Balance	Useful Lives (Years)
Buildings	\$ 75,258	\$ -	\$ -	\$ 75,258	20 - 40
Equipment	290,871	107,407	-	398,278	5 - 20
Less accumulated depreciation	<u>(217,483)</u>	<u>(27,064)</u>	<u>-</u>	<u>(244,547)</u>	
Total	<u>\$ 148,646</u>	<u>\$ 80,343</u>	<u>\$ -</u>	<u>\$ 228,989</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.

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% 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% 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% of their final rate of earnings for the first 15 years of service credit, plus 2% for each year of service after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased every year after retirement, upon reaching age 67, by the lesser of 3% of the original pension amount or 1/2 of the increase in the Consumer Price Index of the original pension amount.

City of Blue Island, Illinois

Notes to Financial Statements
December 31, 2022

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, 2022, the measurement date, membership in the plan was as follows:

	<u>Regular Plan</u>	<u>SLEP</u>
Retirees and beneficiaries	126	2
Inactive, non-retired members	90	-
Active members	<u>69</u>	<u>-</u>
Total	<u>285</u>	<u>2</u>

Contributions

As set by statute, City and Library employees participating in the Regular and SLEP plans are required to contribute 4.50% and 7.50%, 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 2022 were 5.68% and 12.43%, 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, 2022, 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, 2022 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	35.50 %	7.82 %	6.50 %
International equities	18.00	9.23	7.60
Fixed income	25.50	5.01	4.90
Real estate	10.50	7.10	6.20
Alternatives	9.50		
Private equity		13.43	9.90
Commodities		7.42	6.25
Cash equivalents	1.00	4.00	4.00

City of Blue Island, Illinois

Notes to Financial Statements

December 31, 2022

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>
Regular Plan:			
Total pension liability	\$ 26,534,069	\$ 24,053,477	\$ 22,049,632
Plan fiduciary net pension	<u>23,031,172</u>	<u>23,031,172</u>	<u>23,031,172</u>
Net pension liability/(asset)	<u>\$ 3,502,897</u>	<u>\$ 1,022,305</u>	<u>\$ (981,540)</u>
Regular Plan - Library:			
Total pension liability	\$ 6,633,512	\$ 6,013,366	\$ 5,512,404
Plan fiduciary net pension	<u>5,757,789</u>	<u>5,757,789</u>	<u>5,757,789</u>
Net pension liability/(asset)	<u>\$ 875,723</u>	<u>\$ 255,577</u>	<u>\$ (245,385)</u>
Regular Plan - Total:			
Total pension liability	\$ 33,167,581	\$ 30,066,843	\$ 27,562,036
Plan fiduciary net pension	<u>28,788,961</u>	<u>28,788,961</u>	<u>28,788,961</u>
Net pension liability/(asset)	<u>\$ 4,378,620</u>	<u>\$ 1,277,882</u>	<u>\$ (1,226,925)</u>
SLEP:			
Total pension liability	\$ 188,120	\$ 171,385	\$ 157,038
Plan fiduciary net pension	<u>165,870</u>	<u>165,870</u>	<u>165,870</u>
Net pension liability/(asset)	<u>\$ 22,250</u>	<u>\$ 5,515</u>	<u>\$ (8,832)</u>

City of Blue Island, Illinois

Notes to Financial Statements
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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, 2022 were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Regular Plan - City:			
Balances at December 31, 2021	\$ 23,748,893	\$ 28,565,535	\$ (4,816,642)
Service cost	266,657	-	266,657
Interest on total pension liability	1,671,834	-	1,671,834
Differences between expected and actual experience of the total pension liability	11,006	-	11,006
Benefit payments, including refunds of employee contributions	(1,644,913)	(1,644,913)	-
Contributions, employer	-	162,125	(162,125)
Contributions, employee	-	136,200	(136,200)
Net investment income	-	(3,883,626)	3,883,626
Other (net transfer)	-	(304,149)	304,149
Balances at December 31, 2022	<u>\$ 24,053,477</u>	<u>\$ 23,031,172</u>	<u>\$ 1,022,305</u>
Regular Plan - Library:			
Balances at December 31, 2021	\$ 5,937,223	\$ 7,141,384	\$ (1,204,161)
Service cost	66,664	-	66,664
Interest on total pension liability	417,957	-	417,957
Differences between expected and actual experience of the total pension liability	2,751	-	2,751
Benefit payments, including refunds of employee contributions	(411,229)	(411,229)	-
Contributions, employer	-	40,531	(40,531)
Contributions, employee	-	34,050	(34,050)
Net investment income	-	(970,909)	970,909
Other (net transfer)	-	(76,038)	76,038
Balances at December 31, 2022	<u>\$ 6,013,366</u>	<u>\$ 5,757,789</u>	<u>\$ 255,577</u>
Regular Plan - Total:			
Balances at December 31, 2021	\$ 29,686,116	\$ 35,706,919	\$ (6,020,803)
Service cost	333,321	-	333,321
Interest on total pension liability	2,089,791	-	2,089,791
Differences between expected and actual experience of the total pension liability	13,757	-	13,757
Benefit payments, including refunds of employee contributions	(2,056,142)	(2,056,142)	-
Contributions, employer	-	202,656	(202,656)
Contributions, employee	-	170,250	(170,250)
Net investment income	-	(4,854,535)	4,854,535
Other (net transfer)	-	(380,187)	380,187
Balances at December 31, 2022	<u>\$ 30,066,843</u>	<u>\$ 28,788,961</u>	<u>\$ 1,277,882</u>

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

95.75 %

City of Blue Island, Illinois

Notes to Financial Statements
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	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
SLEP:			
Balances at December 31, 2021	\$ 146,026	\$ 196,221	\$ (50,195)
Interest on total pension liability	10,347	-	10,347
Differences between expected and actual experience of the total pension liability	21,631	-	21,631
Benefit payments, including refunds of employee contributions	(6,619)	(6,619)	-
Contributions, employer	-	2,469	(2,469)
Contributions, employee	-	1,668	(1,668)
Net investment income	-	(11,079)	11,079
Other (net transfer)	-	(16,790)	16,790
Balances at December 31, 2022	<u>\$ 171,385</u>	<u>\$ 165,870</u>	<u>\$ 5,515</u>

Plan fiduciary net position as a percentage of the total pension liability 96.78 %

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

For the year ended December 31, 2022, the City and Library recognized pension expense of \$787,622 and \$35,345 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
Regular Plan - City:		
Difference between expected and actual experience	\$ 48,029	\$ -
Net difference between projected and actual earnings on pension plan investments	<u>1,936,945</u>	<u>-</u>
Total	<u>\$ 1,984,974</u>	<u>\$ -</u>
Regular Plan - Library:		
Difference between expected and actual experience	\$ 12,007	\$ -
Net difference between projected and actual earnings on pension plan investments	<u>484,236</u>	<u>-</u>
Total	<u>\$ 496,243</u>	<u>\$ -</u>
Regular Plan - Total:		
Difference between expected and actual experience	\$ 60,036	\$ -
Net difference between projected and actual earnings on pension plan investments	<u>2,421,181</u>	<u>-</u>
Total	<u>\$ 2,481,217</u>	<u>\$ -</u>

City of Blue Island, Illinois

Notes to Financial Statements
December 31, 2022

	Deferred Outflows of Resources	Deferred Inflows of Resources
SLEP:		
Net difference between projected and actual earnings on pension plan investments	\$ 8,759	\$ -
Total	<u>\$ 8,759</u>	<u>\$ -</u>

The amounts reported as deferred outflows and inflows of resources related to pensions (\$2,481,217 for Regular and \$8,759 for SLEP) will be recognized in pension expense as follows:

Year Ending December 31,	Regular Plan			SLEP
	City	Library	Total	
2023	\$ (149,661)	\$ (37,415)	\$ (187,076)	\$ (419)
2024	304,867	76,217	381,084	1,452
2025	650,810	162,702	813,512	2,804
2026	<u>1,178,958</u>	<u>294,739</u>	<u>1,473,697</u>	<u>4,922</u>
Total	<u>\$ 1,984,974</u>	<u>\$ 496,243</u>	<u>\$ 2,481,217</u>	<u>\$ 8,759</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% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after 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% of the original pension and 3% compounded annually thereafter.

City of Blue Island, Illinois

Notes to Financial Statements

December 31, 2022

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% 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% 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% or one-half the annual unadjusted percentage increase in the CPI, whichever is less.

Plan Membership

At December 31, 2022, the Police Pension membership consisted of:

Retirees and beneficiaries	40
Inactive, non-retired members	9
Active members	<u>39</u>
Total	<u><u>88</u></u>

Contributions

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The 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% funded by the year 2040. The City's actuarially determined contribution rate for the fiscal year ending December 31, 2022 was 83.13% of annual covered payroll.

