

**CITY OF BLUE ISLAND, ILLINOIS**

**ANNUAL FINANCIAL REPORT**

FOR THE YEAR ENDED  
DECEMBER 31, 2020



**CITY OF BLUE ISLAND, ILLINOIS**  
**TABLE OF CONTENTS**

---

	<u>Page(s)</u>
Independent Auditor's Report .....	1-3
Management's Discussion and Analysis .....	4-14
 <b>BASIC FINANCIAL STATEMENTS</b>	
Government-Wide Financial Statements	
Statement of Net Position .....	15
Statement of Activities .....	16
Fund Financial Statements	
Balance Sheet-Governmental Funds .....	17
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position .....	18
Statement of Revenues, Expenditures and Changes in Fund Balance-Governmental Funds .....	19
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities .....	20
Statement of Net Position - Proprietary Funds .....	21-22
Statement of Revenues, Expenses and Changes in Net Position-Proprietary Funds .....	23-25
Statement of Cash Flow - Proprietary Funds .....	26
Statement of Fiduciary Net Position - Pension Trust Funds .....	27
Statement of Changes in Fiduciary Net Position - Pension Trust Funds .....	28
Notes to Financial Statements .....	29-72
 <b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule of Changes in Net Pension Liabilities and Related Ratios	
Illinois Municipal Retirement Fund .....	73
Illinois Municipal Retirement Fund-SLEP .....	74
Police Pension Fund .....	75
Firefighters' Pension Fund .....	76
Schedule of Changes in the Employer's Total OPEB Liability and Related Ratios .....	77
Schedule of Employer Contributions	
Illinois Municipal Retirement Fund .....	78
Illinois Municipal Retirement Fund-SLEP .....	79
Police Pension Fund .....	80
Firefighters' Pension Fund .....	81
Schedule of Investment Returns	
Police Pension Fund .....	82
Firefighters' Pension Fund .....	83
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
General Fund .....	84
Notes to Required Supplementary Information .....	85
 <b>COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES</b>	
Schedule of Detailed Revenues, Expenditures and Changes in Fund Balance-Budget and Actual - General Fund .....	86-98
Nonmajor Governmental Funds	
Combining Balance Sheet .....	99-100
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	101-102

**CITY OF BLUE ISLAND, ILLINOIS**  
**TABLE OF CONTENTS**

---

	<u>Page(s)</u>
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES (Continued)	
Nonmajor Governmental Funds (Continued)	
Schedule of Revenues, Expenditures and Changes in Fund	
Balance - Budget and Actual	
Business District Fund.....	103
Motor Fuel Tax Fund.....	104
Police Pension Contribution Fund.....	105
Firefighters' Pension Contribution Fund.....	106
Pension Trust Funds	
Combining Statement of Fiduciary Net Position.....	107
Combining Statement of Changes in Fiduciary Net Position.....	108
OTHER SUPPLEMENTARY INFORMATION	
Schedule of Valuations, Rates and Extensions for Tax Levies .....	109
Schedule of General Obligation Debt to Maturity .....	110
Legal Debt Margin.....	111
CONSOLIDATED YEAR-END FINANCIAL REPORT .....	112

## INDEPENDENT AUDITORS' REPORT

Mayor and Members of the City Council  
City of Blue Island, Illinois

### Report on the Financial Statements

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, Illinois (the City) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Blue Island Public Library, which represents 100% of the discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Blue Island Public Library, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, based on our audit and the report of other auditors, the 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 of Blue Island, Illinois as of December 31, 2020, 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.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise the City of Blue Island, Illinois' basic financial statements. The combining and individual fund financial statements and schedules and other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules and the consolidated year-end financial report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and consolidated year-end financial report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

We have also previously audited, in accordance with auditing standards generally accepted in the United States of America, the City's basic financial statements for the year ended December 31, 2019, which are not presented with the accompanying financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The schedules of revenues, expenditures, and changes in fund balances – budget and actual, related to the 2019 financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from the relates directly to the underlying accounting and other records used to prepare the 2019 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other record 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 2019 schedules of revenues, expenditures, and changes in fund balances – budget and actual are fairly stated in material respects in relation to the basic financial statements from which they have been derived.

A handwritten signature in cursive script that reads "John Kasperuk Co., Inc.".

Calumet City, Illinois  
January 5, 2022

**CITY OF BLUE ISLAND, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2020**

---

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, 2020.

**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 \$3,103,426 (net position). Of this amount, \$42,980,331 represents the net investment in capital assets, and \$17,449,762 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 \$63,533,519. 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 \$67,778,928.

- The City's total net position increased by \$3,448,781. The large increase is primarily due to the decrease in expenditures.
- At December 31, 2020, the City's governmental funds reported a combined ending fund balance of \$13,018,369.
- At December 31, 2020, the unassigned fund balance for the governmental funds was at a deficit of \$4,635,558, of which the General Fund was a deficit of \$4,577,020.
- The City of Blue Island's total long-term general obligations and alternate revenue bonds decreased by \$828,214 at December 31, 2020, 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, 2020**

---

**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, 2020. 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, 2020**

---

**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 \$3,103,426 at the close of December 31, 2020.

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, 2020**

---

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

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

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

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

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, 2020**

---

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

A summary of the statement of net position at December 31, 2019 is below:

**Statement of Net Position**  
**As of December 31, 2019**  
**(in millions)**

	Governmental Activities	Business-type Activities	Total Primary Government
Current and other assets	\$ 23.1	\$ (0.4)	\$ 22.7
Capital assets	32.9	13.6	46.5
<b>Total assets</b>	<u>56.0</u>	<u>13.2</u>	<u>69.2</u>
Deferred outflows related to pensions	3.0	0.1	3.1
<b>Total deferred outflows of resources</b>	<u>3.0</u>	<u>0.1</u>	<u>3.1</u>
Long-term liabilities	66.4	2.7	69.1
Other liabilities	4.1	0.8	4.9
<b>Total liabilities</b>	<u>70.5</u>	<u>3.5</u>	<u>74.0</u>
Deferred inflows related to pensions	3.5	0.6	4.1
Deferred inflows related to OPEB	0.7	-	0.7
<b>Total deferred inflows of resources</b>	<u>4.2</u>	<u>0.6</u>	<u>4.8</u>
Net position			
Net investment in capital assets	31.8	10.9	42.7
Restricted	17.3	-	17.3
Unrestricted (deficit)	<u>(64.8)</u>	<u>(1.8)</u>	<u>(66.6)</u>
<b>Total net position</b>	<u>\$ (15.7)</u>	<u>\$ 9.1</u>	<u>\$ (6.6)</u>

**Governmental Activities.** Governmental activities increased the City's net deficit position by \$2,504,190. The prior year change in net deficit position was a decrease of \$1,060,553. Expenses decreased from December 31, 2019 to December 31, 2020 by \$3,151,838. Revenues increased by \$412,885 from December 31, 2019 to December 31, 2020.

**Business-type Activities.** Business-type activities increased the City's net position by \$944,591.

**CITY OF BLUE ISLAND, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2020**

---

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

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	Amount	% of Totals	Amount	% of Totals	Amount	% of Totals
Program revenues:						
Charges for service	\$ 4.1	17.4%	\$ 7.3	100.0%	\$ 11.4	37.0%
Operating grants	1.9	8.1%	-	0.0%	1.9	6.2%
Capital grants	-	0.0%	-	0.0%	-	0.0%
General revenue:						
Property taxes	9.5	40.3%	-	0.0%	9.5	30.8%
Other taxes	5.1	21.7%	-	0.0%	5.1	16.6%
Other revenues	2.9	12.3%	-	0.0%	2.9	9.4%
<b>Total revenues</b>	<u>23.5</u>		<u>7.3</u>		<u>30.8</u>	
Expenses:						
Governmental activities:						
General government	6.9	32.9%	-	0.0%	6.9	25.2%
Public safety	11.3	53.8%	-	0.0%	11.3	41.2%
Public works	2.7	12.9%	-	0.0%	2.7	9.9%
Interest	0.1	0.5%	-	0.0%	0.1	0.4%
Business-type:						
Water and sewer	-	0.0%	5.5	85.9%	5.5	20.0%
Golf course	-	0.0%	0.9	14.1%	0.9	3.3%
<b>Total expenses</b>	<u>21.0</u>		<u>6.4</u>		<u>27.4</u>	
Change in net position	2.5		0.9		3.4	
Net position - beginning	(15.7)		9.1		(6.6)	
Net position - ending	<u><u>\$ (13.2)</u></u>		<u><u>\$ 10.0</u></u>		<u><u>\$ (3.2)</u></u>	

**CITY OF BLUE ISLAND, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2020**

---

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

**Changes in Net Position**  
**For the Year Ended December 31, 2019**  
**(in millions)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	Amount	% of Totals	Amount	% of Totals	Amount	% of Totals
Program revenues:						
Charges for service	\$ 4.5	19.5%	\$ 7.4	100.0%	\$ 11.9	39.0%
Operating grants	1.2	5.2%	-	0.0%	1.2	3.9%
Capital grants	0.2	0.9%	-	0.0%	0.2	0.7%
General revenue:						
Property taxes	9.6	41.6%	-	0.0%	9.6	31.5%
Other taxes	4.7	20.3%	-	0.0%	4.7	15.4%
Other revenues	2.9	12.6%	-	0.0%	2.9	9.5%
<b>Total revenues</b>	<u>23.1</u>		<u>7.4</u>		<u>30.5</u>	
Expenses:						
Governmental activities:						
General government	9.8	40.5%	-	0.0%	9.8	31.6%
Public safety	11.7	48.3%	-	0.0%	11.7	37.7%
Public works	2.7	11.2%	-	0.0%	2.7	8.7%
Interest	-	0.0%	-	0.0%	-	0.0%
Business-type:						
Water and sewer	-	0.0%	5.8	85.3%	5.8	18.7%
Golf course	-	0.0%	1.0	14.7%	1.0	3.2%
<b>Total expenses</b>	<u>24.2</u>		<u>6.8</u>		<u>31.0</u>	
Change in net position	(1.1)		0.6		(0.5)	
Net position - beginning	(14.6)		8.5		(6.1)	
Net position - ending	<u><u>\$ (15.7)</u></u>		<u><u>\$ 9.1</u></u>		<u><u>\$ (6.6)</u></u>	

Changes in revenue and expenses from December 31, 2019 to December 31, 2020 are reflected above.

**CITY OF BLUE ISLAND, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2020**

---

**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, 2020.

***Proprietary Funds.*** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the Water and Sewer and Golf Course funds at the end of the year amounted to a deficit of \$938,776. The total increase in net position for the funds was \$944,591. 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, 2020**

---

**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, 2020. Revenues and expenditures were under budget for the year ended December 31, 2020.

	<b>General Fund (in millions)</b>	
	<b>Original &amp; Final Budget</b>	<b>Actual</b>
Revenues		
Taxes	\$ 7.4	\$ 6.9
Licenses	0.9	0.8
Permits	0.4	0.3
Fines	0.4	0.4
Intergovernmental	2.8	3.4
Other	3.0	3.0
Total revenues	<u>14.9</u>	<u>14.8</u>
Expenditures		
Current		
Administration	1.6	2.0
Building	0.4	0.4
Police	4.6	4.5
Fire	2.6	2.7
Public works	3.1	2.6
Insurance loss	2.8	2.3
Marketing	0.1	0.1
Rec center	0.1	0.1
Capital outlay	-	0.3
Debt service	0.1	0.1
Total expenditures	<u>15.4</u>	<u>15.1</u>
Excess (deficiency) of revenues over expenditures	<u>(0.5)</u>	<u>(0.3)</u>
Other financing sources (uses)		
Transfers in	<u>0.5</u>	<u>0.4</u>
Total other financing sources (uses)	<u>0.5</u>	<u>0.4</u>
Net change in fund balance	<u>\$ 0.0</u>	<u>\$ 0.1</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, 2020**

---

**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, 2020 amounts to \$46,076,357 (\$46,482,810 at December 31, 2019), which is net of accumulated depreciation. This investment in capital assets includes land, buildings, utility system and improvements, and equipment, including vehicles.

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

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	Dec 2020	Dec 2019	Dec 2020	Dec 2019	Dec 2020	Dec 2019
Land	\$ 20.3	\$ 20.3	\$ 0.7	\$ 0.7	\$ 21.0	\$ 21.0
Construction in Progress	0.7	-	-	-	0.7	-
Buildings and land improvement	5.0	5.4	2.6	2.4	7.6	7.8
Infrastructure	6.2	6.5	9.3	9.9	15.5	16.4
Equipment	0.8	0.7	0.5	0.6	1.3	1.3
Total	<u>\$ 33.0</u>	<u>\$ 32.9</u>	<u>\$ 13.1</u>	<u>\$ 13.6</u>	<u>\$ 46.1</u>	<u>\$ 46.5</u>

Additional information on the City's capital assets can be found in Note 5 of this report.

**Long-term Debt.** At December 31, 2020, the City had three general obligation bonds outstanding, totaling \$2,900,000 (\$3,560,000 at 2019). 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, 2020 was \$575,855 (\$620,250 at 2019).

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, 2019 the City has received the entire \$1,300,000. The outstanding balance as of December 31, 2020 and 2019 was \$826,253 and \$950,072, respectively.



**CITY OF BLUE ISLAND, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2020**

---

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

	<b>Outstanding General Obligation Debt</b> <b>(in millions)</b>					
	Governmental		Business-type		Total	
	Activities		Activities			
	Dec	Dec	Dec	Dec	Dec	Dec
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$ 1.4	\$ 1.8	\$ -	\$ -	\$ 1.4	\$ 1.8
Alternate revenue source bonds	-	-	1.4	1.7	1.4	1.7
Illinois EPA Water Supply Loan	-	-	0.6	0.6	0.6	0.6
Illinois Finance Authority General obligation bond	0.8	1.0	-	-	0.8	1.0
Installment loans	0.1	0.1	0.2	0.3	0.3	0.4
	<u>\$ 2.3</u>	<u>\$ 2.9</u>	<u>\$ 2.2</u>	<u>\$ 2.6</u>	<u>\$ 4.5</u>	<u>\$ 5.5</u>

The City's total long-term debt, including notes payable, has decreased by \$828,214 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, 2020 was \$15,859,753.

Additional information on the City's long-term debt can be found in Note 9 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.

## **BASIC FINANCIAL STATEMENTS**

**CITY OF BLUE ISLAND, ILLINOIS**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2020**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Public Library
<b>ASSETS</b>				
Cash and cash equivalents	\$ 10,276,419	\$ 1,922,418	\$ 12,198,837	\$ 470,717
Restricted cash	871,665	37,421	909,086	-
Receivables	9,423,515	1,152,665	10,576,180	207,241
Internal balances	3,194,795	(3,194,795)	-	-
Due from other government agencies	179,384	-	179,384	-
Prepaid items	46,497	-	46,497	12,252
Inventory	-	6,639	6,639	-
Capital assets not being depreciated	20,979,867	678,958	21,658,825	-
Capital assets (net of accumulated depreciation)	11,930,195	12,487,337	24,417,532	169,843
Net pension asset	1,409,026	909,561	2,318,587	568,476
Total Assets	58,311,363	14,000,204	72,311,567	1,428,529
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflow of resources related to pensions	3,999,952	77,434	4,077,386	48,396
Deferred outflows of resources related to OPEB	2,607,295	-	2,607,295	-
Total Deferred Outflows of Resources	6,607,247	77,434	6,684,681	48,396
<b>LIABILITIES</b>				
Accounts payable and other accrued expenses	1,652,179	842,317	2,494,496	92,591
Accrued interest payable	-	7,623	7,623	-
Claims payable	650,965	-	650,965	-
Due to other government units	87,650	-	87,650	-
Due to component unit	53,834	-	53,834	-
Other liabilities	61,351	-	61,351	-
Non current liabilities				
Due within one year	904,488	509,772	1,414,260	30,059
Due in more than one year	69,652,590	1,732,865	71,385,455	-
Total Liabilities	73,063,057	3,092,577	76,155,634	122,650
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources related to pensions	4,450,538	929,894	5,380,432	581,184
Deferred inflows of resources related to OPEB	563,608	-	563,608	-
Total Deferred Inflows of Resources	5,014,146	929,894	5,944,040	581,184
<b>NET POSITION</b>				
Net investment in capital assets	32,023,809	10,956,522	42,980,331	169,843
Restricted for				
Grants	1,053,038	-	1,053,038	-
Economic development	14,913,998	-	14,913,998	-
Street maintenance	1,052,348	-	1,052,348	-
Public safety	180,274	-	180,274	-
Debt service	212,683	37,421	250,104	-
Unrestricted	(62,594,743)	(938,776)	(63,533,519)	603,248
Total Net Position	\$ (13,158,593)	\$ 10,055,167	\$ (3,103,426)	\$ 773,091