Net Pension Liability/(Asset)

The net pension liability/(asset) was measured as of December 31, 2022, 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 January 1, 2022 using the following actuarial methods and assumptions:

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value
Actuarial assumptions	
Interest rate	6.80%
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, with generational improvements projected using scale MP-2021.

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, 2022 are as follows:

Asset Class	Target	Long-Term Expected Real Rate of Return
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%. Securities in any one company should not exceed 5% of the total fund.

Discount Rate

The discount rate used to measure the total pension liability for the Police Pension Plan was 6.80%, 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
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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 6.80% 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 (5.80%) or 1-percentage-point higher (7.80 %) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total pension liability	\$ 57,123,681	\$ 49,995,122	\$ 44,196,666
Plan fiduciary net position	<u>15,780,199</u>	<u>15,780,199</u>	<u>15,780,199</u>
Net pension liability	<u>\$ 41,343,482</u>	<u>\$ 34,214,923</u>	<u>\$ 28,416,467</u>

Changes in Net Pension Liability/(Asset)

The City's changes in net pension liability/(asset) for the calendar year ended December 31, 2022 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, 2021	\$ 47,111,641	\$ 18,902,019	\$ 28,209,622
Service cost	710,019	-	710,019
Interest on total pension liability	3,265,186	-	3,265,186
Differences between expected and actual experience of the total pension liability	68,010	-	68,010
Change of assumptions	1,192,564	-	1,192,564
Benefit payments, including refunds of employee contributions	(2,352,298)	(2,352,298)	-
Contributions, employer	-	1,819,773	(1,819,773)
Contributions, employee	-	349,106	(349,106)
Net investment income	-	(2,909,589)	2,909,589
Administration	-	(28,812)	28,812
Balances at December 31, 2022	<u>\$ 49,995,122</u>	<u>\$ 15,780,199</u>	<u>\$ 34,214,923</u>

City of Blue Island, Illinois

Notes to Financial Statements
December 31, 2022

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

For the year ended December 31, 2022, the City recognized pension expense of \$3,150,312. 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	\$ 1,010,219	\$ 529,680
Assumption changes	1,175,302	-
Net difference between projected and actual earnings on pension plan investments	<u>2,075,486</u>	<u>-</u>
Total	<u>\$ 4,261,007</u>	<u>\$ 529,680</u>

The amounts reported as deferred outflows and inflows of resources related to pensions (\$3,731,327) will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2023	\$ 659,629
2024	812,119
2025	994,327
2026	1,055,156
2027	<u>210,096</u>
Total	<u>\$ 3,731,327</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, 2022

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% of such monthly salary for each additional month over 20 years of service through 30 years of service to a maximum of 75% of such monthly salary. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and paid upon reaching at least the age 55, by 3% of the original pension and 3% 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% 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% 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% or one-half the annual unadjusted percentage increase in the CPI, whichever is less.

Plan Membership

At December 31, 2022, the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries	27
Inactive, non-retired members	18
Active members	<u>30</u>
Total	<u><u>75</u></u>

Contributions

Participants contribute a fixed percentage of their base salary to the plans. At December 31, 2022, the contribution percentage was 9.455%. 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% funded by the year 2040. The City's actuarially determined contribution rate for the fiscal year ending December 31, 2022 was 95.25% of annual covered payroll.

Net Pension Liability/(Asset)

The net pension liability/(asset) was measured as of December 31, 2022, 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 January 1, 2022 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	4.25% to 12.78%
Cost-of-living adjustments	1.25% to 3.00%

Mortality rates were based on the PubS-2010 Mortality Tables, with generational improvements projected using scale MP-2021.

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, 2022 are as follows:

Asset Class	Target	Long-Term Expected Real Rate of Return
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 6%. Securities in any one company should not exceed 5% of the total fund.

City of Blue Island, Illinois

Notes to Financial Statements

December 31, 2022

Discount Rate

The discount rate used to measure the total pension liability for the Firefighters' Pension Plan was 7.00%, 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% 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%) or 1-percentage-point higher (8.00%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total pension liability	\$ 31,717,088	\$ 27,869,415	\$ 24,732,319
Plan fiduciary net position	<u>6,003,233</u>	<u>6,003,233</u>	<u>6,003,233</u>
Net pension liability	<u>\$ 25,713,855</u>	<u>\$ 21,866,182</u>	<u>\$ 18,729,086</u>

Changes in Net Pension Liability/(Asset)

The City's changes in net pension liability/(asset) for the calendar year ended December 31, 2022 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, 2021	\$ 26,488,727	\$ 7,067,317	\$ 19,421,410
Service cost	581,203	-	581,203
Interest on total pension liability	1,840,605	-	1,840,605
Differences between expected and actual experience of the total pension liability	44,305	-	44,305
Change of assumptions	405,695	-	405,695
Benefit payments, including refunds of employee contributions	(1,551,141)	(1,551,141)	-
Contributions, employer	-	1,238,235	(1,238,235)
Contributions, employee	-	202,242	(202,242)
Contributions, buy back	60,021	60,021	-
Net investment income	-	(983,384)	983,384
Administration	-	(30,057)	30,057
Balances at December 31, 2022	<u>\$ 27,869,415</u>	<u>\$ 6,003,233</u>	<u>\$ 21,866,182</u>

City of Blue Island, Illinois

Notes to Financial Statements
December 31, 2022

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

For the year ended December 31, 2022, the City recognized pension expense of \$2,122,419. 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	\$ 836,963	\$ 267,420
Assumption changes	587,978	46,241
Net difference between projected and actual earnings on pension plan investments	930,115	-
Total	<u>\$ 2,355,056</u>	<u>\$ 313,661</u>

The amounts reported as deferred outflows and inflows of resources related to pensions \$2,041,395 will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2023	\$ 379,976
2024	513,079
2025	403,762
2026	484,910
2027	189,856
Thereafter	69,812
Total	<u>\$ 2,041,395</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, 2022

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, 2022, total unpaid claims, including an estimate of claims that have been incurred but not reported to the administrative agent, totaled \$0. 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, 2021 and December 31, 2022, changes in the total liability for unpaid workers compensation and general liability claims are summarized as follows:

	Workers' Compensation	General Liability	Total
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	(160,726)	(304,979)	(465,705)
Unpaid Claims, December 31, 2021	185,000	147,163	332,163
Claim payments	<u>(185,000)</u>	<u>(134,010)</u>	<u>(319,010)</u>
Unpaid Claims, December 31, 2022	<u>\$ -</u>	<u>\$ 13,153</u>	<u>\$ 13,153</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 and 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, 2022. 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, 2022

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, 2022, the actuarial valuation date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	77
Active plan members	<u>117</u>
Total	<u><u>194</u></u>

Total OPEB Liability

The City's total OPEB liability of \$16,275,634 was measured as of December 31, 2022, and was determined by an actuarial valuation as of December 31, 2022.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2022 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 7.25%; grading down to the ultimate trend rate of 4.00%
Discount rate	4.31%

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-2021.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period as of December 31, 2022.

City of Blue Island, Illinois

Notes to Financial Statements
December 31, 2022

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balances at December 31, 2021	<u>\$ 18,440,664</u>
Changes for the year:	
Service cost	610,022
Interest	421,136
Differences between expected and actual experience	1,168,297
Changes in assumptions or other inputs	(3,693,769)
Benefit payments	<u>(670,716)</u>
Net changes	<u>(2,165,030)</u>
Balances at December 31, 2022	<u><u>\$ 16,275,634</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.25% in 2021 to 4.31% in 2022.

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:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Total OPEB liability	<u>\$ 18,367,400</u>	<u>\$ 16,275,634</u>	<u>\$ 14,542,182</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:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Total OPEB liability	<u>\$ 14,312,605</u>	<u>\$ 16,275,634</u>	<u>\$ 18,692,388</u>

City of Blue Island, Illinois

Notes to Financial Statements
December 31, 2022

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

For the year ended December 31, 2022, the City recognized OPEB expense of \$914,190. At December 31, 2022, 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	\$ 1,366,539	\$ -
Changes of assumptions or other inputs	<u>1,356,722</u>	<u>4,121,498</u>
Total	<u><u>\$ 2,723,261</u></u>	<u><u>\$ 4,121,498</u></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:

2023	\$ (124,968)
2024	(124,968)
2025	15,935
2026	(95,654)
2027	(437,214)
Thereafter	<u>(631,368)</u>
Total	<u><u>\$ (1,398,237)</u></u>

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, 2022, 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 \$90,194. There was no incremental TIF property tax abatement from TIF VI for the year. 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, 2022, 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, 2022, there is still \$263,670 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. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- 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 Eight Fiscal Years

	2015	2016	2017	2018
Total Pension Liability				
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
Total Pension Liability, Beginning	26,450,174	26,944,563	27,272,518	26,775,549
Total Pension Liability, Ending	<u>\$ 26,944,563</u>	<u>\$ 27,272,518</u>	<u>\$ 26,775,549</u>	<u>\$ 27,954,609</u>
Plan Fiduciary Net Position				
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)
Plan Fiduciary Net Position, Beginning	24,486,767	23,622,223	24,462,233	27,528,037
Plan Fiduciary Net Position, Ending	<u>\$ 23,622,223</u>	<u>\$ 24,462,233</u>	<u>\$ 27,528,037</u>	<u>\$ 24,980,453</u>
City's Net Pension Liability (Asset), Ending	<u>\$ 3,322,340</u>	<u>\$ 2,810,285</u>	<u>\$ (752,488)</u>	<u>\$ 2,974,156</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.67%	89.70%	102.81%	89.36%
Covered Payroll	\$ 4,177,805	\$ 4,084,680	\$ 3,953,724	\$ 3,312,321
City's Net Pension Liability (Asset) as a Percentage of Covered Payroll	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.