*The accompanying notes are an integral part of the financial statements.*

**CITY OF BLUE ISLAND, ILLINOIS**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Governmental Activities	Business-type Activities	Total	Public Library
Primary Government								
Governmental activities								
General government	\$ 6,945,131	\$ 1,472,364	\$ 42,455	\$ -	\$ (5,430,312)	\$ -	\$ (5,430,312)	\$ -
Public safety	11,287,879	919,170	731,677	-	(9,637,032)	-	(9,637,032)	-
Public works	2,669,721	1,738,272	1,114,084	-	182,635	-	182,635	-
Interest on debt	76,910	-	-	-	(76,910)	-	(76,910)	-
Total governmental activities	20,979,641	4,129,806	1,888,216	-	(14,961,619)	-	(14,961,619)	-
Business-type activities								
Water and sewer	5,451,244	6,249,488	-	-	-	798,244	798,244	-
Golf course	867,524	1,013,817	-	-	-	146,293	146,293	-
Total business-type activities	6,318,768	7,263,305	-	-	-	944,537	944,537	-
Total Primary Government	\$ 27,298,409	\$ 11,393,111	\$ 1,888,216	\$ -	(14,961,619)	944,537	(14,017,082)	-
Component unit - Public Library	\$ 1,052,302	\$ 18,261	\$ 45,975	\$ 35,000	-	-	-	(953,066)
General Revenues								
Taxes								
Property taxes					9,445,695	-	9,445,695	1,197,763
Replacement taxes					252,614	-	252,614	53,833
Other taxes					4,844,767	-	4,844,767	-
Intergovernmental								
Income tax					2,610,514	-	2,610,514	-
Miscellaneous					312,219	54	312,273	8,151
Total					17,465,809	54	17,465,863	1,259,747
Change in net position					2,504,190	944,591	3,448,781	306,681
Net position, beginning of year					(15,662,783)	9,110,576	(6,552,207)	466,410
Net position, end of year					\$ (13,158,593)	\$ 10,055,167	\$ (3,103,426)	\$ 773,091

*The accompanying notes are an integral part of the financial statements.*

**CITY OF BLUE ISLAND, ILLINOIS**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2020**

	General Fund	Special Tax Increment Allocation Fund II	Special Tax Increment Allocation Fund III	Special Tax Increment Allocation Fund V	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 2,339,856	\$ 1,053,520	\$ 6,163	\$ 2,221,833	\$ 4,655,047	\$ 10,276,419
Restricted cash	871,665	-	-	-	-	871,665
Receivables						
Property taxes-net	3,586,205	-	-	-	4,000,111	7,586,316
Customers-net	346,931	-	-	-	-	346,931
Other-net	1,304,394	-	-	-	185,874	1,490,268
Due from other funds	3,115,336	5,229,166	3,655,538	156,867	322,405	12,479,312
Due from other governmental agencies	3,120	-	-	25,835	150,429	179,384
Prepaid items	46,497	-	-	-	-	46,497
Total assets	<u>\$ 11,614,004</u>	<u>\$ 6,282,686</u>	<u>\$ 3,661,701</u>	<u>\$ 2,404,535</u>	<u>\$ 9,313,866</u>	<u>\$ 33,276,792</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 980,599	\$ 152,845	\$ -	\$ 6,570	\$ 195,640	\$ 1,335,654
Accrued salaries and related expenditures	316,525	-	-	-	-	316,525
Claims payable	650,965	-	-	-	-	650,965
Due to other funds	9,147,545	-	-	11,281	125,691	9,284,517
Due to component unit	53,834	-	-	-	-	53,834
Due to other government units	-	-	-	-	87,650	87,650
Other liabilities	61,351	-	-	-	-	61,351
Total liabilities	<u>11,210,819</u>	<u>152,845</u>	<u>-</u>	<u>17,851</u>	<u>408,981</u>	<u>11,790,496</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Property taxes levied for subsequent year	3,563,872	-	-	-	4,000,111	7,563,983
Unavailable revenue	303,082	-	-	-	600,862	903,944
Total deferred inflows of resources	<u>3,866,954</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,600,973</u>	<u>8,467,927</u>
<b>FUND BALANCES</b>						
Nonspendable						
Prepaid items	46,497	-	-	-	-	46,497
Restricted						
Grants	658,982	-	-	-	394,056	1,053,038
Debt service	212,683	-	-	-	-	212,683
Economic development	-	6,129,841	3,661,701	2,386,684	2,735,772	14,913,998
Street maintenance	-	-	-	-	1,052,348	1,052,348
Public safety	-	-	-	-	180,274	180,274
Assigned						
Public safety	68,190	-	-	-	-	68,190
Parking and special events	126,899	-	-	-	-	126,899
Unassigned (deficit)	<u>(4,577,020)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(58,538)</u>	<u>(4,635,558)</u>
Total fund balances (deficit)	<u>(3,463,769)</u>	<u>6,129,841</u>	<u>3,661,701</u>	<u>2,386,684</u>	<u>4,303,912</u>	<u>13,018,369</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 11,614,004</u>	<u>\$ 6,282,686</u>	<u>\$ 3,661,701</u>	<u>\$ 2,404,535</u>	<u>\$ 9,313,866</u>	<u>\$ 33,276,792</u>

*The accompanying notes are an integral part of the financial statements.*

**CITY OF BLUE ISLAND, ILLINOIS**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

---

Total fund balance of governmental funds		\$ 13,018,369
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		32,910,062
Revenues are recognized for governmental activities when earned, regardless of when collected, and not deferred on the statement of net position		8,467,927
Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings are recognized as deferred outflows and inflows of resources on the statement of net position:		
Deferred outflows of resources related to pensions		3,999,952
Deferred outflows of resources related to OPEB		2,607,295
Deferred inflows of resources related to pensions		(4,450,538)
Deferred inflows of resources related to OPEB		(563,608)
Non-current liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
IFA bond	\$ (826,253)	
Installment loans	(60,000)	
General obligations bonds	(1,480,000)	
Compensated absences	<u>(411,898)</u>	(2,778,151)
Net pension assets and liabilities and other postemployment benefit obligations are not due and payable in the current period and are therefore not reported in the funds:		
Net pension asset	1,409,026	
Net pension liability	(48,861,509)	
Net other postemployment benefit obligation	<u>(18,917,418)</u>	<u>(66,369,901)</u>
Net position of governmental activities		<u><u>\$ (13,158,593)</u></u>

*The accompanying notes are an integral part of the financial statements.*

**CITY OF BLUE ISLAND, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	General Fund	Special Tax Increment Allocation Fund II	Special Tax Increment Allocation Fund III	Special Tax Increment Allocation Fund V	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Property taxes-net	\$ 3,075,700	\$ 690,384	\$ -	\$ 1,443,544	\$ 4,053,237	\$ 9,262,865
Personal property replacement taxes	203,244	-	-	-	49,370	252,614
Other taxes	3,589,815	-	-	-	656,663	4,246,478
Licenses	779,429	-	-	-	-	779,429
Permits	315,311	-	-	-	-	315,311
Motor fuel tax allotments	-	-	-	-	991,245	991,245
Fines and forfeitures	404,263	-	-	-	22,671	426,934
Intergovernmental	3,361,975	-	-	-	-	3,361,975
Interest	7,501	650	2	1,494	4,045	13,692
Other	3,011,945	-	-	40,542	-	3,052,487
Total Revenues	14,749,183	691,034	2	1,485,580	5,777,231	22,703,030
<b>EXPENDITURES</b>						
Current						
General government	4,797,037	233,866	60	802,486	379,652	6,213,101
Public safety	7,238,919	-	-	-	3,483,987	10,722,906
Public works	2,633,716	-	-	-	181,468	2,815,184
Capital outlay	298,323	-	-	-	103,804	402,127
Debt service						
Principal	16,102	-	-	-	468,819	484,921
Interest and fiscal charges	15,544	-	-	-	61,366	76,910
Total Expenditures	14,999,641	233,866	60	802,486	4,679,096	20,715,149
Excess (deficiency) of revenues over expenditures	(250,458)	457,168	(58)	683,094	1,098,135	1,987,881
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	401,249	-	-	-	17,326	418,575
Transfers out	(17,326)	-	-	-	(401,249)	(418,575)
Total other financing sources (uses)	383,923	-	-	-	(383,923)	-
Net change in fund balances	133,465	457,168	(58)	683,094	714,212	1,987,881
Fund balances (deficit) at beginning of year	(3,597,234)	5,672,673	3,661,759	1,703,590	3,589,700	11,030,488
Fund balances (deficit) at end of year	<u>\$ (3,463,769)</u>	<u>\$ 6,129,841</u>	<u>\$ 3,661,701</u>	<u>\$ 2,386,684</u>	<u>\$ 4,303,912</u>	<u>\$ 13,018,369</u>

*The accompanying notes are an integral part of the financial statements.*

**CITY OF BLUE ISLAND, ILLINOIS**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCE**  
**OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

---

Net change in fund balance - total governmental funds	\$	1,987,881
---	----	-----------

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense

Capital outlay reported in governmental fund statements	\$	880,926	
Depreciation expense reported in the statement of activities		(861,053)	19,873

Revenues in the statement of activities that are not available in governmental funds are not reported as revenue in governmental funds until received		780,801
---	--	---------

The repayment of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities		
Repayment of principal on bonds and loans		484,921

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

Change in compensated absences	(44,577)	
Pension expense	(105,179)	
Other postemployment benefits expense	(619,530)	(769,286)

Change in net position of governmental activities	\$	2,504,190
---	----	-----------

*The accompanying notes are an integral part of the financial statements.*



**CITY OF BLUE ISLAND, ILLINOIS**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2020**

	Water	Golf Course	Total Proprietary Funds
<b>ASSETS</b>			
Current Assets			
Cash and cash equivalents	\$ 1,509,975	\$ 412,443	\$ 1,922,418
Restricted cash	37,421	-	37,421
Accounts receivable			
Customers	1,746,488	-	1,746,488
Less: allowance for doubtful accounts	(593,823)	-	(593,823)
Due from other funds	132,255	-	132,255
Inventory	-	6,639	6,639
	<u>2,832,316</u>	<u>419,082</u>	<u>3,251,398</u>
Total current assets			
Noncurrent Assets			
Property and equipment			
Land	8,958	670,000	678,958
Buildings and land improvement	119,808	4,775,578	4,895,386
Equipment	1,799,375	374,259	2,173,634
Infrastructure	22,871,203	-	22,871,203
Less: accumulated depreciation	(14,482,388)	(2,970,498)	(17,452,886)
Net pension asset	795,866	113,695	909,561
	<u>11,112,822</u>	<u>2,963,034</u>	<u>14,075,856</u>
Total noncurrent assets			
Total assets	<u>13,945,138</u>	<u>3,382,116</u>	<u>17,327,254</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	<u>67,755</u>	<u>9,679</u>	<u>77,434</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable	647,733	129,655	777,388
Accrued salaries	58,970	5,616	64,586
Due to other funds	-	3,327,050	3,327,050
EPA loan payable	44,951	-	44,951
Installment loan payable	85,487	-	85,487
Lease payable	39,449	-	39,449
Bonds payable	330,000	-	330,000
Other liabilities	-	343	343
Compensated absences payable	7,742	2,143	9,885
Accrued interest payable	7,623	-	7,623
	<u>1,221,955</u>	<u>3,464,807</u>	<u>4,686,762</u>
Total current liabilities			

*The accompanying notes are an integral part of the financial statements.*

**CITY OF BLUE ISLAND, ILLINOIS**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS (Continued)**  
**DECEMBER 31, 2020**

	Water	Golf Course	Total Proprietary Funds
<b>LIABILITIES (Continued)</b>			
Noncurrent Liabilities			
EPA loan payable	\$ 530,904	\$ -	\$ 530,904
Installment loan payable	88,982	-	88,982
Bonds payable	1,090,000	-	1,090,000
Unamortized bond premium	22,979	-	22,979
	<u>1,732,865</u>	<u>-</u>	<u>1,732,865</u>
Total noncurrent liabilities			
	<u>1,732,865</u>	<u>-</u>	<u>1,732,865</u>
Total liabilities	<u>2,954,820</u>	<u>3,464,807</u>	<u>6,419,627</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	<u>813,657</u>	<u>116,237</u>	<u>929,894</u>
<b>NET POSITION</b>			
Net investment in capital assets	8,107,183	2,849,339	10,956,522
Restricted for debt service	37,421	-	37,421
Unrestricted	<u>2,099,812</u>	<u>(3,038,588)</u>	<u>(938,776)</u>
Total net position	<u>\$ 10,244,416</u>	<u>\$ (189,249)</u>	<u>\$ 10,055,167</u>

*The accompanying notes are an integral part of the financial statements.*

**CITY OF BLUE ISLAND, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Water	Golf Course	Total
<b>OPERATING REVENUES</b>			
Water sales	\$ 5,245,071	\$ -	\$ 5,245,071
Sewer maintenance fees	990,514	-	990,514
Sale of water meters	9,980	-	9,980
Golf course	-	786,804	786,804
Pro shop and concessions	-	201,895	201,895
Miscellaneous	3,923	25,118	29,041
	<u>6,249,488</u>	<u>1,013,817</u>	<u>7,263,305</u>
Total operating revenues			
<b>OPERATING EXPENSES</b>			
Salaries and benefits			
Full-time salaries	1,111,425	91,679	1,203,104
Part-time salaries	4,874	84,705	89,579
Overtime wages	61,471	-	61,471
Illinois Municipal Retirement Fund	183,708	19,298	203,006
Payroll taxes-FICA and Medicare	79,196	11,918	91,114
Employee medical insurance	298,057	17,064	315,121
Pension items related to actuary adjustments	(365,254)	(52,178)	(417,432)
Life/unemployment insurance	685	4,741	5,426
	<u>1,374,162</u>	<u>177,227</u>	<u>1,551,389</u>
Total salaries and benefits			
Services			
Computers and software	1,739	1,551	3,290
Landscaping and grounds maintenance	-	323,591	323,591
Professional consulting and engineering	131,898	-	131,898
Other contractual services	9,741	1,958	11,699
Telephone	-	3,939	3,939
Utilities- electricity	30,079	17,460	47,539
Utilities-water	-	56,916	56,916
Utilities- other	4,517	2,299	6,816
Water billing	50,670	-	50,670
	<u>228,644</u>	<u>407,714</u>	<u>636,358</u>
Total services			

*The accompanying notes are an integral part of the financial statements.*

**CITY OF BLUE ISLAND, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Water	Golf Course	Total
<b>OPERATING EXPENSES (Continued)</b>			
Supplies and materials			
Concrete/asphalt/stone	\$ 10,059	\$ -	\$ 10,059
Gasoline and oil for vehicles	11,269	17,221	28,490
Maintenance supplies	19,353	782	20,135
Operating supplies	-	3,478	3,478
Printing, postage, and office supplies	34,764	170	34,934
Fire hydrants	9,154	-	9,154
Safety equipment and supplies	2,390	-	2,390
Total supplies and materials	86,989	21,651	108,640
Repairs and maintenance			
Building	40,746	4,536	45,282
Equipment	7,659	714	8,373
Outside contractors	89,605	-	89,605
Vehicle	7,115	-	7,115
Total repairs and maintenance	145,125	5,250	150,375
Water from Chicago	2,834,361	-	2,834,361
Merchandise for resale	-	87,448	87,448
Miscellaneous			
Bank charges	31,734	18,435	50,169
Agent/Trust fees- debt service	400	-	400
Dues and subscriptions	483	150	633
Licenses and fees	6,000	716	6,716
Rental & leasing fees	1,109	48,787	49,896
Total miscellaneous	39,726	68,088	107,814

*The accompanying notes are an integral part of the financial statements.*

**CITY OF BLUE ISLAND, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Water	Golf Course	Total
<b>OPERATING EXPENSES (Continued)</b>			
Capital expenditures			
Water meter purchases	\$ 16,798	\$ -	\$ 16,798
Office equipment	2,415	-	2,415
Total capital expenditures	19,213	-	19,213
Operating expenses before depreciation	4,728,220	767,378	5,495,598
Depreciation	630,750	100,146	730,896
Total operating expenses	5,358,970	867,524	6,226,494
Operating income (loss)	890,518	146,293	1,036,811
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest income	44	10	54
Interest expense	(97,372)	-	(97,372)
Bond premium amortization	5,098	-	5,098
Total nonoperating revenues (expenses)	(92,230)	10	(92,220)
Change in net position	798,288	146,303	944,591
Net position at beginning of year	9,446,128	(335,552)	9,110,576
Net position at end of year	\$ 10,244,416	\$ (189,249)	\$ 10,055,167

*The accompanying notes are an integral part of the financial statements.*

**CITY OF BLUE ISLAND, ILLINOIS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Water	Golf Course	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 6,089,033	\$ 1,013,817	\$ 7,102,850
Payment to suppliers	(3,281,508)	(610,432)	(3,891,940)
Payment to employees	(1,714,933)	(228,154)	(1,943,087)
Net cash from operating activities	<u>1,092,592</u>	<u>175,231</u>	<u>1,267,823</u>
<b>CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Repayment of interfund loans	<u>7,427</u>	<u>(1,516)</u>	<u>5,911</u>
Net cash from noncapital financing activities	<u>7,427</u>	<u>(1,516)</u>	<u>5,911</u>
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchase of capital assets	(304,570)	-	(304,570)
Bond principal payments	(315,000)	-	(315,000)
IEPA loan payments	(44,395)	-	(44,395)
Lease payments	(38,257)	-	(38,257)
Installment loan	(82,127)	-	(82,127)
Interest payments	(101,824)	-	(101,824)
Net cash from capital and related financing activities	<u>(886,173)</u>	<u>-</u>	<u>(886,173)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Interest income	<u>44</u>	<u>10</u>	<u>54</u>
Net cash from investing activities	<u>44</u>	<u>10</u>	<u>54</u>
Change in cash and cash equivalents	213,890	173,725	387,615
Cash and cash equivalents at Beginning of year	<u>1,333,506</u>	<u>238,718</u>	<u>1,572,224</u>
End of year	<u><u>\$ 1,547,396</u></u>	<u><u>\$ 412,443</u></u>	<u><u>\$ 1,959,839</u></u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ 890,518	\$ 146,293	\$ 1,036,811
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation	630,750	100,146	730,896
Net change in pension related items	(365,254)	(52,178)	(417,432)
Change to asset and liabilities			
Change in prepaid expense	23,983	1,334	25,317
Change in customer accounts receivables	(226,115)	-	(226,115)
Change in allowance for doubtful accounts	65,660	-	65,660
Change in accounts payable	48,567	(21,615)	26,952
Change in accrued salaries	30,795	841	31,636
Change in compensated absences	(6,312)	410	(5,902)
Net cash from operating activities	<u><u>\$ 1,092,592</u></u>	<u><u>\$ 175,231</u></u>	<u><u>\$ 1,267,823</u></u>

*The accompanying notes are an integral part of the financial statements.*

**CITY OF BLUE ISLAND, ILLINOIS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**PENSION TRUST FUNDS**  
**DECEMBER 31, 2020**

---

	Pension Trust Funds
<b>ASSETS</b>	
Cash and cash equivalents	\$ 122,737
Investments	
US treasury	3,454,633
US government securities	2,527,173
US government agencies	191,873
Mutual funds	13,657,300
Corporate obligations	2,766,435
Money market mutual funds	280,811
Receivables	
Interest receivable	52,071
Personal property replacement taxes receivable	49,370
	<hr/>
Total assets	23,102,403
	<hr/>
<b>LIABILITIES</b>	
Accounts payable	14,512
	<hr/>
Total liabilities	14,512
	<hr/>
<b>NET POSITION</b>	
Net position held in trust for pension benefits	\$ 23,087,891
	<hr/> <hr/>

*The accompanying notes are an integral part of the financial statements.*

**CITY OF BLUE ISLAND, ILLINOIS**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**PENSION TRUST FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Pension Trust Funds</u>
<b>ADDITIONS</b>	
Contributions	
Employee contributions	\$ 485,348
Employer contributions	<u>3,427,384</u>
Total contributions	<u>3,912,732</u>
Investment income	
Investment income	2,839,812
Investment fees	<u>(60,101)</u>
Net investment income	<u>2,779,711</u>
Other income	<u>1,323</u>
Total additions	<u>6,693,766</u>
<b>DEDUCTIONS</b>	
Benefits and refunds	3,630,190
Administrative costs	<u>77,934</u>
Total deductions	<u>3,708,124</u>
Net change in plan net position	2,985,642
Net position held in trust for pension benefits at beginning of year	<u>20,102,249</u>
Net position held in trust for pension benefits at end of year	<u><u>\$ 23,087,891</u></u>

*The accompanying notes are an integral part of the financial statements.*



**CITY OF BLUE ISLAND, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

---

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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 fourteen Aldermen and a Mayor, and provides the following services: public safety (fire and police), streets, sanitation, water, public improvements, planning, recreation, zoning, and general administrative.

**A. REPORTING ENTITY**

These financial statements present all the departments, commissions and fund types of the City (primary government) and a component unit based on financial accountability. Financial accountability includes appointment of the Organization's governing body, imposition of will and fiscal dependency. The Mayor is responsible for appointing two of the five Trustees to each of the City of Blue Island Police and Firefighters' Pension Boards, but the City's accountability for these funds does not extend beyond making these appointments, and making contributions to the funds as actuarially determined.

*Component Units that are Fiduciary in Nature* – The Police Pension Fund and Firefighters' Pension Fund of the City of Blue Island are Illinois local governments, as such; they are separate legal entities with their own management authority. These funds exist solely to provide pension benefits for the City's police officers and Firefighters' and their beneficiaries. The financial statements of the Pension funds as of and for the year ended December 31, 2020, are reported as pension trust funds – fiduciary funds.

*Discretely Presented Component Unit* – A discretely presented component unit is presented in a separate column in the combined financial statements to emphasize that it is legally separate from the City. The Blue Island Public Library is governed by an eight-member Board appointed by the City's Mayor. Although it is legally separate from the City, the Library may not issue debt without the City's approval, and its property tax levy request is subject to the City's approval.

Complete financial statements may be obtained from the Library's administrative office at 2433 York Street, Blue Island, Illinois 60406.

**B. BASIS OF PRESENTATION/ MEASUREMENT FOCUS/BASIS OF ACCOUNTING**

**Government-Wide Financial Statements:**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary and proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**CITY OF BLUE ISLAND, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

---

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. BASIS OF PRESENTATION/ MEASUREMENT FOCUS/BASIS OF ACCOUNTING (CONT.)**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City and its component unit. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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 properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, fiduciary funds and proprietary funds. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund 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 recognized when susceptible to accrual (when they are “measurable and available”). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers all revenues available if they are collected within 60 days after year end. Expenditures are generally recorded when the related fund liability is incurred. However, debt service expenditures and expenditures related to compensated absences payable and claims and judgments are recorded only when payment is due.

Governmental fund property taxes, franchise taxes, interest, licenses and charges for services are susceptible to accrual and so have been recognized as revenues of the current fiscal period if recognition criteria are met. Replacement income tax, state income tax, and sales tax collected and held by the State at year end on behalf of the City are also recognized as revenue. Other receipts become measurable and available when cash is received by the City, and are recognized as revenue at that time.

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. Operating expense 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.

**CITY OF BLUE ISLAND, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

---

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. BASIS OF PRESENTATION/ MEASUREMENT FOCUS/BASIS OF ACCOUNTING (CONT.)**

The City reports the following major governmental funds:

**General Fund** – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those accounted for in another fund.

**Special Tax Increment Allocation Fund II** – A Special Revenue Fund 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 Fund III** – A Special Revenue Fund 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 Fund V** – A Special Revenue Fund 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. The City has elected to report this fund as major.

The City reports the following major proprietary funds:

**Water Fund** – Accounts for the provision of water and sewer services 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 the operation and maintenance 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.

**C. CASH AND CASH EQUIVALENTS**

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within 3 months of year-end. Investments are stated at fair value. Fair value for the investment in Illinois Funds is the same as the value of the pooled shares. State Statute requires the State Treasurer's Illinois Funds to comply with the Illinois Public Funds Investment Act.

**D. RECEIVABLES/PAYABLES**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Amounts due from individuals, organizations or other governmental units are recorded as receivables at year-end. These amounts include charges for services rendered, or for goods and materials provided by the City, including amounts for unbilled services. Receivables are shown net of an allowance for uncollectible accounts, where applicable. Receivables are also recognized for property taxes, sales and excise taxes, loans, assessments and intergovernmental grants.

**CITY OF BLUE ISLAND, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

---

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. INVENTORIES AND PREPAID ITEMS**

Inventories in the proprietary funds are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items accounted for on the consumption method.

**F. RESTRICTED ASSETS**

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.

**G. CAPITAL ASSETS**

Capital assets, which include property, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of more than \$5,000 (\$25,000 for buildings, land improvements and infrastructure) and an estimated useful life in excess of one year. Such assets are recorded at cost where historical records are available or at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated acquisition value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of proprietary fund capital asset is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

Property and equipment of the primary government, as well as the component units, is depreciated using the straight-line method.

The following estimated useful lives are used to compute depreciation on a straight-line basis:

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

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**H. COMPENSATED ABSENCES**

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation and sick 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. Payments of compensated absences are made by the governmental funds for which the eligible employee salary is recorded.

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.

**I. LONG-TERM OBLIGATIONS**

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations, including compensated absences and net pension obligation, are reported as liabilities in the applicable governmental or business-type activities and proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

Governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued and any premium received with the proceeds is reported as an other financing source. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**J. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

**K. FUND BALANCE / NET POSITION**

Governmental funds' fund balance is classified as the following:

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted fund balance is externally enforceable limitations on use, such as limitations imposed by creditors, grantors, contributors, or laws and regulations of other governments as well as limitations imposed by law through constitutional provision or enabling legislation.

**CITY OF BLUE ISLAND, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

---

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**K. FUND BALANCE / NET POSITION**

Committed fund balance is a self-imposed limitation set in place prior to the end of the period. The limitations are imposed at the highest level of decision making that requires formal action at the same level. For the City, the City Council is the highest level of decision making and a formal action by the City Council would be required to establish, modify or rescind a fund balance commitment. There are no committed fund balances.

Assigned fund balance has limitations resulting from intended use, where the intended use is established by the City Council.

Unassigned fund balance is the total fund balance in the general fund in excess of nonspendable, restricted, committed, and assigned fund balance. This also includes any negative fund balance in other funds.

If there is an expenditure incurred for purposes for which committed, assigned, or unassigned fund balance classifications could be used, then the City will consider committed fund balance to be spent first, then assigned fund balance and finally unassigned fund balance. If there is an expenditure incurred for the purposes for which restricted or unrestricted could be used, then the City will consider restricted fund balance to be spent first, then unrestricted fund balance.

In the government-wide and proprietary fund financial statements, restricted net position is legally restricted by outside parties for a specific purpose. A portion of governmental activities' net position is restricted for the same purposes as governmental fund balances. A portion of the business-type activities' and Water Fund's net position is restricted for bond and interest reserves. Net investment in capital assets represents the City's investment in the book value of capital assets, less any outstanding debt that was issued to construct or acquire the capital assets. Unrestricted net position consists of net position that does not meet the definition of restricted or net investment in capital assets.

**L. USE OF ESTIMATES**

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

**NOTE 2. DEFICIT FUND EQUITY**

The following Funds have deficit balances; the General Fund has a deficit fund balance of \$3,463,769, the Debt Service Fund has a deficit fund balance of \$58,538, and the Golf Fund has a deficit fund balance of \$189,249. Funding of these deficits is expected to be repaid from future tax revenues, transfers from other funds, and a reduction of future operating expenditures.

**CITY OF BLUE ISLAND, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

---

**NOTE 3. DEPOSITS AND INVESTMENTS**

Statutes authorize the City to invest in the following:

- Bonds, notes, certificates of indebtedness, Treasury bills or other securities which are guaranteed by the full faith and credit of the United States of America as to principal and interest.
- Bonds, notes, debentures or similar obligations of the United States of America or its agencies.
- Savings accounts, certificates of deposit, time accounts, or any other investment constituting direct obligations of a bank, as defined by the Illinois Banking Act. Securities legally issuable by savings and loan associations incorporated under the laws of any state of the United States of America. Share accounts and share certificates of a credit union chartered under the laws of the State of Illinois or United States of America, provided the principal office of the credit union is located within the State of Illinois. Short-term discount obligations of the Federal National Mortgage Association (FNMA).
- Investments may be made only in financial institutions which are insured by either the Federal Deposit Insurance Corporation, or other applicable law for credit unions.
- Short-term obligations (maturing within 270 days of date of purchase) of corporations with assets exceeding five hundred million dollars (\$500,000,000). Such obligations must be rated, at the time of purchase, at one of the three highest classifications established by at least two standard rating services. This type of obligation is limited to one-third of the City's funds available for investment, and cannot exceed 10% of the corporation's outstanding obligation.
- Money market mutual funds registered under the Investment Company Act of 1940 which invest only in bonds, notes, certificates of indebtedness, Treasury bills or other securities which are guaranteed by the full faith and credit of the United States of America as to principal and interest, and agree to repurchase such obligations. In addition, the City may also invest in a fund managed, operated and administered by a bank.
- Repurchase agreements of government securities subject to The Government Securities Act of 1986.
- Illinois Funds, a money market fund overseen by the Treasurer of the State of Illinois.

Investments with maturities of one year or more from the date of purchase are stated at fair value based on quoted market prices. Investments with maturities of one year or less from the date of purchase are stated at amortized cost. Investment income has been allocated to each fund based on investments held by the fund.

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the City's deposits may not be returned to it. 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. As of December 31, 2020, the bank balance of \$13,138,320 was collateralized with securities held by the bank. The remaining balance of \$291,289 was uncollateralized.

*Interest Rate Risk* – This is the risk that changes in the market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City's investment policy does not specifically address interest rate risk; however, in practice the City manages its interest rate risk by investing idle funds in the Illinois Funds, a money market account which allows for immediate access to existing balances.

**CITY OF BLUE ISLAND, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

---

**NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)**

*Credit Risk* – Generally, credit risk is the risk that an issuer of a debt type instrument will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. The City's investments with Illinois Funds are rated AAAM by Standards and Poor's rating service.

*Custodial Credit Risk* – For investments, this is the risk that in the event of the failure of the counterparty, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The City's cash equivalents at December 31, 2020 are with the Illinois Funds. These cash equivalents are pooled along with other participants' monies, and invested in U.S. Treasury bills and notes backed by the full faith and credit of the U.S. Treasury.

**Police Pension Trust Fund**

*Investments-Police Pension Trust Fund*

The Police Pension Fund is authorized to invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America. The fund may also invest in savings accounts or certificates of deposits issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois bonds; pooled accounts managed by the Illinois Fund Market Fund (formerly known as IPTIP, Illinois Public Treasurer's Investment Pool), or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois; money market mutual funds managed by investment companies that are registered under the Federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to special restrictions; general accounts of life insurance companies; and separate accounts of life insurance companies and mutual funds, the mutual funds must meet specific restrictions, provided the investment is in separate accounts and mutual funds does not exceed ten percent of the Fund's plan net position; and corporate bonds managed through an investment advisor, rated as investment grade by one of the two largest rating services at the time of purchase.

Per the Police Pension Fund's investment policy, domestic equity investments shall be defined as common stocks created or existing under the laws of the United States and are listed on a national securities exchange, board of trade or are quoted in the National Association of Securities Dealers Automated Quotations System National Market System. Said issuers shall have been in existence for at least five years and have not been in arrears of any payment of dividends on its preferred stock during the preceding five years. Domestic equities shall also be defined as mutual funds managed by an investment company as defined and registered under the Federal Investment Company Act of 1940 and registered under the Illinois Securities Law of 1953, have been in operation for at least five years, have total assets of \$250 million or more and invest in a diversified portfolio of common or preferred stocks, bonds, or money market instruments and exchange traded funds (ETF's).



**CITY OF BLUE ISLAND, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

---

**NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)**

**Police Pension Trust Fund (Continued)**

The Police Pension Fund's investment policy also states that international and real estate securities shall be defined as diversified mutual funds managed by an investment company as defined and registered under the Federal Investment Company Act of 1940 and registered under the Illinois Securities Law of 1953, have been in operation for at least five years, have total assets of \$250 million or more, and invest in a diversified portfolio of stocks, bonds, or money market instruments or bank collective trusts invested in a diversified portfolio of stocks, bonds, or money market instruments and exchange traded funds.

The primary investment policies of the fund, in the order of priority are as follows:

- a. **Safety** – Investments shall be undertaken in a manner that seeks to ensure the preservation of capital. As such, the Board of Trustees has consciously diversified the aggregate fund to ensure that adverse or unexpected results will not have an excessively detrimental impact on the entire portfolio. Diversification is to be interpreted to include diversification by asset type, by characteristic, by number of investments, and in the case of investment managers by investment style.
- b. **Liquidity** – The investment portfolio will remain sufficiently liquid to enable the pension fund to pay all necessary benefits and meet all operating requirements which might be reasonably anticipated.
- c. **Return on Investment** – Assets will be invested to achieve attractive real rates of return. Following the Prudent Person Standard for preservation of capital, assets will be invested to achieve the highest possible rate of return, consistent with the Fund's tolerance for risk as determined by the Board of Trustees in its role as a fiduciary.

The Police Pension Fund's performance objective is to meet or exceed the return of the blended market indexes of 35% of the Barclays Capital Aggregate Bond Index and Custom Equity Index comprised 55% S&P 500 and 10% MSCI EAFE.

At December 31, 2020 the Police Pension Fund had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities		
		Less than One Year	One to Five Years	Six to Ten Years
U.S. Government Securities	\$ 2,367,216	\$ 603,251	\$ 1,469,187	\$ 294,778
U.S. Treasury	1,905,922	602,094	564,883	738,945
Corporate Obligations	1,204,404	-	674,014	530,390
Money Market Accounts	280,811	280,811	-	-
<b>Total</b>	<b>5,758,353</b>	<b>\$ 1,486,156</b>	<b>\$ 2,708,084</b>	<b>\$ 1,564,113</b>
Investments not sensitive to interest rate risk:				
Mutual Funds	10,677,185			
<b>Total Investments</b>	<b>\$ 16,435,538</b>			

**CITY OF BLUE ISLAND, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

---

**NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)**

**Police Pension Trust Fund (Continued)**

*Interest Rate Risk.* Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. In accordance with the Fund's investment policy, the Fund 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. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Fund helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government.

The Police Pension Fund's investment policy requires investments be rated as investment grade by one of the largest rating services. Investment grade is defined as BBB- or higher for Standard & Poor's and Baa3 or higher by Moody's Investors Service.