2019	2020	2021	2022
\$ 361,991	\$ 327,442	\$ 343,011	\$ 333,321
1,975,538	1,984,681	2,037,730	2,089,791
(421,741)	410,236	295,645	13,757
-	(187,451)	-	-
<u>(1,773,602)</u>	<u>(1,771,199)</u>	<u>(1,850,774)</u>	<u>(2,056,142)</u>
142,186	763,709	825,612	380,727
<u>27,954,609</u>	<u>28,096,795</u>	<u>28,860,504</u>	<u>29,686,116</u>
<u><u>\$ 28,096,795</u></u>	<u><u>\$ 28,860,504</u></u>	<u><u>\$ 29,686,116</u></u>	<u><u>\$ 30,066,843</u></u>
\$ 389,078	\$ 570,259	\$ 322,138	\$ 202,656
145,243	189,961	154,737	170,250
4,885,688	4,205,858	5,543,588	(4,854,535)
<u>(1,773,602)</u>	<u>(1,771,199)</u>	<u>(1,850,774)</u>	<u>(2,056,142)</u>
<u>(27,256)</u>	<u>(91,599)</u>	<u>(165,654)</u>	<u>(380,187)</u>
3,619,151	3,103,280	4,004,035	(6,917,958)
<u>24,980,453</u>	<u>28,599,604</u>	<u>31,702,884</u>	<u>35,706,919</u>
<u><u>\$ 28,599,604</u></u>	<u><u>\$ 31,702,884</u></u>	<u><u>\$ 35,706,919</u></u>	<u><u>\$ 28,788,961</u></u>
<u><u>\$ (502,809)</u></u>	<u><u>\$ (2,842,380)</u></u>	<u><u>\$ (6,020,803)</u></u>	<u><u>\$ 1,277,882</u></u>
101.79%	109.85%	120.28%	95.75%
\$ 3,260,560	\$ 3,481,435	\$ 3,390,923	\$ 3,567,898
-15.42%	-81.64%	-177.56%	35.82%

See notes to required supplementary information

City of Blue Island, Illinois

Illinois Municipal Retirement Fund - Regular Plan
Schedule of Employer Contributions
Last Eight 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	2022		
Actuarially determined contribution	\$ 570,259	\$ 322,138	\$ 202,657		
Contributions in relation to the actuarially determined contribution	570,259	322,138	202,656		
Contribution deficiency (excess)	\$ -	\$ -	\$ 1		
Covered payroll	\$ 3,481,435	\$ 3,390,923	\$ 3,567,898		
Contributions as a percentage of covered payroll	16.38%	9.50%	5.68%		

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	21-year closed period
Asset valuation method	5-year smoothed market, 20% corridor
Inflation	2.25%
Salary increases	2.85% to 13.75%, 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	Pub-2010 tables adjusted to match current IMRF experience and future mortality improvements projected using scale MP-2020

Other information:

There were no benefit changes during the year.

City of Blue Island, Illinois

Illinois Municipal Retirement Fund - SLEP

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

Last Eight Fiscal Years

	2015	2016	2017	2018
Total Pension Liability				
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
Benefit payments, including refunds of member contributions	-	-	-	-
Net change in total pension liability	4,000	4,300	39,075	9,642
Total Pension Liability, Beginning	53,326	57,326	61,626	100,701
Total Pension Liability, Ending	<u>\$ 57,326</u>	<u>\$ 61,626</u>	<u>\$ 100,701</u>	<u>\$ 110,343</u>
Plan Fiduciary Net Position				
Employer contributions	\$ -	\$ -	\$ -	\$ -
Employee contributions	-	-	-	-
Net investment income	579	8,069	16,453	(697)
Benefit payments, including refunds of member contributions	-	-	-	-
Other (net transfer)	(4,115)	230	(258)	387
Net change in plan fiduciary net position	(3,536)	8,299	16,195	(310)
Plan Fiduciary Net Position, Beginning	115,759	112,223	120,522	136,717
Plan Fiduciary Net Position, Ending	<u>\$ 112,223</u>	<u>\$ 120,522</u>	<u>\$ 136,717</u>	<u>\$ 136,407</u>
City's Net Pension Liability (Asset), Ending	<u>\$ (54,897)</u>	<u>\$ (58,896)</u>	<u>\$ (36,016)</u>	<u>\$ (26,064)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	195.76%	195.57%	135.77%	123.62%
Covered Payroll	\$ -	\$ -	\$ -	\$ -
City's Net Pension Liability (Asset) as a Percentage of Covered Payroll	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.

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 8,000	\$ 8,661	\$ 9,365	\$ 10,347
1,119	(183)	7,482	21,631
-	1,239	-	-
-	-	-	(6,619)
9,119	9,717	16,847	25,359
110,343	119,462	129,179	146,026
<u>\$ 119,462</u>	<u>\$ 129,179</u>	<u>\$ 146,026</u>	<u>\$ 171,385</u>
\$ -	\$ -	\$ -	\$ 2,469
-	-	-	1,668
19,233	18,043	23,165	(11,079)
-	-	-	(6,619)
(276)	456	(807)	(16,790)
18,957	18,499	22,358	(30,351)
136,407	155,364	173,863	196,221
<u>\$ 155,364</u>	<u>\$ 173,863</u>	<u>\$ 196,221</u>	<u>\$ 165,870</u>
<u>\$ (35,902)</u>	<u>\$ (44,684)</u>	<u>\$ (50,195)</u>	<u>\$ 5,515</u>
130.05%	134.59%	134.37%	96.78%
\$ -	\$ -	\$ -	\$ -
0.00%	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 Eight 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	2022		
Actuarially determined contribution	\$ -	\$ -	\$ -		
Contributions in relation to the actuarially determined contribution	-	-	2,469		
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,469)</u>		
Covered payroll	\$ -	\$ -	\$ -		
Contributions as a percentage of covered payroll	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.

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	21-year closed period
Asset valuation method	5-year smoothed market, 20% corridor
Inflation	2.25%
Salary increases	2.85% to 13.75%, 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	Pub-2010 tables adjusted to match current IMRF experience and future mortality improvements projected using scale MP-2020

Other information:

There were no benefit changes during the year.

City of Blue Island, Illinois

Police Pension Plan

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

Last Eight Fiscal Years

	2015	2016	2017	2018
Total Pension Liability				
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
Total Pension Liability, Beginning	<u>35,030,812</u>	<u>36,511,923</u>	<u>37,944,152</u>	<u>38,947,869</u>
Total Pension Liability, Ending	<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>
Plan Fiduciary Net Position				
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)
Plan Fiduciary Net Position, Beginning	<u>9,999,226</u>	<u>10,015,962</u>	<u>10,574,883</u>	<u>12,049,952</u>
Plan Fiduciary Net Position, Ending	<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>
City's Net Pension Liability, Ending	<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>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	27.43%	27.87%	30.94%	28.76%
Covered Payroll	\$ 2,728,224	\$ 2,692,099	\$ 2,746,519	\$ 2,765,025
City's Net Pension Liability as a Percentage of Covered Payroll	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>	<u>2022</u>
\$ 682,415	\$ 676,218	\$ 609,813	\$ 710,019
2,850,649	2,983,244	3,203,018	3,265,186
348,808	1,767,566	(704,923)	68,010
-	-	-	1,192,564
82,600	-	-	-
<u>(1,973,857)</u>	<u>(2,154,274)</u>	<u>(2,287,713)</u>	<u>(2,352,298)</u>
1,990,615	3,272,754	820,195	2,883,481
<u>41,028,077</u>	<u>43,018,692</u>	<u>46,291,446</u>	<u>47,111,641</u>
<u>\$ 43,018,692</u>	<u>\$ 46,291,446</u>	<u>\$ 47,111,641</u>	<u>\$ 49,995,122</u>
\$ 1,969,070	\$ 2,092,595	\$ 2,198,399	\$ 1,819,773
303,957	291,786	300,526	349,106
2,320,022	1,923,903	2,232,694	(2,909,589)
(1,973,857)	(2,154,274)	(2,287,713)	(2,352,298)
(43,745)	(40,924)	(29,885)	(28,812)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2,575,447	2,113,086	2,414,021	(3,121,820)
<u>11,799,465</u>	<u>14,374,912</u>	<u>16,487,998</u>	<u>18,902,019</u>
<u>\$ 14,374,912</u>	<u>\$ 16,487,998</u>	<u>\$ 18,902,019</u>	<u>\$ 15,780,199</u>
<u>\$ 28,643,780</u>	<u>\$ 29,803,448</u>	<u>\$ 28,209,622</u>	<u>\$ 34,214,923</u>
33.42%	35.62%	40.12%	31.56%
\$ 3,067,175	\$ 2,944,359	\$ 2,683,902	\$ 3,522,765
933.88%	1012.22%	1051.07%	971.25%