For the year ended December 31, 2020, the Police Pension Fund's investments in the securities of the U.S. government agencies were rated Aaa and corporate bonds were rated A1, Aa1, A2, or A3 by Moody's Investors Services. Standard & Poor's ratings for U.S. government agencies and corporate bonds were all BBB+ or higher ratings.

*Custodial Credit Risk.* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Money market mutual funds and equity mutual funds are not subject to custodial credit risk. The Fund limits its exposure to custodial credit risk by utilizing an independent third-party institution, selected by the Fund, to act as custodian for its securities and collateral.

*Concentration Risk.* This is the risk of loss attributed to the magnitude of the Fund's investment in a single issuer. The investment policy of the Fund contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the Illinois Compiled Statutes Pension Code. Agency investments represent a portion of the portfolio; however, the investments are diversified by maturity date and are backed by the issuing organization. Agency securities do not have the "full faith and credit" backing of the U.S. Government, they are considered to have a moral obligation of implicit backing and are supported by Treasury lines of credit and increasingly stringent federal regulation. The Fund's investment policy provides diversification by asset type, by characteristic, by number of investments, and in the case of "Investment Manager", by investment style.

The fair value measurements authoritative literature establishes a fair value hierarchy that categorizes into three levels the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted market prices for identical assets, and Level 3 inputs are unobservable and have the lowest priority. The Fund uses the appropriate valuation techniques based on the available inputs because they generally provide the most reliable evidence of fair value. When available, the Fund measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs were used only when Level 1 and Level 2 inputs were not available.

**CITY OF BLUE ISLAND, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

---

**NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)**

**Police Pension Trust Fund (Continued)**

The following table presents the investments fair value measurements as of December 31, 2020:

Investment Type	Fair Value	Level 1 Inputs	Level 2 Inputs
U.S. Government Securities	\$ 2,367,216	\$ 2,367,216	\$ -
U.S. Treasury	1,905,922	1,905,922	-
Corporate Obligations	1,204,404	-	1,204,404
Mutual Funds	10,677,185	10,677,185	-
Total	<u>\$ 16,154,727</u>	<u>\$ 14,950,323</u>	<u>\$ 1,204,404</u>

**Firefighters' Pension Fund**

*Investments – Firefighters' Pension Trust Fund*

The Firefighters' Pension Fund is authorized to invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America. The fund may also invest in savings accounts or certificates of deposits issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois bonds: pooled accounts managed by the Illinois Fund Market Fund (formerly known as IPTIP, Illinois Public Treasurer's Investment Pool), or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois; money market mutual funds managed by investment companies that are registered under the Federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to special restrictions; general accounts of life insurance companies; and separate accounts of life insurance companies and mutual funds, the mutual funds must meet specific restrictions, provided the investment is in separate accounts and mutual funds does not exceed ten percent of the Fund's plan net position; and corporate bonds managed through an investment advisor, rated as investment grade by one of the two largest rating services at the time of purchase.

Per the Fund's investment policy, domestic equity investments shall be defined as an account managed by a life insurance company authorized to do business in Illinois, comprised of real estate loans or upon real estate secured by first or second mortgages, mutual funds managed by an investment company as defined and registered under the Federal Investment Company Act of 1940 and registered under the Illinois Securities Law of 1953, have been in operation for at least five years, have total assets of \$250 million or more and invest in a diversified portfolio of common or preferred stocks, bonds, or money market instruments and exchange traded funds (ETFs), common or preferred stocks created or existing under the laws of the United States and are listed on a national securities exchange, board of trade or are quoted in the National Association of Securities Dealers Automated Quotations System National Market System, and separate accounts of a life insurance company authorized to do business in Illinois comprised of common or preferred stocks, bonds or money market instruments.

The Fund's investment policy prohibits short selling, margin transactions, purchase of commodities or options, and any borrowing or lending agreements.

**CITY OF BLUE ISLAND, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

---

**NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)**

**Firefighters' Pension Fund (Continued)**

The primary investment objectives of the Firefighters' Pension Fund, in the order of priority, are as follows:

- a. Safety – Investments shall be undertaken in a manner that seeks to ensure the preservation of capital. As such, the Board of Trustees has consciously diversified the aggregate fund to ensure that adverse or unexpected results will not have an excessively detrimental impact on the entire portfolio. Diversification is to be interpreted to include diversification by asset type, by characteristic, by number of investments, and in the case of investment managers by investment style.
- b. Liquidity – The investment portfolio will remain sufficiently liquid to enable the pension fund to pay all necessary benefits and meet all operating requirements which might be reasonably anticipated.
- c. Return on Investment – Assets will be invested to achieve attractive real rates of return. Following the Prudent Person Standard for preservation of capital, assets will be invested to achieve the highest possible rate of return, consistent with the Fund's tolerance for risk as determined by the Board of Trustees in its role as a fiduciary.

*Interest Rate Risk:* Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. To limit interest rate risk, the Fund's investment policy requires investments in securities that would give the fixed income portfolio a duration of within 0.25 of the Lehman Intermediate Government Bond index.

At December 31, 2020 the Firefighters' Pension Fund had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities			
		Less than One Year	One to Five Years	Six to Ten Years	Greater than Ten Years
U.S. Government Securities	\$ 159,957	\$ -	\$ 159,957	\$ -	\$ -
U.S. Treasury	1,548,711	100,147	776,086	672,478	-
U.S. Agencies	191,873	31	2,260	27,956	161,626
Corporate Obligations	1,562,031	-	709,979	852,052	-
Total	3,462,572	\$ 100,178	\$ 1,648,282	\$ 1,552,486	\$ 161,626
Investments not sensitive to interest rate risk:					
Mutual Funds	2,980,115				
Total Investments	\$ 6,442,687				

**CITY OF BLUE ISLAND, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

---

**NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)**

**Firefighters' Pension Fund (Continued)**

*Credit Risk.* Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. To mitigate credit risk, the Fund's 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.

The Fund's investment policy requires investments 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 Service.

*Custodial Credit Risk.* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Fund's investment policy requires all deposits in excess of FDIC insurance limits to be collateralized and all investments to be held by an independent third-party custodian.

*Concentration Risk.* This is the risk of loss attributed to the magnitude of the Fund's investment in a single issuer. The Fund contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the Illinois Compiled Statutes Pension Code. The Fund's investment practice provides diversification by asset type, by characteristic, by number of investments, and in the case of "Investment Manager", by investment style.

The Fund's investments are reported at fair value in the accompanying statement of fiduciary net position. Gains and losses (realized and unrealized) included in changes in fiduciary net position for the year ended December 31, 2020, are reported in net appreciation in fair value of investments.

The fair value measurements authoritative literature establishes a fair value hierarchy that categorizes into three levels the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted market prices for identical assets, and Level 3 inputs are unobservable and have the lowest priority. The Fund uses the appropriate valuation techniques based on the available inputs because they generally provide the most reliable evidence of fair value. When available, the Fund measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs were used only when Level 1 and Level 2 inputs were not available.

The following table presents the investments fair value measurements as of December 31, 2020:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>
U.S. Government Securities	\$ 159,957	\$ -	\$ 159,957
U.S. Treasury	1,548,711	1,548,711	-
U.S. Agencies	191,873	-	191,873
Corporate Obligations	1,562,031	-	1,562,031
Mutual Funds	2,980,115	2,980,115	-
Total	<u>\$ 6,442,687</u>	<u>\$ 4,528,826</u>	<u>\$ 1,913,861</u>

**CITY OF BLUE ISLAND, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

---

**NOTE 4. RECEIVABLES**

The City levies property tax each calendar year on all taxable real property located in the City. The City must file its tax levy ordinance on or before the last Tuesday in December of each year. Taxes levied in one year become due and payable in two installments, due March 1 and no earlier than August 1 during the following year. The first installment is an estimated bill, and is 55% of the prior year's tax bill. The second installment is based on the current levy, assessment and equalization, and any changes from the prior year will be reflected in the second installment bill. The levy becomes an enforceable lien against the property as of January 1 of the levy year.

The City considers that the 2019 levy to be used to finance operations in calendar year 2020. The 2020 levy will be used to finance operations in calendar year 2021. The Board passed the 2020 levy on December 8, 2020. The Property taxes collected by the City that are due within the current year are recognized as revenue, and net taxes receivable are reflected as deferred revenue. Based upon collection histories, the City has provided an allowance for uncollectible property taxes of 6% of the current year's levy.

Trade accounts receivable, consisting of amounts due from residents for water, sewer and refuse service, are recorded net of uncollectible amounts, as determined by management. An allowance for uncollectible trade receivables of \$63,039 in the General Fund and \$593,823 in the Water Fund were recorded as of December 31, 2020.

**NOTE 5. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 20,289,512	\$ -	\$ -	\$ 20,289,512
Construction in progress	-	690,355	-	690,355
Total capital assets not being depreciated	<u>20,289,512</u>	<u>690,355</u>	<u>-</u>	<u>20,979,867</u>
Capital assets being depreciated:				
Buildings and land improvements	14,393,797	-	-	14,393,797
Infrastructure	19,172,414	51,557	-	19,223,971
Equipment	8,642,135	139,014	-	8,781,149
Total capital assets being depreciated	<u>42,208,346</u>	<u>190,571</u>	<u>-</u>	<u>42,398,917</u>
Less accumulated depreciation for:				
Building and land improvements	9,023,950	382,998	-	9,406,948
Infrastructure	12,705,594	328,498	-	13,034,092
Equipment	7,878,125	149,557	-	8,027,682
Total accumulated depreciation	<u>29,607,669</u>	<u>861,053</u>	<u>-</u>	<u>30,468,722</u>
Total capital assets being depreciated, net	<u>12,600,677</u>	<u>(670,482)</u>	<u>-</u>	<u>11,930,195</u>
Governmental activities capital assets, net	<u>\$ 32,890,189</u>	<u>\$ 19,873</u>	<u>\$ -</u>	<u>\$ 32,910,062</u>

**CITY OF BLUE ISLAND, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 5. CAPITAL ASSETS (CONTINUED)**

Depreciation expense was charged to functions/programs of the governmental activities of the primary government as follows:

General government	\$ 725,115
Public safety	105,166
Public works	<u>30,772</u>
Total depreciation - governmental activities	<u>\$ 861,053</u>

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type Activities</b>				
Capital assets not being depreciated				
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	4,895,386	-	-	4,895,386
Infrastructure	22,566,633	304,570	-	22,871,203
Equipment	2,173,634	-	-	2,173,634
Total capital assets being depreciated	<u>29,635,653</u>	<u>304,570</u>	<u>-</u>	<u>29,940,223</u>
Less accumulated depreciation for:				
Building and land improvements	2,550,522	88,783	-	2,639,305
Infrastructure	12,642,392	529,992	-	13,172,384
Equipment	1,529,076	112,121	-	1,641,197
Total accumulated depreciation	<u>16,721,990</u>	<u>730,896</u>	<u>-</u>	<u>17,452,886</u>
Total capital assets being depreciated, net	<u>12,913,663</u>	<u>(426,326)</u>	<u>-</u>	<u>12,487,337</u>
Business-type activities capital assets, net	<u>\$ 13,592,621</u>	<u>\$ (426,326)</u>	<u>\$ -</u>	<u>\$ 13,166,295</u>
	Beginning Balance	Increases	Decreases	Ending Balance
<b>Component Unit</b>				
Capital assets being depreciated:				
Buildings and improvements	\$ 37,490	\$ 37,768	\$ -	\$ 75,258
Equipment	290,871	-	-	290,871
Total capital assets being depreciated	<u>328,361</u>	<u>37,768</u>	<u>-</u>	<u>366,129</u>
Less accumulated depreciation for:				
Buildings and improvements	14,732	1,564	-	16,296
Equipment	159,652	20,338	-	179,990
Total accumulated depreciation	<u>174,384</u>	<u>21,902</u>	<u>-</u>	<u>196,286</u>
Total capital assets being depreciated, net	<u>153,977</u>	<u>15,866</u>	<u>-</u>	<u>169,843</u>
Component unit capital assets, net	<u>\$ 153,977</u>	<u>\$ 15,866</u>	<u>\$ -</u>	<u>\$ 169,843</u>

**CITY OF BLUE ISLAND, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

Due To/From other funds results from the time lag between the dates interfund good or services are provided or reimbursable expenditures occur and when the payment between funds is made. The composition of interfund balances as of December 31, 2020 is as follows:

Receivable Fund	Amount	Payable Fund	Amount
<b>Governmental Activities:</b>			
General	\$ 25,401	Special Tax Increment Allocation Fund VII	\$ 25,401
General	3,228,144	Golf Course	-
General	15,000	Community Development	15,000
General	238,499	Special Tax Increment Allocation Fund VI	238,499
General	26,752	Special Tax Increment Allocation Fund IV	26,752
Debt Service	306,468	General	306,468
Motor Fuel Tax	23,995	General	23,995
Business District	740	General	740
Special Tax Increment Allocation Fund II	5,229,166	General	5,229,166
Special Tax Increment Allocation Fund III	3,655,538	General	3,655,538
Special Tax Increment Allocation Fund V	156,867	General	156,867
Water	-	General	61,082
Special Tax Increment Allocation Fund VI	11,281	Special Tax Increment Allocation Fund V	11,281
<b>Total Governmental Activities</b>	<u><u>\$ 12,917,851</u></u>		<u><u>\$ 9,750,789</u></u>
<b>Business-type Activities:</b>			
Water	\$ 61,082	General	\$ -
General	-	Golf Course	3,228,144
Water	98,906	Golf Course	98,906
<b>Total Business-type Activities</b>	<u><u>\$ 159,988</u></u>		<u><u>\$ 3,327,050</u></u>

Transfers between funds for the year ended December 31, 2020 are as follows:

Transfer To	Amount	Transfer From	Amount
General	\$ 401,249	Motor Fuel Tax	\$ 401,249
Police Pension Contribution	8,676	General	8,676
Fire Pension Contribution	8,650	General	8,650
	<u><u>\$ 418,575</u></u>		<u><u>\$ 418,575</u></u>

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

**NOTE 7. OPERATING LEASE OBLIGATIONS**

The City leases various equipment items under the provisions of long-term lease agreements classified as operating leases for accounting purposes. The lease payments for the year ended December 31, 2020 and future scheduled lease payments are not considered material to the financial statements.



**CITY OF BLUE ISLAND, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

---

**NOTE 9. LONG-TERM DEBT**

The following is a summary of changes in long-term liabilities during the year ended December 31, 2020:

	Beginning Balance	Additions	Retirements	Ending Balance	Due within one year
<b>Governmental Activities</b>					
General obligation bonds	\$ 1,825,000	\$ -	\$ 345,000	\$ 1,480,000	\$ 355,000
IFA general obligation bond	950,072	-	123,819	826,253	127,590
Installment loans	76,102	-	16,102	60,000	10,000
Compensated absences	367,321	411,898	367,321	411,898	411,898
Net pension liability	46,947,792	1,913,717	-	48,861,509	-
Net other postemployment benefits obligation	16,219,220	2,698,198	-	18,917,418	-
Total governmental activities	<u>\$ 66,385,507</u>	<u>\$ 5,023,813</u>	<u>\$ 852,242</u>	<u>\$ 70,557,078</u>	<u>\$ 904,488</u>

The liabilities for compensated absences, net pension liability and net other postemployment benefits obligation for governmental activities are typically liquidated by the General Fund.

	Beginning Balance	Additions	Retirements	Ending Balance	Due within one year
<b>Business-type Activities</b>					
General obligation bonds	\$ 1,735,000	\$ -	\$ 315,000	\$ 1,420,000	\$ 330,000
Unamortized premium	28,077	-	5,098	22,979	-
IEPA loan	620,250	-	44,395	575,855	44,951
Capital lease	77,706	-	38,257	39,449	39,449
Compensated absences-water	14,054	7,742	14,054	7,742	7,742
Compensated absences-golf course	1,733	2,143	1,733	2,143	2,143
Installment loan	256,596	-	82,127	174,469	85,487
Total business-type activities	<u>\$ 2,733,416</u>	<u>\$ 9,885</u>	<u>\$ 500,664</u>	<u>\$ 2,242,637</u>	<u>\$ 509,772</u>

**CITY OF BLUE ISLAND, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

---

**NOTE 9. LONG-TERM DEBT (CONTINUED)**

**General Obligation Bonds** – The government issues general obligation bonds to provide funds for the acquisition and construction of major capital expenditures. General obligation bonds are direct obligations, and pledge the full faith and credit of the government. General obligation bonds currently outstanding are as follows:

Issues	Beginning Balance	Increases	Decreases	Ending Balance
2011 General Obligation (Judgment Funding) Bonds, original principal \$1,100,000, semiannual principal of \$55,000 due July 1 and January 1 commencing July 1, 2012 through January 1, 2022; interest payable monthly at a rate equal to the bank rate (variable monthly interest rate).	\$ 275,000	\$ -	\$ 110,000	\$ 165,000
2006 Waterworks and Sewerage Bonds (Alternate Revenue Source), original principal \$4,635,000, annual principal due December 1 at amounts ranging from \$225,000 to \$380,000 through December 1, 2024, interest at 4.25% to 4.75%.	1,735,000	-	315,000	1,420,000
Illinois Finance Authority General Obligation bond (Alternate Revenue Source), maximum principal \$1,300,000. Semiannual interest payments, at a rate of 3.00% are due each June 1 and December 1, commencing June 1, 2017. Annual principal payments are due each December 1, commencing December 1, 2017. Amounts due are determined based on drawdowns.	950,072		123,819	826,253
2019 Series General Obligation (Judgment Funding) bond , original principal \$1,550,000. Semiannual interest payments, at a rate of 2.20-2.95% are due each June 15 and December 15, commencing June 15, 2020. Annual principal payments are due each December 15, commencing December 15, 2020.	1,550,000		235,000	1,315,000
	<u>\$ 4,510,072</u>	<u>\$ -</u>	<u>\$ 783,819</u>	<u>\$ 3,726,253</u>

**CITY OF BLUE ISLAND, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

---

**NOTE 9. LONG-TERM DEBT (CONTINUED)**

The annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending December 31	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2021	\$ 482,590	\$ 310,268	\$ 330,000	\$ 67,038
2022	441,476	306,756	345,000	51,775
2023	400,481	304,852	365,000	35,388
2024	414,607	303,763	380,000	18,050
2025	418,859	291,875	-	-
2026	148,240	4,447	-	-
Total	<u>\$ 2,306,253</u>	<u>\$ 1,521,961</u>	<u>\$ 1,420,000</u>	<u>\$ 172,251</u>

The 2006 bonds are alternate revenue source bonds payable from the combined waterworks and sewerage system revenues. These pledges will remain until all bonds are retired or mature in fiscal year 2024. The total amount of the pledge as of December 31, 2020 is \$1,592,251, which constitutes the remaining principal and interest on the bonds. During the current fiscal year, the principal and interest on the bonds was approximately 7% of the pledged revenues.

**Illinois EPA Loan**

Illinois EPA loan currently outstanding is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Illinois Environmental Protection Agency Public Water Supply Loan Program: Original principal \$897,560, semiannual payments of \$26,005 including interest of 1.25% due on October 7 and April 7, commencing October 7, 2013.	<u>\$ 620,250</u>	<u>\$ -</u>	<u>\$ 44,395</u>	<u>\$ 575,855</u>

**CITY OF BLUE ISLAND, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

---

**NOTE 9. LONG-TERM DEBT (CONTINUED)**

The annual debt service requirements to maturity for the Illinois EPA loan are as follows:

Year Ending December 31	Principal	Interest
2021	\$ 44,951	\$ 7,058
2022	45,515	6,495
2023	46,085	5,924
2024	46,663	5,346
2025	47,248	4,761
2026-2030	245,279	14,767
2031-2032	100,114	1,547
Total	<u>\$ 575,855</u>	<u>\$ 45,898</u>

**Installment Loans**

Installment loans currently outstanding are as follows:

Issues	Beginning Balance	Increases	Decreases	Ending Balance
2017 installment loan for the purchase of police vehicles, original principal \$142,610, quarterly payments of \$17,785 through February 16, 2020, including interest payable at 4.000%	\$ 6,102	\$ -	\$ 6,102	\$ -
2017 Illinois Finance Authority installment loan for the purchase of an ambulance, original principal \$100,000. Annual payments of \$10,000 due each November 1 through 2026 with interest at 0.000%.	70,000	-	10,000	60,000
2018 installment loan for the purchase of public works vehicles, original principal \$428,118, annual payments of \$92,622 through June 2022, including interest payable at 4.090%	256,596	-	82,127	174,469
	<u>\$ 332,698</u>	<u>\$ -</u>	<u>\$ 98,229</u>	<u>\$ 234,469</u>

**CITY OF BLUE ISLAND, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

---

**NOTE 9. LONG-TERM DEBT (CONTINUED)**

The annual debt service requirements to maturity for the installment loans are as follows:

Year Ending December 31	2017 Ambulance Loan		2018 Public Works Vehicle Loan	
	Principal	Interest	Principal	Interest
2021	\$ 10,000	\$ -	\$ 85,487	\$ 7,135
2022	10,000	-	88,982	3,640
2023	10,000	-	-	-
2024	10,000	-	-	-
2025	10,000	-	-	-
2026	10,000	-	-	-
Total	<u>\$ 60,000</u>	<u>\$ -</u>	<u>\$ 174,469</u>	<u>\$ 10,775</u>

**Capital Lease**

The City entered into a lease for the purchase of a streetsweeper during fiscal year 2016. The lease calls for semiannual payments plus interest at 3.09% payable from the Water Fund. The lease currently extends into the calendar year 2021. Total assets received under the lease amount to \$185,685. The purchase option price at the end of the lease is \$0.

Remaining principal and interest requirements for the capital lease are as follows:

Year Ending December 31	Amount
2021	<u>\$ 40,365</u>
Total minimum lease payments	40,365
Less: amount representing interest	<u>(916)</u>
Present value of minimum lease payments	<u>\$ 39,449</u>

**NOTE 10. RISK MANAGEMENT**

The City is exposed to various risks related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters. Property damage losses, with a minor deductible for total replacement value, are insured with a commercial insurance company. 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.

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.

**CITY OF BLUE ISLAND, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

---

**NOTE 10. RISK MANAGEMENT (CONTINUED)**

At December 31, 2020, total unpaid claims, including an estimate of claims that have been incurred but not reported to the administrative agent, totaled \$420,295. 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, 2019 and December 31, 2020, changes in the total liability for unpaid workers compensation and general liability claims are summarized as follows:

	Workers Compensation		General Liability		Total	
	2019	2020	2019	2020	2019	2020
Claims payable, beginning of year	\$ 44,862	\$ 40,323	\$ 951,016	\$1,982,991	\$ 995,878	\$2,023,314
Claims incurred	83,168	238,228	1,319,377	13,038	1,402,545	251,266
Claims paid	(87,707)	(34,728)	(287,402)	(1,588,887)	(375,109)	(1,623,615)
Claims payable, end of year	<u>\$ 40,323</u>	<u>\$ 243,823</u>	<u>\$1,982,991</u>	<u>\$ 407,142</u>	<u>\$2,023,314</u>	<u>\$ 650,965</u>

**NOTE 11. COMMITMENTS AND CONTINGENT LIABILITIES**

Grant Programs – The City participates in federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The amount, if any, of expenditures which may be disallowed by the granting agencies is not expected to be material.

**NOTE 12. TAX INCREMENT REDEVELOPMENT PROJECT**

The City has established Tax Increment Financing Districts II, III, IV, V, VI and VII in December 1992, January 1994, September 2007, November 2008, September 2012 and April 2017, respectively.

A redevelopment plan was adopted to make improvements on certain blighted areas, which will be funded by property taxes attributable to the increase in the equalized assessed valuation of each taxable lot in the Project Area.

The base equalized assessed valuation (EAV), as well as the incremental change equalized assessed valuation for these districts (2019 EAV latest available), is as follows:

	<u>Base EAV</u>	<u>2020 EAV</u>
District II	\$ 9,578,727	\$22,587,675
District III	1,473,597	-
District IV	4,090,525	3,362,214
District V	11,405,303	16,444,783
District VI	933,560	1,822,923
District VII	1,466,720	2,097,566

**NOTE 13. DEFERRED COMPENSATION PLAN**

The City offers its employees a deferred compensation plan, created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All funds are held in trust and administered by an outside third party trustee for the exclusive benefit of participants and their beneficiaries. The City is not required to make a contribution to the plan.

#### NOTE 14. PENSION AND RETIREMENT PLAN COMMITMENTS

The City participates in three contributory retirement plans. Law enforcement officers are covered under the Police Pension Fund (a single-employer plan administered by a separate Police Pension Board of Trustees). Fire sworn personnel are covered under the Firefighters' Pension Fund (a single-employer plan administered by a separate Firefighters' Pension Board of Trustees). The Illinois Municipal Retirement Fund (a statewide plan) covers substantially all full-time employees, except law enforcement officers and firefighters. The City has two plans under the Illinois Municipal Retirement Fund, one for regular employees, and a Sheriff Law Enforcement Personnel ("SLEP") Plan.

#### NOTE 15. ILLINOIS MUNICIPAL RETIREMENT FUND

##### Plan Description

The City's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The City's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at [www.imrf.org](http://www.imrf.org).

##### Benefits Provided

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

All three IMRF benefit plans have two tiers. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pensions benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

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

- 3% of the original pension amount, or
- ½ of the increase in the Consumer Price Index of the original pension amount.

**CITY OF BLUE ISLAND, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

---

**NOTE 15. ILLINOIS MUNICIPAL RETIREMENT FUND (CONTINUED)**

Employees Covered by Benefit Terms

As of December 31, 2020, the following employees were covered by the benefit terms:

	<u>IMRF</u>	<u>SLEP</u>
Retirees and Beneficiaries currently receiving benefits	117	-
Inactive Plan Members entitled to but not yet receiving benefits	76	1
Active Plan Members	72	-
Total	<u>265</u>	<u>1</u>

Contributions

As set by statute, the City's Regular (SLEP) Plan Members are required to contribute 4.5% (7.50%) of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City's annual contribution rate for calendar year 2020 was 16.38%. For calendar year 2020, the City, including component unit, contributed \$570,259 to the plan. The City also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute. The City did not contribute to the SLEP as there are no current employees.

Net Pension Liability

The City's net pension liability was measured as of December 31, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2020:

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



**CITY OF BLUE ISLAND, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

---

**NOTE 15. ILLINOIS MUNICIPAL RETIREMENT FUND (CONTINUED)**

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized by the following table (most recent available):

Asset Class	Portfolio Target Percentage	Return 12/31/20	<u>Projected Returns/Risk</u>	
			One Year Arithmetic	Ten Year Geometric
Equities	37%	22.07%	6.35%	5.00%
International Equities	18%	13.52%	7.65%	6.00%
Fixed Income	28%	7.87%	1.40%	1.30%
Real Estate	9%	4.20%	7.10%	6.20%
Alternative Investments	7%			
Private Equity		N/A	10.35%	6.95%
Hedge Funds		N/A	N/A	N/A
Commodities		N/A	3.90%	2.85%
Cash Equivalents	1%	2.56%	0.70%	0.70%
Total	<u>100%</u>			

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 2.00% and the resulting single discount rate is 7.25%.

**CITY OF BLUE ISLAND, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

---

**NOTE 15. ILLINOIS MUNICIPAL RETIREMENT FUND (CONTINUED)**

Changes in the Net Pension Liability

<b>IMRF</b>	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2019	<u>\$ 28,096,795</u>	<u>\$ 28,599,604</u>	<u>\$ (502,809)</u>
Changes for the year:			
Service Cost	327,442	-	327,442
Interest on the Total Pension Liability	1,984,681	-	1,984,681
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	410,236	-	410,236
Changes of Assumptions	(187,451)	-	(187,451)
Contributions- Employer	-	570,259	(570,259)
Contributions- Employee	-	189,961	(189,961)
Net Investment Income	-	4,205,858	(4,205,858)
Benefit Payments, including Refunds of Employee Contribution	(1,771,199)	(1,771,199)	-
Other (Net Transfer)	<u>-</u>	<u>(91,599)</u>	<u>91,599</u>
Net Changes	<u>763,709</u>	<u>3,103,280</u>	<u>(2,339,571)</u>
Balances at December 31, 2020	<u><u>\$ 28,860,504</u></u>	<u><u>\$ 31,702,884</u></u>	<u><u>\$ (2,842,380)</u></u>

**CITY OF BLUE ISLAND, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 15. ILLINOIS MUNICIPAL RETIREMENT FUND (CONTINUED)**

<b>IMRF- SLEP</b>	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2019	<u>\$ 119,462</u>	<u>\$ 155,364</u>	<u>\$ (35,902)</u>
Changes for the year:			
Service Cost	-	-	-
Interest on the Total Pension Liability	8,661	-	8,661
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(183)	-	(183)
Changes of Assumptions	1,239	-	1,239
Contributions- Employer	-	-	-
Contributions- Employee	-	-	-
Net Investment Income	-	18,043	(18,043)
Benefit Payments, including Refunds of Employee Contribution	-	-	-
Other (Net Transfer)	-	456	(456)
Net Changes	<u>9,717</u>	<u>18,499</u>	<u>(8,782)</u>
Balances at December 31, 2020	<u><u>\$ 129,179</u></u>	<u><u>\$ 173,863</u></u>	<u><u>\$ (44,684)</u></u>

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

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

<b>IMRF</b>	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability	<u>\$ 205,336</u>	<u>\$ (2,842,380)</u>	<u>\$ (5,301,329)</u>
<b>IMRF-SLEP</b>			
	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability	<u>\$ (44,591)</u>	<u>\$ (44,684)</u>	<u>\$ (44,818)</u>

**CITY OF BLUE ISLAND, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

---

**NOTE 15. ILLINOIS MUNICIPAL RETIREMENT FUND (CONTINUED)**

Pension Expense/Income and Deferred Outflows/Inflows of Resources Related to Pension

For the year ended December 31, 2020, the City recognized pension income of \$734,218 for IMRF and \$4,463 for IMRF-SLEP.

At December 31, 2020, the City reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

<b>IMRF</b>	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows of Resources
Differences between expected and actual experience	\$ 241,982	\$ 130,061	\$ 111,921
Changes of assumptions	-	110,570	(110,570)
Net difference between projected and actual earnings on pension plan investment	-	2,665,287	(2,665,287)
Total deferred amounts to be recognized in pension expense in future periods	<u>\$ 241,982</u>	<u>\$ 2,905,918</u>	<u>\$ (2,663,936)</u>
<b>IMRF-SLEP</b>	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows of Resources
Differences between expected and actual experience	\$ -	\$ -	\$ -
Changes of assumptions	-	-	-
Net difference between projected and actual earnings on pension plan investment	-	8,119	(8,119)
Total deferred amounts to be recognized in pension expense in future periods	<u>\$ -</u>	<u>\$ 8,119</u>	<u>\$ (8,119)</u>

**CITY OF BLUE ISLAND, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

---

**NOTE 15. ILLINOIS MUNICIPAL RETIREMENT FUND (CONTINUED)**

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

<b>IMRF</b>	
Year Ending December 31	Net Deferred Outflows of Resources
2021	\$ (898,294)
2022	(272,595)
2023	(1,058,576)
2024	(434,471)
2025	-
Thereafter	-
Total	<u>\$ (2,663,936)</u>

  

<b>IMRF-SLEP</b>	
Year Ending December 31	Net Deferred Outflows of Resources
2021	\$ (2,515)
2022	(1,031)
2023	(3,222)
2024	(1,351)
2025	-
Thereafter	-
Total	<u>\$ (8,119)</u>

**CITY OF BLUE ISLAND, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

---

**NOTE 16. POLICE PENSION FUND**

Plan Description

Police sworn personnel of the City of Blue Island are covered by the City of Blue Island Police Pension Fund which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits, as well as the employee and employer contribution levels, are mandated by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The plan is administered by the plan's Board of Trustees consists of: two members appointed by the City, two active members of the police department elected by the membership and one retired member of the police department elected by the membership.

The plan is established and administered as prescribed by "Article 3. Police Pension Fund-Municipalities 500,000 and Under" of the Illinois Pension Code.

Plan Membership as of January 1, 2020:

Retirees and Beneficiaries currently receiving benefits	38
Inactive Plan Members entitled to but not yet receiving benefits	6
Active Plan Members	<u>36</u>
Total	<u><u>80</u></u>

Benefits Provided

The following is a summary of the City of Blue Island Police Pension Plan as provided for in the Illinois Compiled Statutes:

Tier 1 employees (those hired before January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. The minimum monthly benefit is \$1,000 per month. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit.

The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3.0% of the original pension and 3.0% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for the pension purposes shall not exceed \$106,800, however that amount shall increase annual by the lesser of ½ of the annual change in the Consumer Price Index or 3.0% compounded. The annual benefit 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 75.0% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55).

**CITY OF BLUE ISLAND, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

---

**NOTE 16. POLICE PENSION FUND (CONTINUED)**

The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Non-compounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions

Per State Statute, covered employees are required to contribute 9.91% of their base salaries. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without interest. The City is required to contribute the remaining amounts necessary to finance the Plan as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires that the City has until the year 2040 to fund 90% of the past service costs for the Police Pension Trust Fund Plan.

Investments

*Rate of Return:*

For the year ended December 31, 2020, the annual money-weighted rate of return on plan investments, net of investment expense, was 13.16 percent.

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amount actually invested.

Net Pension Liability

The measurement date is December 31, 2020.

The measurement period for the pension expense was January 1, 2020 to December 31, 2020.

The reporting period is January 1, 2020 through December 31, 2020.

The city's net pension liability was measured as of December 31, 2020.

The total pension liability used to calculate the net pension liability was determined as of that date.