See notes to required supplementary information

City of Blue Island, Illinois

Police Pension Plan Schedule of Employer Contributions Last Eight Fiscal Years

	2015	2016	2017	2018	2019
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%
	2020	2021	2022		
Actuarially determined contribution	\$ 2,636,450	\$ 2,626,144	\$ 2,928,558		
Contributions in relation to the actuarially determined contribution	<u>2,092,595</u>	<u>2,198,399</u>	<u>1,819,773</u>		
Contribution deficiency (excess)	<u>\$ 543,855</u>	<u>\$ 427,745</u>	<u>\$ 1,108,785</u>		
Covered payroll	\$ 2,944,359	\$ 2,683,902	\$ 3,522,765		
Contributions as a percentage of covered payroll	71.07%	81.91%	51.66%		

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	18 years
Asset valuation method	5-year smoothed market
Inflation	2.50%
Salary increases	3.50% - 11.00%
Investment rate of return	6.80%
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 Nine Fiscal Years

	2015	2015*	2016	2017
Total Pension Liability				
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
Total Pension Liability, Beginning	19,724,816	20,290,875	21,916,518	21,633,512
Total Pension Liability, Ending	<u>\$ 20,290,875</u>	<u>\$ 21,916,518</u>	<u>\$ 21,633,512</u>	<u>\$ 21,998,358</u>
Plan Fiduciary Net Position				
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
Plan Fiduciary Net Position, Beginning	5,899,425	5,806,684	4,941,254	4,896,633
Plan Fiduciary Net Position, Ending	<u>\$ 5,806,684</u>	<u>\$ 4,941,254</u>	<u>\$ 4,896,633</u>	<u>\$ 5,209,161</u>
City's Net Pension Liability, Ending	<u>\$ 14,484,191</u>	<u>\$ 16,975,264</u>	<u>\$ 16,736,879</u>	<u>\$ 16,789,197</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	28.62%	22.55%	22.63%	23.68%
Covered Payroll	\$ 1,497,091	\$ 1,592,913	\$ 1,580,328	\$ 1,598,794
City's Net Pension Liability (Asset) as a Percentage of Covered Payroll	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>	<u>2022</u>
\$ 407,765	\$ 396,688	\$ 478,163	\$ 559,959	\$ 581,203
1,521,202	1,655,636	1,664,009	1,779,435	1,840,605
561,963	(623,980)	960,350	44,215	44,305
840,847	-	-	-	405,695
-	73,307	-	-	-
-	-	-	41,990	60,021
<u>(1,349,337)</u>	<u>(1,451,100)</u>	<u>(1,475,916)</u>	<u>(1,594,827)</u>	<u>(1,551,141)</u>
1,982,440	50,551	1,626,606	830,772	1,380,688
<u>21,998,358</u>	<u>23,980,798</u>	<u>24,031,349</u>	<u>25,657,955</u>	<u>26,488,727</u>
<u>\$ 23,980,798</u>	<u>\$ 24,031,349</u>	<u>\$ 25,657,955</u>	<u>\$ 26,488,727</u>	<u>\$ 27,869,415</u>
\$ 1,105,164	\$ 1,394,336	\$ 1,334,789	\$ 1,431,677	\$ 1,238,235
156,442	185,879	193,562	186,801	202,242
-	-	-	41,990	60,021
(240,143)	801,243	856,881	423,566	(983,384)
<u>(1,349,337)</u>	<u>(1,451,100)</u>	<u>(1,475,916)</u>	<u>(1,594,827)</u>	<u>(1,551,141)</u>
-	-	-	-	-
<u>(44,511)</u>	<u>(39,797)</u>	<u>(36,760)</u>	<u>(21,783)</u>	<u>(30,057)</u>
(372,385)	890,561	872,556	467,424	(1,064,084)
<u>5,209,161</u>	<u>4,836,776</u>	<u>5,727,337</u>	<u>6,599,893</u>	<u>7,067,317</u>
<u>\$ 4,836,776</u>	<u>\$ 5,727,337</u>	<u>\$ 6,599,893</u>	<u>\$ 7,067,317</u>	<u>\$ 6,003,233</u>
<u>\$ 19,144,022</u>	<u>\$ 18,304,012</u>	<u>\$ 19,058,062</u>	<u>\$ 19,421,410</u>	<u>\$ 21,866,182</u>
20.17%	23.83%	25.72%	26.68%	21.54%
\$ 1,654,595	\$ 1,959,524	\$ 2,047,192	\$ 1,975,685	\$ 2,138,995
1157.02%	934.11%	930.94%	983.02%	1022.26%

See notes to required supplementary information

City of Blue Island, Illinois

Firefighters' Pension Plan Schedule of Employer Contributions Last Nine 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>	<u>2022</u>	
Actuarially determined contribution	\$ 1,540,465	\$ 1,709,932	\$ 1,839,316	\$ 2,037,464	
Contributions in relation to the actuarially determined contribution	<u>1,394,336</u>	<u>1,334,789</u>	<u>1,431,677</u>	<u>1,238,235</u>	
Contribution deficiency (excess)	<u>\$ 146,129</u>	<u>\$ 375,143</u>	<u>\$ 407,639</u>	<u>\$ 799,229</u>	
Covered payroll	\$ 1,959,524	\$ 2,047,192	\$ 1,975,685	\$ 2,138,995	
Contributions as a percentage of covered payroll	71.16%	65.20%	72.46%	57.89%	

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	4.25% - 12.78%
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 Five Fiscal Years

	2018	2019	2020	2021	2022
Total OPEB Liability					
Service cost	\$ 431,024	\$ 402,014	\$ 464,339	\$ 629,551	\$ 610,022
Interest	502,667	553,579	532,731	371,236	421,136
Differences between expected and actual experience	-	-	602,489	-	1,168,297
Changes of assumptions	(986,314)	781,117	1,788,424	(850,704)	(3,693,769)
Benefit payments, including refunds of member contributions	(594,130)	(641,660)	(689,785)	(626,837)	(670,716)
Net change in total OPEB liability	(646,753)	1,095,050	2,698,198	(476,754)	(2,165,030)
Total OPEB Liability, Beginning	<u>15,770,923</u>	<u>15,124,170</u>	<u>16,219,220</u>	<u>18,917,418</u>	<u>18,440,664</u>
Total OPEB Liability, Ending	<u><u>\$ 15,124,170</u></u>	<u><u>\$ 16,219,220</u></u>	<u><u>\$ 18,917,418</u></u>	<u><u>\$ 18,440,664</u></u>	<u><u>\$ 16,275,634</u></u>
Covered Payroll	\$ 6,715,604	\$ 7,058,100	\$ 7,172,305	\$ 7,538,093	\$ 8,171,685
City's Total OPEB Liability as a Percentage of Covered Payroll	225.21%	229.80%	263.76%	244.63%	199.17%

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	4.31%
Future medical plan participation	60% participation assumed, with 50% electing spouse coverage
Healthcare cost trend rates	Initial rate of 7.00% grading down to the ultimate trend rate of 4.00% in fiscal 2074
Mortality	PubG-2010 (for IMRF) and PubS-2010 (for Police and Fire) mortality tables with projected improvements using scale MP-2021

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, 2022

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues			
Property taxes	\$ 3,460,000	\$ 3,067,917	\$ (392,083)
Other taxes	3,940,552	4,509,862	569,310
Licenses	878,675	832,928	(45,747)
Intergovernmental	5,118,320	6,097,783	979,463
Permits	402,200	657,628	255,428
Fines and forfeitures	402,400	748,868	346,468
Investment income	10,000	65,545	55,545
Other	4,096,848	4,501,890	405,042
Total revenues	18,308,995	20,482,421	2,173,426
Expenditures			
Current:			
General government	7,148,988	5,784,525	1,364,463
Public safety	8,988,191	9,235,382	(247,191)
Public works	5,561,450	4,584,338	977,112
Capital outlay	810,000	821,661	(11,661)
Debt service			
Principal	10,000	69,991	(59,991)
Interest and fiscal charges	15,000	-	15,000
Total expenditures	22,533,629	20,495,897	2,037,732
Excess (deficiency) of revenue over expenditures	(4,224,634)	(13,476)	4,211,158
Other Financing Sources (Uses)			
Transfers in	475,000	311,937	163,063
Lease proceeds	-	532,336	532,336
Total other financing sources (uses)	475,000	844,273	695,399
Net change in fund balance	\$ (3,749,634)	830,797	\$ 4,580,431
Fund Balances (Deficit), Beginning of Year		(1,509,300)	
Fund Balances (Deficit), End of Year		\$ (678,503)	

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, 2022

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues			
Property taxes	\$ 700,000	\$ 1,400,078	\$ 700,078
Investment income	1,000	2,696	1,696
Total revenues	<u>701,000</u>	<u>1,402,774</u>	<u>701,774</u>
Expenditures			
Current:			
General government	<u>203,300</u>	<u>300,000</u>	<u>(96,700)</u>
Total expenditures	<u>203,300</u>	<u>300,000</u>	<u>(96,700)</u>
Net change in fund balance	<u>\$ 497,700</u>	1,102,774	<u>\$ 605,074</u>
Fund Balances, Beginning		<u>7,307,626</u>	
Fund Balances, Ending		<u>\$ 8,410,400</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 -

Special Tax Increment Allocation V Fund - Major Special Revenue Fund

Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues			
Property taxes	\$ 650,000	\$ 205,220	\$ (444,780)
Investment income	1,000	1,938	938
Total revenues	651,000	207,158	(443,842)
Expenditures			
Current:			
General government	2,500,000	761,030	1,738,970
Total expenditures	2,500,000	761,030	1,738,970
Net change in fund balance	<u>\$ (1,849,000)</u>	(553,872)	<u>\$ 1,295,128</u>
Fund Balances, Beginning		<u>2,608,886</u>	
Fund Balances, Ending		<u>\$ 2,055,014</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, 2022

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues			
Property taxes	\$ 2,626,144	\$ 2,263,562	\$ (362,582)
Intergovernmental	51,000	102,837	51,837
Total revenues	2,677,144	2,366,399	(310,745)
Expenditures			
Public safety			
Pension contributions	2,626,144	1,848,757	777,387
Total expenditures	2,626,144	1,848,757	777,387
Net change in fund balance	\$ 51,000	517,642	\$ 466,642
Fund Balances, Beginning		21,844	
Fund Balances, Ending		\$ 539,486	

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 22, 2023.
- 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, 2022, 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, 2022

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues			
Property taxes	\$ 3,460,000	\$ 3,067,917	\$ (392,083)
Other taxes			
Sales tax	1,500,000	1,852,115	352,115
Local use tax	975,000	913,454	(61,546)
Utility taxes	1,010,552	1,251,536	240,984
Cannabis use tax	75,000	36,570	(38,430)
Video gaming tax	380,000	456,187	76,187
Total other taxes	3,940,552	4,509,862	569,310
Licenses			
Vehicle	595,000	547,216	(47,784)
Business	200,000	158,406	(41,594)
Contractors	2,000	-	(2,000)
Animal	675	550	(125)
Building and housing inspections	75,000	117,945	42,945
Elevator inspections	6,000	8,811	2,811
Total licenses	878,675	832,928	(45,747)
Intergovernmental			
State income tax	3,000,000	3,704,137	704,137
Personal property replacement tax	240,000	759,406	519,406
Grants	1,878,320	1,634,240	(244,080)
Total intergovernmental	5,118,320	6,097,783	979,463
Permits			
Building	330,000	558,086	228,086
Electrical	20,000	21,222	1,222
Other	52,200	78,320	26,120
Total permits	402,200	657,628	255,428
Fines and forfeitures			
Police	372,400	682,403	310,003
Building violations	20,000	10,332	(9,668)
Compliance court	10,000	56,133	46,133
Total fines and forfeitures	402,400	748,868	346,468

(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, 2022

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Investment income	\$ 10,000	\$ 65,545	\$ 55,545
Other			
Ambulance user fees	1,200,000	1,477,447	277,447
City parking lots	70,000	33,278	(36,722)
Maintenance of state roads and traffic signals	69,210	125,677	56,467
Towing fees	100,825	119,830	19,005
Engineering	-	38,776	38,776
Reimbursements	241,235	187,460	(53,775)
Rent/lease/sale of property	150,000	250,159	100,159
Sanitation and recycling fees	1,736,678	1,767,400	30,722
Television franchise fees	190,000	172,095	(17,905)
Telephone franchise fees	55,000	45,989	(9,011)
Vital statistics	18,500	12,793	(5,707)
Miscellaneous	265,400	270,986	5,586
Total other	4,096,848	4,501,890	405,042
Total revenues	18,308,995	20,482,421	2,173,426
Expenditures			
General government			
Administration			
Salaries and benefits			
Full-time salaries - Mayor's Office	65,000	13,749	51,251
Part-time salaries - Mayor's Office	33,600	32,308	1,292
Full-time salaries - Finance	150,000	122,135	27,865
Part-time salaries - Finance	35,600	-	35,600
Overtime salaries - Finance	1,000	684	316
Full-time salaries - Clerk's Office	40,000	56,300	(16,300)
Part-time salaries - Clerk's Office	33,600	16,800	16,800
Full-time salaries - general government	422,000	169,492	252,508
Part-time salaries - general government	25,000	6,059	18,941
Aldermen salaries - general government	43,400	47,692	(4,292)
Illinois Municipal Retirement Fund	141,600	22,854	118,746
Unemployment insurance	9,000	7,251	1,749
Payroll taxes - FICA and Medicare	54,788	34,491	20,297
Total salaries and benefits	1,054,588	529,815	524,773

(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, 2022

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Services			
Professional fees	\$ 110,000	\$ 97,953	\$ 12,047
Computers and software	165,350	222,806	(57,456)
Legal	400,000	506,199	(106,199)
Other	5,000	2,009	2,991
Professional consulting and engineering	490,000	706,007	(216,007)
Telephone	307,000	306,623	377
Training	4,500	-	4,500
Insurance	2,500	245	2,255
Total services	1,484,350	1,841,842	(357,492)
Supplies and materials			
Board up expenditures	15,000	10,847	4,153
Maintenance supplies	2,000	2,625	(625)
Operating supplies	500	204	296
Printing, postage, and office supplies	15,150	9,264	5,886
Vehicle sticker program	18,500	17,667	833
Small equipment	5,000	-	5,000
Total supplies and materials	56,150	40,607	15,543
Repairs and maintenance			
Equipment	11,350	15,859	(4,509)
Building maintenance and repair	120,000	137,306	(17,306)
Total repairs and maintenance	131,350	153,165	(21,815)
Miscellaneous			
Bank service charges	40,000	26,413	13,587
Dues and subscriptions	36,800	28,741	8,059
Community promotions	80,000	18,056	61,944
Employee/office services	3,000	4,617	(1,617)
Legal notices	3,000	3,035	(35)
Licenses and payroll service fees	65,000	58,873	6,127
Meetings and seminars	8,000	540	7,460
Rental and leasing	3,750	618	3,132
Travel/transportation	3,000	-	3,000

(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, 2022

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Grant pass-through expenditures	\$ 60,000	\$ 60,430	\$ (430)
Other	278,700	91,888	186,812
Total miscellaneous	581,250	293,211	288,039
Total administration	3,307,688	2,858,640	449,048
Building department			
Salaries and benefits			
Full-time salaries	388,000	331,509	56,491
Part-time salaries	40,000	61,013	(21,013)
Overtime salaries	5,000	14,459	(9,459)
Illinois Municipal Retirement Fund	17,300	18,978	(1,678)
Unemployment insurance	5,000	-	5,000
Payroll taxes - FICA and Medicare	31,000	29,995	1,005
Uniforms	600	387	213
Total salaries and benefits	486,900	456,341	30,559
Services			
Computers and software	11,500	9,087	2,413
Professional consulting and engineering	3,000	-	3,000
Legal notices	200	-	200
Training	1,000	15	985
Total services	15,700	9,102	6,598
Supplies and materials			
Gasoline and oil for vehicles	4,500	4,856	(356)
Printing, postage, and office supplies	7,750	6,685	1,065
Total supplies and materials	12,250	11,541	709
Repairs and maintenance			
Elevator inspections	4,000	3,501	499
Equipment	60,000	1,677	58,323
Vehicles	5,000	540	4,460
Building maintenance and repair	-	19	(19)
Total repairs and maintenance	69,000	5,737	63,263