**CITY OF BLUE ISLAND, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

---

**NOTE 16. POLICE PENSION FUND (CONTINUED)**

Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of January 1, 2020 updated to December 31, 2020 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	Graded schedule based on service
Discount Rate	7.00%
Investment Rate of Return	7.00%

Pubs-2010 Employee Mortality, projected 5 years past the valuation date with scale MP-2018. 10% of active deaths are assumed to be in the line of duty. Mortality rate for inactive lives used Pubs-2010 Healthy Retiree Mortality, projected 5 years past the valuation date with scale MP-2018. Mortality rate for beneficiaries used Pubs-2010 survivor mortality, projected 5 years past the valuation date with scale MP-2018. Mortality rate for disabled lives used Pubs-2010 disabled mortality, projected 5 years past the valuation date with scale MP-2018.

The long-term expected rate of return on plan investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. For 2020 the inflation rate assumption of the investment advisor was 2.00%. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the Pension Plan's target asset allocation as of December 31, 2020 are summarized in the following table:

Asset Class	Portfolio Target Percentage	Long-term Expected Real Rate of Return
Cash	3%	-0.10%
Fixed Income	32%	3.20%
Domestic Equity Large Caps	52%	3.60%
Domestic Equity Small Caps	5%	4.50%
International Developed Foreign	5%	5.20%
Real Estate	3%	4.00%
Total	100%	



**CITY OF BLUE ISLAND, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

---

**NOTE 16. POLICE PENSION FUND (CONTINUED)**

Discount Rate:

The discount rate used to measure the total pension liability was 7.00 percent.

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Pension 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.

For purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 1.93 percent (based on the daily rate closest to but not later than the measurement date of the S&P Municipal Bond 20 Year High Grade Index); and the resulting single discount rate is 7.00 percent.

Changes in Net Pension Liability Pension

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2019	\$ 43,018,692	\$ 14,374,912	\$ 28,643,780
Changes for the year:			
Service Cost	676,218	-	676,218
Interest on the Total Pension Liability	2,983,244	-	2,983,244
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	1,767,566	-	1,767,566
Changes of Assumptions	-	-	-
Contributions- Employer	-	2,092,595	(2,092,595)
Contributions- Employee	-	291,786	(291,786)
Net Investment Income	-	1,923,903	(1,923,903)
Benefit Payments, including Refunds of Employee Contribution	(2,154,274)	(2,154,274)	-
Administrative Expenses	-	(40,924)	40,924
Net Changes	3,272,754	2,113,086	1,159,668
Balances at December 31, 2020	\$ 46,291,446	\$ 16,487,998	\$ 29,803,448

**CITY OF BLUE ISLAND, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

---

**NOTE 16. POLICE PENSION FUND (CONTINUED)**

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

The following presents the plan's net pension liability, calculated using a single discount rate of 7.00%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1% lower or 1% higher:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Net Pension Liability	\$ 36,248,311	\$ 29,803,448	\$ 24,527,401

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

For the year ended December 31, 2020, the City recognized a Pension Expense of \$2,392,710. On December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows of Resources
Differences between expected and actual experience	\$ 1,682,256	\$ 351,585	\$ 1,330,671
Changes of assumptions	544,491	204,066	340,425
Net difference between projected and actual earnings on pension plan investment	-	1,202,589	(1,202,589)
Total deferred amounts to be recognized in pension expense in future periods	\$ 2,226,747	\$ 1,758,240	\$ 468,507

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

Year Ending December 31	Net Deferred Outflows of Resources
2021	\$ (9,750)
2022	111,381
2023	(40,104)
2024	112,386
2025	294,594
Thereafter	-
Total	\$ 468,507

**CITY OF BLUE ISLAND, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

---

**NOTE 17. FIRE PENSION FUND**

Plan Description:

Fire sworn personnel of the City of Blue Island are covered by the City of Blue Island Firefighters' Pension Fund which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits, as well as the employee and employer contribution levels, are mandated by Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only by the Illinois legislature.

The plan is established and administered as prescribed by "Article 4. Firefighters' Pension Fund-Municipalities 500,000 or Under" of the Illinois Pension Code.

Plan Membership

Plan membership as of December 31, 2020:

Retirees and Beneficiaries currently receiving benefits	28
Inactive Plan Members entitled to but not yet receiving benefits	14
Active Plan Members	<u>30</u>
Total	<u><u>72</u></u>

Benefits Provided

The following is a summary of the City of Blue Island Firefighters' Pension Plan as provided for in the Illinois Compiled Statutes:

Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.0% of such salary. The minimum monthly benefit is \$1,159.27 per month. Employees with at least ten years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit, per the following table:

<u>Years of Service</u>	<u>Percent of Salary</u>
10	15.0%
11	17.6%
12	20.4%
13	23.4%
14	26.6%
15	30.0%
16	33.6%
17	37.4%
18	41.4%
19	45.6%

The monthly benefit 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 be paid upon reaching the age of at least 55 years, by 3.0% of the original pension and 3.0% compounded annually thereafter.

**CITY OF BLUE ISLAND, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

---

**NOTE 17. FIRE PENSION FUND (CONTINUED)**

Benefits Provided (continued)

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 48 consecutive months of service within the last 60 months of service in which the total salary was the highest by the number of months of service in that period; or the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of services within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for pension purposes shall not exceed \$106,800 however, that amount shall increase annually by the lesser of 3% or the annual unadjusted percentage increase (but not less than zero) in the Consumer Price Index-U. The annual benefit shall be increased by 2.5% of such salary. The minimum monthly benefit is \$1,159.27 per month. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55, with no minimum benefit).

The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1<sup>st</sup> after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Non-compounding increases occur annually, each January thereafter. The increase is the lesser of 3.0% or ½ of the change in the Consumer Price Index-U for the 12-month period ending with the September preceding each November 1.

Contributions

Per State Statute, covered employees are required to contribute 9.455% of their base salaries. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without interest. The City is required to contribute the remaining amounts necessary to finance the Plan as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires that the City has until the year 2040 to fund 90% of the past service costs for the Firefighters' Pension Trust Fund Plan.

Investments

*Concentrations:*

The Plan did not hold investments in any one organization that represent 5 percent or more of the Pension Plan's Fiduciary Net Position.

*Rate of Return:*

For the year ended December 31, 2020, the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, was 14.52 percent.

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amount actually invested.

*Net Pension Liability*

The measurement date is December 31, 2020.

The measurement period for the pension expense was January 1, 2020 to December 31, 2020.

The reporting period is January 1, 2020 through December 31, 2020.

The City's Net Pension Liability was measured as of December 31, 2020.

The Total Pension Liability used to calculate the Net Pension Liability was determined as of that date.

**CITY OF BLUE ISLAND, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

---

**NOTE 17. FIRE PENSION FUND (CONTINUED)**

Actuarial Assumptions:

The Total Pension Liability was determined by an actuarial valuation as of January 1, 2020 updated to December 31, 2020 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	Service based
Discount Rate	7.00%
Investment Rate of Return	7.00%

Mortality Rate Healthy Active Lives: Pubs-2010 Mortality Table for Employees. 20% of active deaths are assumed to be in the line of duty.

Mortality Rate Healthy Retiree Lives: Pubs-2010 Mortality Table for Healthy Retirees.

Mortality Rate Disabled Lives: Pubs-2010 Mortality Table for Disabled Retirees.

Mortality Rate Beneficiary Lives: Pubs-2010 Mortality Table for Contingent Survivors.

The mortality assumptions for all participants are sex distinct with mortality improvement projected 5 years beyond the valuation date using scale MP-2019 and a base year of 2010. We feel these assumptions sufficiently accommodate anticipated future mortality improvements.

The long-term expected rate of return on plan investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. For 2018 the inflation rate assumption of the investment advisor was 2.0%. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the Pension Plan's target asset allocation as of December 31, 2020 are summarized in the following table:

Asset Class	Portfolio Target Percentage	Long-term Expected Real Rate of Return
Stock	44.8%	6.00%
Fixed Short Govt.	7.8%	-1.50%
Fixed Intermediate Govt.	16.2%	0.00%
Fixed Intermediate Corporate	28.7%	1.00%
Cash	2.5%	-1.50%
Total	100.0%	

**CITY OF BLUE ISLAND, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

---

**NOTE 17. FIRE PENSION FUND (CONTINUED)**

Discount Rate:

The discount rate used to measure the total pension liability was 7.00 percent.

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Pension 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.

For purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 1.93 percent (based on the weekly rate closest to but not later than the measurement date of the Bond Buyer 20-Bond Index as published by The Bond Buyer); and the resulting single discount rate is 7.00 percent.

Changes in Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2019	\$ 24,031,349	\$ 5,727,337	\$ 18,304,012
Changes for the year:			
Service Cost	478,163	-	478,163
Interest on the Total Pension Liability	1,664,009	-	1,664,009
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	960,350	-	960,350
Changes of Assumptions	-	-	-
Contributions- Employer	-	1,334,789	(1,334,789)
Contributions- Employee	-	193,562	(193,562)
Net Investment Income	-	856,881	(856,881)
Benefit Payments, including Refunds of Employee Contribution	(1,475,916)	(1,475,916)	-
Administrative Expense	-	(36,760)	36,760
Net Changes	1,626,606	872,556	754,050
Balances at December 31, 2020	\$ 25,657,955	\$ 6,599,893	\$ 19,058,062

**CITY OF BLUE ISLAND, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

---

**NOTE 17. FIRE PENSION FUND (CONTINUED)**

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

The following presents the plan's net pension liability, calculated using a single discount rate of 7.00%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1% lower or 1% higher:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Net Pension Liability	\$ 22,479,826	\$ 19,058,062	\$ 16,254,998

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

For the year ended December 31, 2020, the City recognized a pension expense of \$1,770,467. On December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows of Resources
Differences between expected and actual experience	\$ 1,176,569	\$ 716,360	\$ 460,209
Changes of assumptions	480,484	138,723	341,761
Net difference between projected and actual earnings on pension plan investment	-	434,256	(434,256)
Total deferred amounts to be recognized in pension expense in future periods	<u>\$ 1,657,053</u>	<u>\$ 1,289,339</u>	<u>\$ 367,714</u>

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

Year Ending December 31	Net Deferred Outflows of Resources
2021	\$ (42,436)
2022	(8,181)
2023	7,118
2024	140,221
2025	30,904
Thereafter	240,088
Total	<u>\$ 367,714</u>

**CITY OF BLUE ISLAND, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

---

**NOTE 18. OTHER POSTEMPLOYMENT BENEFITS**

The City's health insurance plan for retired employees is summarized as follows:

*Plan Description:* The City's Retiree Health Care Plan (Plan) is a single-employer defined benefit postemployment health care plan that covers eligible retired employees of the City. The Plan, which is administered by the City, 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. For purposes of applying Paragraph 4 under Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits other than pensions, the plan does not meet the requirements for an OPEB plan administered through a trust.

*Employees Covered by Benefit Terms:* At December 31, 2020, the following employees were covered by the benefit terms:

Retirees and Beneficiaries currently receiving benefits	74
Inactive Plan Members entitled to but not yet receiving benefits	-
Active Plan Members	<u>105</u>
Total	<u><u>179</u></u>

*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.

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/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 spouse premium.

In future years, contributions are assumed to increase at the same rate as premiums.



**CITY OF BLUE ISLAND, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

---

**NOTE 18. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

*Actuarial Assumptions:* The total OPEB liability was determined by an actuarial valuation as of December 31, 2020, using the following actuarial assumptions:

Inflation Rate	2.50%
Salary Increase Rate(s)	Varies by Service.
Discount Rate	1.93%
Initial Trend Rate	7.00%
Ultimate Trend Rate	4.00%
Years to Ultimate	54

**Police and Fire Pension Plan Participants**

*Active Lives:*

PubS-2010 Employee mortality projected five years past the valuation date using Scale MP-2020.

*Healthy Inactive Lives:*

PubS-2010 Healthy Retiree mortality projected five years past the valuation date using Scale MP-2020.

*Beneficiaries:*

PubS-2010 Survivor mortality projected five years past the valuation date using Scale MP-2020.

*Disabled Lives:*

PubS-2010 Disabled Retiree mortality projected five years past the valuation date using Scale MP-2020.

**Illinois Municipal Retirement Fund Participants**

*Active Lives*

The Pub-2010, Amount-Weighted, below-median income, General Employee, Male and Female tables, with future mortality improvements projected using scale MP-2020.

*Healthy Inactive Lives*

The Pub-2010, Amount-Weighted, below-median income, General Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, with future mortality improvements projected using scale MP-2020.

*Beneficiaries*

The Pub-2010, Amount-weighted, below-median income, Survivor, with future mortality improvements projected using scale MP-2020.

**Discount Rate:**

Given the City's decision not to fund the program, all future benefit payments were discounted using a high-quality municipal bond rate of 1.93%. The high-quality municipal bond rate was based on the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Index nearest the measurement date. The S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be rated at least AA by Standard and Poor's Ratings Services, Aa2 by Moody's or AA by Fitch. If there are multiple ratings, the lowest rating is used.

**CITY OF BLUE ISLAND, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

---

**NOTE 18. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

Change in Total OPEB Liability:

	<u>Increases and (Decreases) in Total OPEB Liability</u>
Balances at December 31, 2019	\$ 16,219,220
Changes for the year:	
Service Cost	464,339
Interest	532,731
Differences Between Expected and Actual Experience	602,489
Changes of Assumptions	1,788,424
Changes of Benefit Terms	-
Contributions- Employer	-
Benefit Payments	(689,785)
Other Changes	-
Net Changes	<u>2,698,198</u>
Balances at December 31, 2020	<u>\$ 18,917,418</u>

Changes of Assumptions reflect a change in the discount rate from 3.26% for the reporting period ended December 31, 2019, to 1.93% for the reporting period ended December 31, 2020.

*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 one percentage-point lower or one percentage-point higher than the current discount rate:

	1% Decrease <u>0.93%</u>	Current Discount Rate <u>1.93%</u>	1% Increase <u>2.93%</u>
Total OPEB Liability	<u>\$ 21,970,548</u>	<u>\$ 18,917,418</u>	<u>\$ 16,463,151</u>

*Sensitivity of the Total 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 one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

	1% Decrease <u>3.00% - 6.00%</u>	Healthcare Cost Trend Rates <u>4.00% - 7.00%</u>	1% Increase <u>5.00% - 8.00%</u>
Total OPEB Liability	<u>\$ 16,172,812</u>	<u>\$ 18,917,418</u>	<u>\$ 22,413,874</u>

**CITY OF BLUE ISLAND, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

---

**NOTE 18. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

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

For the year ended December 31, 2020, the City recognized OPEB expense of \$1,317,040.

On December 31, 2020, the City reported Deferred Outflows/Inflows of Resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows of Resources
Differences between expected and actual experience	\$ 516,419	\$ -	\$ 516,419
Changes of assumptions	<u>2,090,876</u>	<u>563,608</u>	<u>1,527,268</u>
Total deferred amounts to be recognized in pension expense in future periods	<u><u>\$ 2,607,295</u></u>	<u><u>\$ 563,608</u></u>	<u><u>\$ 2,043,687</u></u>

Amounts reported as Deferred Outflows/Inflows of Resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31	Net Deferred Outflows of Resources
2021	\$ 312,245
2022	312,245
2023	312,245
2024	312,245
2025	453,148
Thereafter	<u>341,559</u>
Total	<u><u>\$ 2,043,687</u></u>

**NOTE 19. SUMMARY OF PENSION INFORMATION**

The summary of Pension information is to consolidate the deferrals related to pensions from IMRF/SLEP (footnote 15), Police Pension (footnote 16) and Fire Pension (footnote 17) and tie the totals to the Statement of Net Position.

	IMRF	SLEP	Police Pension	Fire Pension	Total
Deferred outflows of resources	\$ 241,982	\$ -	\$ 2,226,747	\$ 1,657,053	\$ 4,125,782
Deferred inflows of resources	2,905,918	8,119	1,758,240	1,289,339	5,961,616

**CITY OF BLUE ISLAND, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

---

**NOTE 20. TAX ABATEMENTS**

For the year ended December 31, 2020, 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 \$43,703. The incremental TIF property tax abatement from TIF 6 for the year amounted to \$115,422. 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 2018, 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, 2020, there is still \$484,467 outstanding for the rebate.

**NOTE 21. RECENT PRONOUNCEMENTS**

The following pronouncements are effective for December 31, 2020 and after:

GASB Statement No. 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring 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. It 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 this 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, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement will take effect for financial statements starting with the fiscal year that ends December 31, 2020. See GASB 95.

GASB Statement No. 92, Omnibus 2020. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this statement will take effect for financial statements starting with the fiscal year that ends June 30, 2022.

GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions of Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018 and later. The effective dates for GASB No. 84, Fiduciary Activities and GASB No. 88, Certain Disclosures Related to Debt are postponed for one year. The effective date for GASB No. 87, Leases is postponed by 18 months.