(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, 2022

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Miscellaneous			
Dues and subscriptions	\$ 1,000	\$ -	\$ 1,000
Meetings and seminars	2,000	-	2,000
Travel/transportation	300	-	300
Total miscellaneous	3,300	-	3,300
Total building department	587,150	482,721	104,429
Insurance department			
Employee insurance benefits			
Employee medical insurance	1,455,000	1,671,207	(216,207)
Life/unemployment insurance	12,000	11,430	570
Total employee insurance benefits	1,467,000	1,682,637	(215,637)
Services			
Auto/property damage claims	30,000	9,872	20,128
Insurance - buildings/vehicles	100,000	88,402	11,598
Insurance fees	525,000	26,537	498,463
Liability claim expense	105,000	373,203	(268,203)
Personal injury claims	250,000	23,526	226,474
Workers compensation disability medical claims	8,000	-	8,000
Accident claims	15,000	28,643	(13,643)
Medical liability claims	20,000	-	20,000
Settlement payments	400,000	50,000	350,000
Total services	1,453,000	600,183	852,817
Total insurance department	2,920,000	2,282,820	637,180
Miscellaneous			
Advertising and marketing	150,000	38,152	111,848
Community promotions	30,000	34,631	(4,631)
Total miscellaneous	180,000	72,783	107,217
Total marketing department	180,000	72,783	107,217

(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, 2022

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Rec-center department			
Salaries and benefits			
Full-time salaries	\$ 65,000	\$ 57,364	\$ 7,636
Part-time salaries	30,000	7,300	22,700
Illinois Municipal Retirement Fund	10,000	3,287	6,713
Payroll taxes - FICA and Medicare	6,050	4,623	1,427
Total salaries and benefits	111,050	72,574	38,476
Services			
Telephone	1,000	2,091	(1,091)
Utilities	1,500	3,193	(1,693)
Other contractual services	7,000	4,326	2,674
Total services	9,500	9,610	(110)
Supplies and materials			
Printing, postage, and office supplies	1,750	32	1,718
Maintenance supplies	2,000	1,956	44
Operating supplies	500	-	500
Small equipment	250	-	250
Total supplies and materials	4,500	1,988	2,512
Repairs and maintenance			
Equipment	3,600	289	3,311
Building and maintenance repair	5,000	1,563	3,437
Outside contractors	7,500	-	7,500
Total repairs and maintenance	16,100	1,852	14,248
Miscellaneous			
Rental and leasing	1,000	-	1,000
Community promotions	12,000	1,537	10,463
Total miscellaneous	13,000	1,537	11,463
Total rec-center department	154,150	87,561	66,589
Total general government	7,148,988	5,784,525	1,364,463

(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, 2022

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Public safety			
Police department			
Salaries and benefits			
Full-time salaries - officers	\$ 3,500,000	\$ 3,604,280	\$ (104,280)
Overtime salaries - officers	180,000	280,777	(100,777)
Full-time salaries - records and desk clerks	435,000	400,894	34,106
Overtime salaries - records and desk clerks	23,000	25,393	(2,393)
Part-time police - records and desk clerks	200,000	163,498	36,502
Part-time overtime salaries - records and des	180,000	840	179,160
Residency stipend	30,000	-	30,000
Illinois Muncipal Retirement Fund	40,000	22,905	17,095
Payroll taxes - FICA and Medicare	87,000	92,474	(5,474)
Unemployment insurance	2,500	-	2,500
Total salaries and benefits	4,677,500	4,591,061	86,439
Services			
Animal care	7,500	677	6,823
Dispatch services	248,361	267,204	(18,843)
Computers and software	14,700	23,005	(8,305)
Prisoner care	1,600	1,859	(259)
Professional consulting	20,000	11,906	8,094
Telephone	27,000	22,088	4,912
Training	36,500	55,815	(19,315)
Utilities	400	884	(484)
Other contractual services	-	65	(65)
Total services	356,061	383,503	(27,442)
Supplies and materials			
Ammunition/guns	5,000	4,992	8
Gasoline and oil for vehicles	125,000	131,118	(6,118)
Maintenance supplies	3,000	3,123	(123)
Operating supplies	5,000	3,406	1,594
Printing, postage, and office supplies	23,500	27,350	(3,850)
Small equipment	1,000	-	1,000
Tasers	10,500	10,453	47
Tools	750	750	-
Uniforms	9,200	7,119	2,081
Coronavirus supplemental grant	16,000	595	15,405
Total supplies and materials	198,950	188,906	10,044

(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, 2022

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Repairs and maintenance			
Building	\$ 34,000	\$ 85,516	\$ (51,516)
Equipment	107,000	131,135	(24,135)
Vehicles	35,000	41,494	(6,494)
	<u>176,000</u>	<u>258,145</u>	<u>(82,145)</u>
Total repairs and maintenance			
Miscellaneous			
Community promotions	1,000	897	103
Dues and subscriptions	3,500	3,165	335
Employee/office services	-	2,431	(2,431)
JAG grant expense	9,230	8,110	1,120
License/fees	500	311	189
Travel/transportation	1,000	1,801	(801)
Other	-	(4,509)	4,509
	<u>15,230</u>	<u>12,206</u>	<u>3,024</u>
Total miscellaneous			
Total police department	<u>5,423,741</u>	<u>5,433,821</u>	<u>(10,080)</u>
Fire department			
Salaries and benefits			
Full-time salaries	2,350,000	2,235,083	114,917
Overtime salaries	260,000	254,289	5,711
Residency stipend	5,000	-	5,000
Illinois Municipal Retirement Fund	4,500	3,324	1,176
Payroll taxes - FICA and Medicare	35,700	33,122	2,578
	<u>2,655,200</u>	<u>2,525,818</u>	<u>129,382</u>
Total salaries and benefits			
Services			
Ambulance processing fees	35,000	574,386	(539,386)
911 charges	200,000	203,038	(3,038)
Computers and software	9,500	9,204	296
Professional consulting	4,000	8,559	(4,559)
Telephone	500	391	109
Utilities	-	1,335	(1,335)
Training	32,500	3,327	29,173
	<u>281,500</u>	<u>800,240</u>	<u>(518,740)</u>
Total services			

(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, 2022

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Supplies and materials			
Gasoline and oil for vehicles	\$ 5,000	\$ 5,366	\$ (366)
Maintenance supplies	3,000	792	2,208
Operating supplies	10,000	5,497	4,503
Emergency medical supplies	65,000	64,010	990
Printing, postage, and office supplies	800	1,031	(231)
Small equipment	33,500	45,336	(11,836)
Uniforms	30,000	18,295	11,705
Total supplies and materials	147,300	140,327	6,973
Repairs and maintenance			
Building	223,000	180,064	42,936
Equipment	7,000	6,580	420
Vehicles	107,000	105,565	1,435
Total repairs and maintenance	337,000	292,209	44,791
Miscellaneous			
Community promotions	750	617	133
Dues and subscriptions	8,000	7,500	500
Licenses/fees	250	240	10
Meetings and seminars	500	-	500
Physical exams	21,000	10,685	10,315
Rentals and leasing fees	250	-	250
Travel/transportation	-	100	(100)
Natural gas	1,400	-	1,400
Other	54,000	-	54,000
Total miscellaneous	86,150	19,142	67,008
Total fire department	3,507,150	3,777,736	(270,586)
Civil service commission			
Services			
Professional consulting	1,000	-	1,000
Personnel hiring/exams	30,000	21,836	8,164
Legal fees	7,000	1,989	5,011
Legal notices	1,500	-	1,500
Total services	39,500	23,825	15,675
Total civil service commission	39,500	23,825	15,675

(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, 2022

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
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	8,988,191	9,235,382	(247,191)
Public works			
Salaries and benefits			
Full-time salaries	663,000	471,335	191,665
Part-time salaries	3,000	9,832	(6,832)
Overtime salaries	25,000	36,678	(11,678)
Illinois Municipal Retirement Fund	62,000	26,595	35,405
Payroll taxes - FICA and Medicare	68,000	37,542	30,458
Total salaries and benefits	821,000	581,982	239,018
Services			
Computers and software	3,900	4,195	(295)
Engineering	10,000	4,900	5,100
Garbage and recycling	1,600,000	1,498,003	101,997
Other contractual	2,000	1,348	652
Utilities	262,500	237,246	25,254
Total services	1,878,400	1,745,692	132,708
Supplies and materials			
Building and street signs	10,000	11,442	(1,442)
Gasoline and oil for vehicles	55,000	94,755	(39,755)
Maintenance supplies	15,000	15,390	(390)
Printing, postage, and office supplies	1,100	612	488
Small equipment	2,500	4,489	(1,989)
Tools	1,000	973	27
Total supplies and materials	84,600	127,661	(43,061)