Implementation Guide No. 2019-3, "Leases." The objective of this guide is to provide guidance that clarifies, explains, or elaborates on the requirements of Statement No. 87, leases. The requirements of this guide will take effect for financial statements starting with the fiscal year that ends June 30, 2022.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF BLUE ISLAND, ILLINOIS**  
**SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION**  
**LIABILITY AND RELATED RATIOS**  
**ILLINOIS MUNICIPAL RETIREMENT FUND**  
**LAST SIX FISCAL YEARS**

	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015
<b>TOTAL PENSION LIABILITY</b>						
Service Cost	\$ 327,442	\$ 361,991	\$ 367,879	\$ 446,907	\$ 434,534	\$ 444,650
Interest	1,984,681	1,975,538	1,955,101	2,000,154	1,970,691	1,939,318
Change of Benefit Terms	-	-	-	-	-	-
Differences Between Expected and Actual Experience	410,236	(421,741)	(60,522)	(475,962)	(344,654)	(290,772)
Changes in Assumptions	(187,451)	-	699,542	(813,574)	(30,866)	31,044
Benefit Payments, including Refunds of Employee Contributions	(1,771,199)	(1,773,602)	(1,782,940)	(1,654,494)	(1,701,750)	(1,629,851)
Net Change in Total Pension Liability	763,709	142,186	1,179,060	(496,969)	327,955	494,389
Total Pension Liability - Beginning	28,096,795	27,954,609	26,775,549	27,272,518	26,944,563	26,450,174
Total Pension Liability - Ending (A)	<u>\$ 28,860,504</u>	<u>\$ 28,096,795</u>	<u>\$ 27,954,609</u>	<u>\$ 26,775,549</u>	<u>\$ 27,272,518</u>	<u>\$ 26,944,563</u>
<b>PLAN FIDUCIARY NET POSITION</b>						
Contributions-Employer	\$ 570,259	\$ 389,078	\$ 461,756	\$ 567,359	\$ 600,448	\$ 597,843
Contributions-Employee	189,961	145,243	149,054	177,917	183,811	232,918
Net Investment Income	4,205,858	4,885,688	(1,696,994)	4,515,172	1,609,690	120,436
Benefit Payments, including Refunds of Employee Contributions	(1,771,199)	(1,773,602)	(1,782,940)	(1,654,494)	(1,701,750)	(1,629,851)
Other	(91,599)	(27,256)	321,540	(540,150)	147,811	(185,890)
Net change in Plan Fiduciary Net Position	3,103,280	3,619,151	(2,547,584)	3,065,804	840,010	(864,544)
Plan Fiduciary Net Position - Beginning	28,599,604	24,980,453	27,528,037	24,462,233	23,622,223	24,486,767
Plan Fiduciary Net Position - Ending (B)	<u>\$ 31,702,884</u>	<u>\$ 28,599,604</u>	<u>\$ 24,980,453</u>	<u>\$ 27,528,037</u>	<u>\$ 24,462,233</u>	<u>\$ 23,622,223</u>
<b>NET PENSION LIABILITY - ENDING (A) - (B)</b>	<u>\$ (2,842,380)</u>	<u>\$ (502,809)</u>	<u>\$ 2,974,156</u>	<u>\$ (752,488)</u>	<u>\$ 2,810,285</u>	<u>\$ 3,322,340</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	109.85%	101.79%	89.36%	102.81%	89.70%	87.67%
Covered-Employee Payroll	\$ 3,481,435	\$ 3,260,560	\$ 3,312,321	\$ 3,953,724	\$ 4,084,680	\$ 4,177,805
Net Pension Liability as a Percentage of Covered-Employee Payroll	-81.64%	-15.42%	89.79%	-19.03%	68.80%	79.52%

**Notes to Schedule:**

This schedule is intended to illustrate the information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

**Changes in assumptions:**

For 2014, changes are primarily from adopting an IMRF specific mortality tables with fully generational projection scale MP-2014 (base year 2014) developed from the RP-2014 mortality tables.  
For 2015, changes are primarily from a change in the calculated single discount rate from 7.49% in 2014 to 7.47% in 2015.  
For 2016, changes are primarily from a change in the calculated single discount rate from 7.47% in 2015 to 7.50% in 2016.  
For 2017, changes are primarily from adopting an IMRF specific mortality tables with fully generational projection scale MP-2017 (base year 2015) developed from the RP-2014 mortality tables.  
For 2018, the assumed investment rate of return was lowered from 7.50% to 7.25%.  
For 2020, changes are primarily from adopting the Pub-2010, amount weighted, general mortality tables for retirees and active members.

*See independent auditor's report.*

**CITY OF BLUE ISLAND, ILLINOIS**  
**SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION**  
**LIABILITY AND RELATED RATIOS**  
**ILLINOIS MUNICIPAL RETIREMENT FUND-SLEP**  
**LAST SIX FISCAL YEARS**

	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015
<b>TOTAL PENSION LIABILITY</b>						
Service Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	8,661	8,000	7,553	4,622	4,299	3,999
Change of Benefit Terms	-	-	-	-	-	-
Differences Between Expected and Actual Experience	(183)	1,119	1,147	34,391	1	1
Changes in Assumptions	1,239	-	942	62	-	-
Benefit Payments, including Refunds of Employee Contributions	-	-	-	-	-	-
Net Change in Total Pension Liability	9,717	9,119	9,642	39,075	4,300	4,000
Total Pension Liability - Beginning	119,462	110,343	100,701	61,626	57,326	53,326
Total Pension Liability - Ending (A)	<u>\$ 129,179</u>	<u>\$ 119,462</u>	<u>\$ 110,343</u>	<u>\$ 100,701</u>	<u>\$ 61,626</u>	<u>\$ 57,326</u>
<b>PLAN FIDUCIARY NET POSITION</b>						
Contributions-Employer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions-Employee	-	-	-	-	-	-
Net Investment Income	18,043	19,233	(697)	16,453	8,069	579
Benefit Payments, including Refunds of Employee Contributions	-	-	-	-	-	-
Other	456	(276)	387	(258)	230	(4,115)
Net change in Plan Fiduciary Net Position	18,499	18,957	(310)	16,195	8,299	(3,536)
Plan Fiduciary Net Position - Beginning	155,364	136,407	136,717	120,522	112,223	115,759
Plan Fiduciary Net Position - Ending (B)	<u>\$ 173,863</u>	<u>\$ 155,364</u>	<u>\$ 136,407</u>	<u>\$ 136,717</u>	<u>\$ 120,522</u>	<u>\$ 112,223</u>
<b>NET PENSION LIABILITY - ENDING (A) - (B)</b>	<u>\$ (44,684)</u>	<u>\$ (35,902)</u>	<u>\$ (26,064)</u>	<u>\$ (36,016)</u>	<u>\$ (58,896)</u>	<u>\$ (54,897)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	134.59%	130.05%	123.62%	135.77%	195.57%	195.76%
Covered-Employee Payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Pension Liability as a Percentage of Covered-Employee Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**Notes to Schedule:**

This schedule is intended to illustrate the information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

*See independent auditor's report.*

**CITY OF BLUE ISLAND, ILLINOIS**  
**SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION**  
**LIABILITY AND RELATED RATIOS**  
**POLICE PENSION FUND**  
**LAST SIX FISCAL YEARS**

	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015
<b>TOTAL PENSION LIABILITY</b>						
Service Cost	\$ 676,218	\$ 682,415	\$ 679,927	\$ 726,660	\$ 704,304	\$ 680,338
Interest	2,983,244	2,850,649	2,712,322	2,648,675	2,545,604	2,442,326
Change of Benefit Terms	-	82,600	-	-	-	-
Differences Between Expected and Actual Experience	1,767,566	348,808	(640,348)	(94,231)	(116,773)	-
Changes in Assumptions	-	-	1,088,982	(612,198)	-	-
Benefit Payments, including Refunds of Employee Contributions	(2,154,274)	(1,973,857)	(1,760,675)	(1,665,189)	(1,700,906)	(1,641,553)
Net Change in Total Pension Liability	3,272,754	1,990,615	2,080,208	1,003,717	1,432,229	1,481,111
Total Pension Liability - Beginning	43,018,692	41,028,077	38,947,869	37,944,152	36,511,923	35,030,812
Total Pension Liability - Ending (A)	<u>\$ 46,291,446</u>	<u>\$ 43,018,692</u>	<u>\$ 41,028,077</u>	<u>\$ 38,947,869</u>	<u>\$ 37,944,152</u>	<u>\$ 36,511,923</u>
<b>PLAN FIDUCIARY NET POSITION</b>						
Contributions-Employer	\$ 2,092,595	\$ 1,969,070	\$ 1,778,990	\$ 1,549,657	\$ 1,451,138	\$ 1,393,531
Contributions-Employee	291,786	303,957	274,014	272,180	266,787	272,545
Net Investment Income	1,923,903	2,320,022	(494,090)	1,350,264	549,978	22,529
Benefit Payments, including Refunds of Employee Contributions	(2,154,274)	(1,973,857)	(1,760,675)	(1,665,189)	(1,700,906)	(1,641,553)
Administrative Expenses	(40,924)	(43,745)	(48,726)	(31,842)	(38,706)	(30,316)
Other	-	-	-	-	-	-
Net change in Plan Fiduciary Net Position	2,113,086	2,575,447	(250,487)	1,475,070	528,291	16,736
Plan Fiduciary Net Position - Beginning	14,374,912	11,799,465	12,049,952	10,574,883	10,015,962	9,999,226
Adjustment to Beginning of Year	-	-	-	(1)	30,630	-
Plan Fiduciary Net Position - Ending (B)	<u>\$ 16,487,998</u>	<u>\$ 14,374,912</u>	<u>\$ 11,799,465</u>	<u>\$ 12,049,952</u>	<u>\$ 10,574,883</u>	<u>\$ 10,015,962</u>
<b>NET PENSION LIABILITY - ENDING (A) - (B)</b>	<u>\$ 29,803,448</u>	<u>\$ 28,643,780</u>	<u>\$ 29,228,612</u>	<u>\$ 26,897,917</u>	<u>\$ 27,369,269</u>	<u>\$ 26,495,961</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	35.62%	33.42%	28.76%	30.94%	27.87%	27.43%
Covered-Employee Payroll	\$ 2,944,359	\$ 3,067,175	\$ 2,765,025	\$ 2,746,519	\$ 2,692,099	\$ 2,728,224
Net Pension Liability as a Percentage of Covered-Employee Payroll	1012.22%	933.88%	1057.08%	979.35%	1016.65%	971.18%

**Notes to Schedule:**

This schedule is intended to illustrate the information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

*See independent auditor's report.*



**CITY OF BLUE ISLAND, ILLINOIS**  
**SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION**  
**LIABILITY AND RELATED RATIOS**  
**FIREFIGHTERS' PENSION FUND**  
**LAST SEVEN FISCAL YEARS**

	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	April 30, 2015
<b>TOTAL PENSION LIABILITY</b>							
Service Cost	\$ 478,163	\$ 396,688	\$ 407,765	\$ 415,552	\$ 389,787	\$ 222,555	\$ 372,458
Interest	1,664,009	1,655,636	1,521,202	1,499,278	1,517,922	938,174	1,365,783
Change of Benefit Terms	-	73,307	-	-	-	-	-
Differences Between Expected and Actual Experience	960,350	(623,980)	561,963	35,329	(947,307)	1,284,305	-
Changes in Assumptions	-	-	840,847	(323,689)	-	-	-
Benefit Payments, including Refunds of Employee Contributions	(1,475,916)	(1,451,100)	(1,349,337)	(1,261,624)	(1,243,408)	(819,391)	(1,172,182)
Net Change in Total Pension Liability	1,626,606	50,551	1,982,440	364,846	(283,006)	1,625,643	566,059
Total Pension Liability - Beginning	24,031,349	23,980,798	21,998,358	21,633,512	21,916,518	20,290,875	19,724,816
Total Pension Liability - Ending (A)	<u>\$ 25,657,955</u>	<u>\$ 24,031,349</u>	<u>\$ 23,980,798</u>	<u>\$ 21,998,358</u>	<u>\$ 21,633,512</u>	<u>\$ 21,916,518</u>	<u>\$ 20,290,875</u>
<b>PLAN FIDUCIARY NET POSITION</b>							
Contributions-Employer	\$ 1,334,789	\$ 1,394,336	\$ 1,105,164	\$ 949,612	\$ 827,078	\$ 414,265	\$ 620,292
Contributions-Employee	193,562	185,879	156,442	151,166	149,420	102,431	151,368
Net Investment Income	856,881	801,243	(240,143)	507,247	260,486	(47,070)	334,367
Benefit Payments, including Refunds of Employee Contributions	(1,475,916)	(1,451,100)	(1,349,337)	(1,261,624)	(1,243,408)	(819,391)	(1,172,182)
Administrative Expenses	(36,760)	(39,797)	(44,511)	(33,282)	(38,197)	(35,437)	(26,586)
Other	-	-	-	-	-	-	-
Net change in Plan Fiduciary Net Position	872,556	890,561	(372,385)	313,119	(44,621)	(385,202)	(92,741)
Plan Fiduciary Net Position - Beginning	5,727,337	4,836,776	5,209,161	4,896,633	4,941,254	5,806,684	5,899,425
Receivable Adjustment	-	-	-	(591)	-	(480,228)	-
Plan Fiduciary Net Position - Ending (B)	<u>\$ 6,599,893</u>	<u>\$ 5,727,337</u>	<u>\$ 4,836,776</u>	<u>\$ 5,209,161</u>	<u>\$ 4,896,633</u>	<u>\$ 4,941,254</u>	<u>\$ 5,806,684</u>
<b>NET PENSION LIABILITY - ENDING (A) - (B)</b>	<u>\$ 19,058,062</u>	<u>\$ 18,304,012</u>	<u>\$ 19,144,022</u>	<u>\$ 16,789,197</u>	<u>\$ 16,736,879</u>	<u>\$ 16,975,264</u>	<u>\$ 14,484,191</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	25.72%	23.83%	20.17%	23.68%	22.63%	22.55%	28.62%
Covered-Employee Payroll	\$ 2,047,192	\$ 1,959,524	\$ 1,654,595	\$ 1,598,794	\$ 1,580,328	\$ 1,592,913	\$ 1,497,091
Net Pension Liability as a Percentage of Covered-Employee Payroll	930.94%	934.11%	1157.02%	1050.12%	1059.08%	1065.67%	967.49%

**Notes to Schedule:**

This schedule is intended to illustrate the information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

*See independent auditor's report.*

**CITY OF BLUE ISLAND, ILLINOIS**  
**SCHEDULE OF CHANGES IN THE EMPLOYER'S TOTAL OPEB**  
**LIABILITY AND RELATED RATIOS**  
**OTHER POSTEMPLOYMENT BENEFITS**  
**LAST THREE FISCAL YEARS**

	December 31, 2020	December 31, 2019	December 31, 2018
<b>TOTAL OPEB LIABILITY</b>			
Service Cost	\$ 464,339	\$ 402,014	\$ 431,024
Interest	532,731	553,579	502,667
Change of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	602,489	-	-
Changes in Assumptions	1,788,424	781,117	(986,314)
Benefit Payments	<u>(689,785)</u>	<u>(641,660)</u>	<u>(594,130)</u>
Net Change in Total Pension Liability	2,698,198	1,095,050	(646,753)
Total OPEB Liability - Beginning	<u>16,219,220</u>	<u>15,124,170</u>	<u>15,770,923</u>
Total OPEB Liability - Ending	<u><u>\$ 18,917,418</u></u>	<u><u>\$ 16,219,220</u></u>	<u><u>\$ 15,124,170</u></u>
Covered-Employee Payroll	\$ 7,172,305	\$ 7,058,100	\$ 6,715,604
Net Pension Liability as a Percentage of Covered-Employee Payroll	263.76%	229.80%	225.21%

**Notes to Schedule:**

*Changes of assumptions.* Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

Fiscal Year Ending December 31, 2020:	1.93%
Fiscal Year Ending December 31, 2019:	3.26%
Fiscal Year Ending December 31, 2018:	3.64%

Also reflected as assumption changes are updated health care costs and premiums, updated health care cost trend rates, and updated retirement, termination, disability and mortality rates.

This schedule is intended to illustrate the information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

*See independent auditor's report.*

**CITY OF BLUE ISLAND, ILLINOIS**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**ILLINOIS MUNICIPAL RETIREMENT FUND**  
**LAST SIX FISCAL YEARS**

	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015
Actuarially Determined Contribution	\$ 570,259 *	\$ 393,550	\$ 449,482	\$ 567,359	\$ 600,448	\$ 597,844
Contributions in Relation to the Actuarially Determined Contribution	570,259	389,078	461,756	567,359	600,448	597,843
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ 4,472</u>	<u>\$ (12,274)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>
Covered-Employee Payroll	\$ 3,481,435	\$ 3,260,560	\$ 3,312,321	\$ 3,953,724	\$ 4,084,680	\$ 4,177,805
Contributions as a Percentages of Covered-Employee Payroll	16.38%	11.93%	13.94%	14.35%	14.70%	14.31%

\* Estimated based on contribution rate of 16.38% and covered valuation payroll of \$3,481,435.

**Valuation Date:**

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

**Methods and Assumptions Used to Determine 2020 Contribution Rates: (1)**

Actuarial Cost Method:	Aggregate Entry Age Normal
Amortization Method:	Level Percentage of Payroll, Closed
Remaining Amortization Period:	Taxing bodies (Regular, SLEP, and ECO groups): 23-year closed period Early Retirement Incentive Plan liabilities; a period up to 10 years selected by the Employer upon adoption of ERI.
Asset Valuation Method:	5-year smoothed market; 20% corridor
Wage Growth:	3.25%
Price Inflation:	2.50%
Salary Increases:	3.35% to 14.25%, including inflation
Investment Rate of Return:	7.50%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.
Mortality:	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (based year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, IMRF specific mortality rates were used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

**Other Information:**

Notes There were no benefit changes during the year.