(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, 2022

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Repairs and maintenance			
Building	\$ 50,000	\$ 3,531	\$ 46,469
Equipment	48,000	17,152	30,848
Equipment rental	1,000	-	1,000
Vehicles	46,500	42,676	3,824
Parking lot maintenance	15,000	129,781	(114,781)
Street lighting system	22,000	46,685	(24,685)
Street resurfacing/repair	2,500,000	1,791,756	708,244
Traffic signals	27,000	33,078	(6,078)
Tree program	60,000	57,335	2,665
Total repairs and maintenance	2,769,500	2,121,994	647,506
Miscellaneous			
Dues and subscriptions	250	-	250
Training	7,000	6,500	500
Employee/office services	700	509	191
Total miscellaneous	7,950	7,009	941
Total public works	5,561,450	4,584,338	977,112
Capital Outlay			
Police department	75,000	270,844	(195,844)
Fire department	175,000	399,569	(224,569)
Public works department	560,000	151,248	408,752
Total capital outlay	810,000	821,661	(11,661)
Debt Service			
Principal	10,000	69,991	(59,991)
Interest and fiscal charges	15,000	-	15,000
Total debt service	25,000	69,991	(44,991)
Total expenditures	22,533,629	20,495,897	2,037,732
Excess (deficiency) of revenues over expenditures	(4,224,634)	(13,476)	4,211,158

(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, 2022

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Other Financing Sources (Uses)			
Transfers in	\$ 475,000	\$ 311,937	\$ 163,063
Lease proceeds	-	532,336	532,336
Total other financing sources (uses)	475,000	844,273	695,399
Net change in fund balances	<u>\$ (3,749,634)</u>	830,797	<u>\$ 4,580,431</u>
Fund Balance (Deficit), Beginning of Year		<u>(1,509,300)</u>	
Fund Balance (Deficit), End of Year		<u>\$ (678,503)</u>	

(Concluded)

City of Blue Island, Illinois

Nonmajor Governmental Funds

Combining Balance Sheet

December 31, 2022

	Special Revenue Funds				
	Business District	Motor Fuel Tax	Special Tax Increment Allocation IV	Special Tax Increment Allocation VI	Special Tax Increment Allocation VII
Assets					
Cash and cash equivalents	\$ 3,003,614	\$ 3,637,791	\$ 199,480	\$ 190,123	\$ 137,148
Receivables (net):					
Property taxes	-	-	-	-	-
Other	196,775	-	-	-	-
Due from other governments	-	155,383	-	-	-
Due from other funds	214,572	253,284	-	121,533	-
Total assets	<u>\$ 3,414,961</u>	<u>\$ 4,046,458</u>	<u>\$ 199,480</u>	<u>\$ 311,656</u>	<u>\$ 137,148</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)					
Liabilities					
Accounts payable	\$ 48,101	\$ 28,357	\$ -	\$ -	\$ (1)
Due to other governments	-	-	-	-	-
Due to other funds	-	-	9,239	-	13,297
Total liabilities	<u>48,101</u>	<u>28,357</u>	<u>9,239</u>	<u>-</u>	<u>13,296</u>
Deferred Inflows of Resources					
Property taxes levied for future period	-	-	-	-	-
Unavailable revenue	67,521	23,150	-	-	-
Total deferred inflows of resources	<u>67,521</u>	<u>23,150</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits)					
Restricted					
Grants	-	-	-	-	-
Economic development	3,299,339	-	190,241	311,656	123,852
Street maintenance	-	3,994,951	-	-	-
Public safety	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total fund balances (deficits)	<u>3,299,339</u>	<u>3,994,951</u>	<u>190,241</u>	<u>311,656</u>	<u>123,852</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 3,414,961</u>	<u>\$ 4,046,458</u>	<u>\$ 199,480</u>	<u>\$ 311,656</u>	<u>\$ 137,148</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	
\$ 22,411	\$ 132,143	\$ 15,439	\$ -	\$ -	\$ 409,456	\$ 7,747,605
-	-	-	2,206,193	532,280	-	2,738,473
32,080	-	-	-	-	-	228,855
-	-	-	-	-	-	155,383
-	-	-	72,414	-	-	661,803
<u>\$ 54,491</u>	<u>\$ 132,143</u>	<u>\$ 15,439</u>	<u>\$ 2,278,607</u>	<u>\$ 532,280</u>	<u>\$ 409,456</u>	<u>\$ 11,532,119</u>
\$ -	\$ -	\$ -	\$ 40,774	\$ -	\$ -	\$ 117,231
-	133,390	-	-	-	-	133,390
-	-	-	-	250,323	15,000	287,859
<u>-</u>	<u>133,390</u>	<u>-</u>	<u>40,774</u>	<u>250,323</u>	<u>15,000</u>	<u>538,480</u>
-	-	-	1,858,097	442,888	-	2,300,985
-	-	-	-	-	-	90,671
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,858,097</u>	<u>442,888</u>	<u>-</u>	<u>2,391,656</u>
-	-	-	-	-	394,456	394,456
-	-	-	-	-	-	3,925,088
-	-	-	-	-	-	3,994,951
54,491	-	15,439	379,736	-	-	449,666
-	(1,247)	-	-	(160,931)	-	(162,178)
<u>54,491</u>	<u>(1,247)</u>	<u>15,439</u>	<u>379,736</u>	<u>(160,931)</u>	<u>394,456</u>	<u>8,601,983</u>
<u>\$ 54,491</u>	<u>\$ 132,143</u>	<u>\$ 15,439</u>	<u>\$ 2,278,607</u>	<u>\$ 532,280</u>	<u>\$ 409,456</u>	<u>\$ 11,532,119</u>

City of Blue Island, Illinois

Nonmajor Governmental Funds

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

Year Ended December 31, 2022

	Special Revenue Funds				
	Business District	Motor Fuel Tax	Special Tax Increment Allocation IV	Special Tax Increment Allocation VI	Special Tax Increment Allocation VII
Revenues					
Property taxes	\$ -	\$ -	\$ 107,714	\$ 119,190	\$ 50,610
Other taxes	774,553	-	-	-	-
Intergovernmental	-	520,773	-	-	-
Motor fuel tax allotments	-	1,183,921	-	-	-
Fines and forfeitures	-	-	-	-	-
Investment income	29,842	48,801	118	98	375
Total revenues	804,395	1,753,495	107,832	119,288	50,985
Expenditures					
Current:					
General government	504,581	-	1,583	-	7,288
Public safety	-	-	-	-	-
Public works	-	151,632	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	504,581	151,632	1,583	-	7,288
Excess (deficiency) of revenues over expenditures	299,814	1,601,863	106,249	119,288	43,697
Other Financing Sources (Uses)					
Transfers out	-	(311,937)	-	-	-
Total other financing sources (uses)	-	(311,937)	-	-	-
Net change in fund balances	299,814	1,289,926	106,249	119,288	43,697
Fund Balances (Deficits), Beginning	2,999,525	2,705,025	83,992	192,368	80,155
Fund Balances (Deficits), Ending	\$ 3,299,339	\$ 3,994,951	\$ 190,241	\$ 311,656	\$ 123,852

Special Revenue Funds					Capital Projects Fund	Total Nonmajor Funds
Foreign Fire Tax	State Asset Seizure	Federal Asset Seizure	Firefighters' Pension Contribution	Debt Service	CDBG	
\$ -	\$ -	\$ -	\$ 1,586,330	\$ 414,948	\$ -	\$ 2,278,792
38,162	-	-	-	-	-	812,715
-	-	-	72,415	-	572,304	1,165,492
-	-	-	-	-	-	1,183,921
-	-	167,386	-	-	-	167,386
-	28	7	-	-	318	79,587
38,162	28	167,393	1,658,745	414,948	572,622	5,687,893
422	-	-	-	-	-	513,874
53,214	2,006	108,817	1,294,412	-	-	1,458,449
-	-	-	-	-	572,304	723,936
-	-	-	-	386,476	-	386,476
-	-	-	-	50,170	-	50,170
-	-	54,420	-	-	-	54,420
53,636	2,006	163,237	1,294,412	436,646	572,304	3,187,325
(15,474)	(1,978)	4,156	364,333	(21,698)	318	2,500,568
-	-	-	-	-	-	(311,937)
-	-	-	-	-	-	(311,937)
(15,474)	(1,978)	4,156	364,333	(21,698)	318	2,188,631
69,965	731	11,283	15,403	(139,233)	394,138	6,413,352
\$ 54,491	\$ (1,247)	\$ 15,439	\$ 379,736	\$ (160,931)	\$ 394,456	\$ 8,601,983

City of Blue Island, Illinois

Business District Fund

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

Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues			
Business district taxes	\$ 675,000	\$ 774,553	\$ 99,553
Investment income	-	29,842	29,842
Total revenues	675,000	804,395	129,395
Expenditures			
Current:			
General government	3,370,000	504,581	2,865,419
Total expenditures	3,370,000	504,581	2,865,419
Net change in fund balances	<u>\$ (2,695,000)</u>	299,814	<u>\$ 2,994,814</u>
Fund Balance, Beginning		<u>2,999,525</u>	
Fund Balance, Ending		<u>\$ 3,299,339</u>	

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, 2022

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 520,773	\$ 520,773	\$ -
Motor fuel tax allotments	1,100,000	1,183,921	83,921
Investment income	1,000	48,801	47,801
Total revenues	1,621,773	1,753,495	131,722
Expenditures			
Current:			
Public works	3,418,000	151,632	3,266,368
Total expenditures	3,418,000	151,632	3,266,368
Excess (deficiency) of revenues over expenditures	(1,796,227)	1,601,863	3,398,090
Other Financing Uses			
Transfers out	(475,000)	(311,937)	(163,063)
Total other financing uses	(475,000)	(311,937)	(163,063)
Net change in fund balances	<u>\$ (2,271,227)</u>	1,289,926	<u>\$ 3,561,153</u>
Fund Balance, Beginning		<u>2,705,025</u>	
Fund Balance, Ending		<u>\$ 3,994,951</u>	

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, 2022

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues			
Property taxes	\$ 50,000	\$ 107,714	\$ 57,714
Investment income	100	118	18
Total revenues	50,100	107,832	57,732
Expenditures			
Current:			
General government	72,000	1,583	70,417
Total expenditures	72,000	1,583	70,417
Net change in fund balances	\$ (21,900)	106,249	\$ 128,149
Fund Balance, Beginning		83,992	
Fund Balance, Ending		\$ 190,241	

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, 2022

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues			
Property taxes	\$ 145,000	\$ 119,190	\$ (25,810)
Investment income	100	98	(2)
Total revenues	145,100	119,288	(25,812)
Expenditures			
Current:			
General government	202,000	-	202,000
Total expenditures	202,000	-	202,000
Net change in fund balances	<u>\$ (56,900)</u>	119,288	<u>\$ 176,188</u>
Fund Balance, Beginning		<u>192,368</u>	
Fund Balance, Ending		<u>\$ 311,656</u>	

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, 2022

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues			
Property taxes	\$ 100,000	\$ 50,610	\$ (49,390)
Investment income	100	375	275
Total revenues	100,100	50,985	(49,115)
Expenditures			
Current:			
General government	52,000	7,288	44,712
Total expenditures	52,000	7,288	44,712
Net change in fund balances	\$ 48,100	43,697	\$ (4,403)
Fund Balance, Beginning		80,155	
Fund Balance, Ending		\$ 123,852	

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, 2022

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues			
Property taxes	\$ 1,751,730	\$ 1,586,330	\$ (165,400)
Personal property replacement tax	36,000	72,415	36,415
Total revenues	1,787,730	1,658,745	(128,985)
Expenditures			
Current:			
Pension contributions	1,751,730	1,294,412	457,318
Total expenditures	1,751,730	1,294,412	457,318
Net change in fund balances	\$ 36,000	364,333	\$ 328,333
Fund Balance, Beginning		15,403	
Fund Balance, Ending		\$ 379,736	

City of Blue Island, Illinois

Debt Service Fund

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

Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues			
Property taxes	\$ 280,000	\$ 414,948	\$ 134,948
Total revenues	280,000	414,948	134,948
Expenditures			
Debt service:			
Principal	442,000	386,476	55,524
Interest and fiscal charges	62,000	50,170	11,830
Total expenditures	504,000	436,646	67,354
Net change in fund balances	\$ (224,000)	(21,698)	\$ 202,302
Fund Balance (Deficit), Beginning		(139,233)	
Fund Balance (Deficit), Ending		\$ (160,931)	

City of Blue Island, Illinois

CDBG Fund

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

Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 375,000	\$ 572,304	\$ 197,304
Investment income	100	318	218
Total revenues	<u>375,100</u>	<u>572,622</u>	<u>197,522</u>
Expenditures			
Current:			
Public works	<u>450,000</u>	<u>572,304</u>	<u>(122,304)</u>
Total expenditures	<u>450,000</u>	<u>572,304</u>	<u>(122,304)</u>
Net change in fund balances	<u>\$ (74,900)</u>	318	<u>\$ 75,218</u>
Fund Balance, Beginning		<u>394,138</u>	
Fund Balance, Ending		<u>\$ 394,456</u>	

City of Blue Island, Illinois

Pension Trust Funds

Combining Statement of Fiduciary Net Position

December 31, 2022

	<u>Police Pension</u>	<u>Firefighters' Pension</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 9,967	\$ 987,194	\$ 997,161
Investments:			
Illinois Police Officers' Pension Investment Fund	14,835,520	-	14,835,520
Illinois Firefighters' Pension Investment Fund	-	5,015,338	5,015,338
Money market mutual funds	936,491	-	936,491
Receivables:			
Interest receivable	-	2,724	2,724
Total assets	<u>15,781,978</u>	<u>6,005,256</u>	<u>21,787,234</u>
Liabilities			
Accounts payable	1,779	-	1,779
Due to primary government	-	2,023	2,023
Total liabilities	<u>1,779</u>	<u>2,023</u>	<u>3,802</u>
Net Position			
Restricted for retirement benefits	<u>15,780,199</u>	<u>6,003,233</u>	<u>21,783,432</u>
Total net position	<u>\$ 15,780,199</u>	<u>\$ 6,003,233</u>	<u>\$ 21,783,432</u>

City of Blue Island, Illinois

Pension Trust Funds

Combining Statement of Changes in Fiduciary Net Position

Year Ended December 31, 2022

	<u>Police Pension</u>	<u>Firefighters' Pension</u>	<u>Total</u>
Additions			
Contributions:			
Employer contributions	\$ 1,819,773	\$ 1,238,235	\$ 3,058,008
Employee contributions	349,106	202,242	551,348
Other contributions	-	60,021	60,021
Total contributions	<u>2,168,879</u>	<u>1,500,498</u>	<u>3,669,377</u>
Investment earnings:			
Interest and dividends on investments	150,781	61,653	212,434
Net appreciation (depreciation) in fair value of investments	<u>(3,036,275)</u>	<u>(1,037,097)</u>	<u>(4,073,372)</u>
Total investment earnings	<u>(2,885,494)</u>	<u>(975,444)</u>	<u>(3,860,938)</u>
Investment expense	<u>24,095</u>	<u>7,940</u>	<u>32,035</u>
Net investment earnings	<u>(2,909,589)</u>	<u>(983,384)</u>	<u>(3,892,973)</u>
Total additions	<u>(740,710)</u>	<u>517,114</u>	<u>(223,596)</u>
Deductions			
Benefits and refunds	2,352,298	1,551,141	3,903,439
Administration	<u>28,812</u>	<u>30,057</u>	<u>58,869</u>
Total deductions	<u>2,381,110</u>	<u>1,581,198</u>	<u>3,962,308</u>
Change in net position	<u>(3,121,820)</u>	<u>(1,064,084)</u>	<u>(4,185,904)</u>
Net Position, Beginning	<u>18,902,019</u>	<u>7,067,317</u>	<u>25,969,336</u>
Net Position, Ending	<u>\$ 15,780,199</u>	<u>\$ 6,003,233</u>	<u>\$ 21,783,432</u>

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

Year Ended December 31, 2022

Tax Levy Year	Assessed Valuation	Extended Tax Rate
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
2021	248,493,494	3.2589

The 2021 gross tax levy is analyzed below:

	Rate	Percent	Amount
General:			
Corporate	0.3915	12.01	\$ 972,852
Garbage	0.0379	1.16	94,179
Illinois Municipal Retirement Fund	0.0635	1.95	157,793
Liability insurance	0.0272	0.83	67,590
Street and bridge	0.0842	2.58	209,231
Fire protection	0.2281	7.00	566,813
Police protection	0.3491	10.71	867,490
Social security	0.0847	2.60	210,473
Auditing	0.0211	0.65	52,432
Workers' compensation	0.0031	0.10	7,703
Levy adjustment PA 102-0519	0.0409	1.26	101,649
Total general	1.3313	40.85	3,308,205
Bond and interest	0.1880	5.77	467,115
Police pension	1.0217	31.35	2,538,858
Firefighters' pension	0.7179	22.03	1,783,945
Total	3.2589	100.00	\$ 8,098,123

City of Blue Island, Illinois

Schedule of General Obligation Debt Service to Maturity

Year Ended December 31, 2022

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
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	\$ 1,382,187	\$ 89,937	\$ 567,187	\$ 43,177	\$ 815,000	\$ 46,760

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
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	\$ 1,230,389	\$ 85,783	\$ 485,389	\$ 32,345	\$ 745,000	\$ 53,438

City of Blue Island, Illinois

Calculation of Legal Debt Margin
December 31, 2022

	2020 Tax Levy Year
Assessed valuation	<u>\$ 248,493,494</u>
Statutory debt limitation (8.625% of assessed valuation)	\$ 21,432,564
Total debt:	
General obligation debt outstanding at December 31, 2022	<u>2,612,576</u>
Legal Debt Margin	<u>\$ 18,819,988</u>