**Notes to Schedule:**

This schedule is intended to illustrate the information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

(1) Based on Valuation Assumptions used in the December 31, 2018 actuarial valuation.

*See independent auditor's report.*

**CITY OF BLUE ISLAND, ILLINOIS**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**ILLINOIS MUNICIPAL RETIREMENT FUND-SLEP**  
**LAST SIX FISCAL YEARS**

	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015
Actuarially Determined Contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in Relation to the Actuarially Determined Contribution	-	-	-	-	-	-
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-Employee Payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a Percentages of Covered-Employee Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**Valuation Date:**

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

**Methods and Assumptions Used to Determine 2020 Contribution Rates: (1)**

Actuarial Cost Method:	Aggregate Entry Age Normal
Amortization Method:	Level Percentage of Payroll, Closed
Remaining Amortization Period:	Non-taxing bodies: 10 year rolling period. Taxing bodies (Regular, SLEP, ECO groups): 23-year closed period
Asset Valuation Method:	5-year smoothed market; 20% corridor
Wage Growth:	3.25%
Price Inflation:	2.50%
Salary Increases:	3.35% to 14.25%, including inflation
Investment Rate of Return:	7.50%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.
Mortality:	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (based year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Healthy Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table were used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, IMRF specific mortality rates were used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

**Other Information:**

Notes There were no benefit changes during the year.

**Notes to Schedule:**

This schedule is intended to illustrate the information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

(1) Based on Valuation Assumptions used in the December 31, 2018 actuarial valuation.

*See independent auditor's report.*

**CITY OF BLUE ISLAND, ILLINOIS**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**POLICE PENSION FUND**  
**LAST SIX FISCAL YEARS**

	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015
Actuarially Determined Contribution	\$ 2,636,450	\$ 2,436,772	\$ 2,219,180	\$ 2,183,443	\$ 1,983,274	\$ 1,828,354
Contributions in Relation to the Actuarially Determined Contribution	2,092,595	1,969,070	1,778,990	1,549,657	1,451,138	1,393,531
Contribution Deficiency (Excess)	<u>\$ 543,855</u>	<u>\$ 467,702</u>	<u>\$ 440,190</u>	<u>\$ 633,786</u>	<u>\$ 532,136</u>	<u>\$ 434,823</u>
Covered-Employee Payroll	\$ 2,944,359	\$ 3,067,175	\$ 2,765,025	\$ 2,746,519	\$ 2,692,099	\$ 2,728,224
Contributions as a Percentages of Covered-Employee Payroll	71.07%	64.20%	64.34%	56.42%	53.90%	51.08%

**Notes to Schedule of Contributions**

Valuation Date: 1/1/2020 1/1/2019 1/1/2018 1/1/2017 1/1/2016 N/A  
Actuarially Determined Contribution rates are calculated as of January 1, one year prior to the end of the year in which contributions are reported.

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

Funding Method	Entry-age normal
Amortization Method	Level percentage of payroll; 100% through 2040
Mortality Rate	PubS-2010 employee mortality, projected 5 years past the valuation date with Scale MP-2019. 10% of active deaths are assumed in the line of duty. PubS-2010 Healthy and Survivor retiree mortality, projected 5 years past the valuation date with Scale MP-2019.
Disabled Mortality Rate	PubS-2010 Disabled mortality, projected 5 years past the valuation date with Scale MP-2019.
Interest Rate	7.00% per year compounded annually, net of investment related expenses
Salary Increases	3.50% to 11.00%, depending on years of service
Inflation	2.50%
Payroll Growth	3.50% per year
Marital Status	80% of the members are assumed to be married. Males are assumed to be three years older than females.
Actuarial Asset Method	Investment gains and losses are smoothed over a 5-year period
Retirement Age, Disability Rate, and Termination Rate:	

The below table is based on a 2017 experience study performed for the State of Illinois Department of Insurance.  
60% of the disabilities are assumed to be in the line of duty.

% Terminating During the Year		% Becoming Disabled During the Year		% Retiring During the Year (Tier 1)		% Retiring During the Year (Tier 2)	
Age	Rate	Age	Rate	Age	Rate	Age	Rate
20	14.00%	20	0.00%	50-51	15.00%	50-54	5.00%
25	10.40%	25	0.03%	52-54	20.00%	55	40.00%
30	5.60%	30	0.14%	55-64	25.00%	56-64	25.00%
35	3.10%	35	0.26%	65-69	40.00%	65-69	40.00%
40	1.90%	40	0.42%	70+	100.00%	70+	100.00%
45	1.50%	45	0.59%				
50	1.50%	50	0.71%				
56+	0.00%	55	0.90%				
		60	1.15%				

This schedule is intended to illustrate the information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

*See independent auditor's report.*

**CITY OF BLUE ISLAND, ILLINOIS**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**FIREFIGHTERS' PENSION FUND**  
**LAST SEVEN FISCAL YEARS**

	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	April 30, 2015
Actuarially Determined Contribution	\$ 1,709,932	\$ 1,540,465	\$ 1,450,782	\$ 1,344,770	\$ 1,204,671	\$ 730,545	\$ 946,532
Contributions in Relation to the Actuarially Determined Contribution	1,334,789	1,394,336	1,105,164	949,612	827,078	414,265	620,292
Contribution Deficiency (Excess)	<u>\$ 375,143</u>	<u>\$ 146,129</u>	<u>\$ 345,618</u>	<u>\$ 395,158</u>	<u>\$ 377,593</u>	<u>\$ 316,280</u>	<u>\$ 326,240</u>
Covered-Employee Payroll	\$ 2,047,192	\$ 1,959,524	\$ 1,654,595	\$ 1,598,794	\$ 1,580,328	\$ 1,592,913	\$ 1,497,091
Contributions as a Percentages of Covered-Employee Payroll	65.20%	71.16%	66.79%	59.40%	52.34%	26.01%	41.43%

**Notes to Schedule of Contributions**

Valuation Date: 1/1/2020 1/1/2019 1/1/2018 1/1/2017 1/1/2016 5/1/2015 N/A  
Actuarially Determined Contribution rates are calculated as of January 1, one year prior to the end of the year in which contributions are reported.

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

Funding Method Entry-age normal  
Amortization Method Level percentage of payroll; 100% through 2040  
Mortality Rate PubS-2010 Employee mortality, projected 5 years past the valuation date with Scale MP-2019.  
20% of active deaths are assumed to be in the line of duty.  
PubS-2010 Healthy and Survivor mortality, projected 5 years past the valuation date with Scale MP-2019.  
PubS-2010 Disabled mortality, projected 5 years past the valuation date with Scale MP-2019.  
Interest Rate 7.00% per year compounded annually, net of investment related expenses  
Salary Increases 3.50% to 12.50%, depending on years of service  
Marital Status 80% of Members are assumed to be married  
Spouse's Age Males are assumed to be three years older than females  
Retirement Age, Disability Rate, and Termination Rate:

% Terminating During the Year		% Becoming Disabled During the Year		% Retiring During the Year (Tier 1)		% Retiring During the Year (Tier 2)	
Age	Rate	Age	Rate	Age	Rate	Age	Rate
20	7.00%	20	0.010%	50-51	10.00%	50-54	3.00%
25	5.80%	25	0.016%	52-53	12.00%	55	30.00%
30	3.50%	30	0.068%	54-55	15.00%	56-59	20.00%
35	1.75%	35	0.220%	56-59	20.00%	60-62	25.00%
40	1.10%	40	0.420%	60-62	25.00%	63-64	33.00%
45	1.00%	45	0.650%	63-64	33.00%	65-69	50.00%
50	1.00%	50	0.900%	65-69	50.00%	70+	100.00%
55+	0.00%	55	1.240%	70+	100.00%		
		60	1.580%				

This schedule is intended to illustrate the information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

*See independent auditor's report.*

**CITY OF BLUE ISLAND, ILLINOIS**  
**SCHEDULE OF INVESTMENT RETURNS**  
**POLICE PENSION FUND**  
**LAST SIX FISCAL YEARS**

---

	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>
Annual money-weighted rate of return, Net of investment expenses	13.16%	19.06%	-4.01%	12.79%	5.41%	N/A

This schedule is intended to illustrate the information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

N/A- Not Available

**CITY OF BLUE ISLAND, ILLINOIS**  
**SCHEDULE OF INVESTMENT RETURNS**  
**FIREFIGHTERS' PENSION FUND**  
**LAST SEVEN FISCAL YEARS**

---

	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>	<u>4/30/2015</u>
Annual money-weighted rate of return, Net of investment expenses	14.52%	15.86%	-4.58%	10.34%	5.32%	N/A	N/A

This schedule is intended to illustrate the information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

N/A- Not Available

*See independent auditor's report.*



**CITY OF BLUE ISLAND, ILLINOIS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	2020			2019
	Original and Final Budget	Actual	Variance with Final Budget Over/(Under)	Actual
<b>REVENUES</b>				
Property taxes	\$ 3,499,641	\$ 3,075,700	\$ (423,941)	\$ 3,413,876
Personal property replacement tax	240,000	203,244	(36,756)	243,218
Other taxes	3,720,000	3,589,815	(130,185)	3,685,315
Licenses	864,675	779,429	(85,246)	815,790
Permits	374,000	315,311	(58,689)	403,595
Fines and forfeitures	468,400	404,263	(64,137)	715,585
Intergovernmental	2,756,969	3,361,975	605,006	2,615,934
Interest	25,000	7,501	(17,499)	25,495
Other	2,976,000	3,011,945	35,945	3,056,496
Total Revenues	14,924,685	14,749,183	(175,502)	14,975,304
<b>EXPENDITURES</b>				
Current:				
General government	4,982,506	4,797,037	(185,469)	7,714,644
Public safety	7,239,781	7,238,919	(862)	7,226,072
Public works	3,074,998	2,633,716	(441,282)	2,463,116
Capital outlay	46,000	298,323	252,323	315,070
Debt service				
Principal	16,200	16,102	(98)	79,135
Interest and fiscal charges	15,200	15,544	344	10,819
Total Expenditures	15,374,685	14,999,641	(375,044)	17,808,856
Excess (Deficiency) of Revenues over (under) Expenditures	(450,000)	(250,458)	199,542	(2,833,552)
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond proceeds	-	-	-	2,088,232
Transfers in	450,000	401,249	(48,751)	391,154
Transfers out	-	(17,326)	(17,326)	(15,250)
Total Other Financing Sources (Uses)	450,000	383,923	(66,077)	2,464,136
Net change in fund balance	\$ -	133,465	\$ 133,465	(369,416)
Fund balance (deficit) at beginning of year		(3,597,234)		(3,667,706)
Fund balance (deficit) at end of year		\$ (3,463,769)		\$ (4,037,122)

*See independent auditor's report.*

**CITY OF BLUE ISLAND, ILLINOIS**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**DECEMBER 31, 2020**

---

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

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

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

For the year ended December 31, 2020, there were no supplemental appropriations.

**COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**

**CITY OF BLUE ISLAND, ILLINOIS**  
**SCHEDULE OF DETAILED REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	2020			2019
	Original and Final Budget	Actual	Variance with Final Budget Over/(Under)	Actual
<b>REVENUES</b>				
Property taxes	\$ 3,499,641	\$ 3,075,700	\$ (423,941)	\$ 3,413,876
Personal property replacement tax	240,000	203,244	(36,756)	243,218
Other taxes				
Sales tax	1,400,000	1,321,917	(78,083)	1,385,129
Use tax	775,000	1,015,452	240,452	787,623
Cannabis use tax	-	16,379	16,379	-
Utility taxes	1,165,000	1,006,982	(158,018)	1,156,856
Video gaming tax	380,000	229,085	(150,915)	355,707
Total taxes	<u>7,459,641</u>	<u>6,868,759</u>	<u>(590,882)</u>	<u>7,342,409</u>
Licenses				
Vehicle	580,000	566,700	(13,300)	583,454
Business	155,000	127,078	(27,922)	146,080
Contractors	25,000	63	(24,937)	2,025
Animal	675	335	(340)	695
Building & housing inspections	95,000	71,423	(23,577)	72,848
Elevator inspections	9,000	13,830	4,830	10,688
Total licenses	<u>864,675</u>	<u>779,429</u>	<u>(85,246)</u>	<u>815,790</u>
Permits				
Building	300,000	275,891	(24,109)	326,491
Electrical	20,000	12,355	(7,645)	18,920
Other	54,000	27,065	(26,935)	58,184
Total permits	<u>374,000</u>	<u>315,311</u>	<u>(58,689)</u>	<u>403,595</u>
Fines and forfeitures				
Police	382,400	389,432	7,032	686,479
Building violations	75,000	8,342	(66,658)	20,332
Compliance court	11,000	6,489	(4,511)	8,774
Total fines	<u>468,400</u>	<u>404,263</u>	<u>(64,137)</u>	<u>715,585</u>
Intergovernmental				
State income tax	2,525,000	2,610,514	85,514	2,543,500
Grants	231,969	751,461	519,492	72,434
Total intergovernmental	<u>2,756,969</u>	<u>3,361,975</u>	<u>605,006</u>	<u>2,615,934</u>
Interest	<u>25,000</u>	<u>7,501</u>	<u>(17,499)</u>	<u>25,495</u>

*See independent auditor's report.*

**CITY OF BLUE ISLAND, ILLINOIS**  
**SCHEDULE OF DETAILED REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	2020		Variance with Final Budget Over/(Under)	2019
	Original and Final Budget	Actual		Actual
<b>REVENUES (Continued)</b>				
Other				
Ambulance user fees	\$ 300,000	\$ 455,066	\$ 155,066	\$ 444,901
City parking lots	175,000	49,661	(125,339)	65,842
Maintenance of state roads and traffic signals	120,000	122,839	2,839	115,790
Towing fees	100,000	65,650	(34,350)	81,500
Engineering	110,000	-	(110,000)	1,966
Alarm security fees	5,900	-	(5,900)	-
Reimbursements	14,600	930	(13,670)	1,177
Rent/lease/sale property	90,000	79,977	(10,023)	70,020
Sanitation and recycling fees	1,630,000	1,688,929	58,929	1,629,289
Television franchise fees	190,000	172,691	(17,309)	182,715
Telephone franchise fees	78,000	77,049	(951)	63,252
Vital statistics	32,000	11,966	(20,034)	31,357
Miscellaneous	130,500	287,187	156,687	368,687
Total other	2,976,000	3,011,945	35,945	3,056,496
Total revenues	14,924,685	14,749,183	(175,502)	14,975,304

*See independent auditor's report.*

**CITY OF BLUE ISLAND, ILLINOIS**  
**SCHEDULE OF DETAILED REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	2020		Variance with	2019
	Original and Final Budget	Actual	Final Budget Over/(Under)	Actual
<b>EXPENDITURES</b>				
General Government				
Administration				
Salaries and benefits				
Mayor's office				
Full-time salaries	\$ 54,578	\$ 55,116	\$ 538	\$ 53,615
Part-time salaries	33,600	33,600	-	33,600
Finance				
Full-time salaries	135,535	135,408	(127)	172,817
Part-time salaries	10,600	10,600	-	10,600
Overtime salaries	300	392	92	276
Clerk's office				
Full-time salaries	69,712	70,288	576	69,884
General Government				
Full-time salaries	105,037	109,279	4,242	47,947
Part-time salaries	22,400	4,690	(17,710)	25,725
Aldermen salaries	86,800	86,990	190	86,990
Illinois Municipal Retirement Fund	67,200	66,432	(768)	46,426
Unemployment insurance	9,000	6,162	(2,838)	-
Payroll taxes-FICA and Medicare	39,350	50,819	11,469	36,455
Total salaries and benefits	634,112	629,776	(4,336)	584,335
Services				
Professional fees	75,000	58,543	(16,457)	60,025
Computers and software	108,157	102,403	(5,754)	141,668
Legal	150,000	266,238	116,238	474,014
Other	1,350	2,898	1,548	4,531
Professional consulting and engineering	85,000	233,999	148,999	184,110
Telephone	271,500	306,388	34,888	316,829
Utilities-gas	250	-	(250)	3,624
Training	1,600	707	(893)	1,210
Total services	692,857	971,176	278,319	1,186,011
Supplies and materials				
Board up expense	15,000	1,860	(13,140)	11,195
Maintenance supplies	2,000	1,477	(523)	2,568
Operating supplies	50	48	(2)	10
Printing, postage, and office supplies	7,975	7,259	(716)	11,585
Vehicle sticker program	16,000	16,190	190	15,767
Small equipment	-	-	-	73
Total supplies and materials	41,025	26,834	(14,191)	41,198

*See independent auditor's report.*

**CITY OF BLUE ISLAND, ILLINOIS**  
**SCHEDULE OF DETAILED REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	2020		Variance with	2019
	Original and Final Budget	Actual	Final Budget Over/(Under)	Actual
<b>EXPENDITURES (Continued)</b>				
General Government (Continued)				
Administration (Continued)				
Repairs and maintenance				
Equipment	\$ 1,850	\$ 1,497	\$ (353)	\$ 1,968
Building maint & repair	15,000	2,970	(12,030)	19,902
Total repairs and maintenance	16,850	4,467	(12,383)	21,870
Miscellaneous				
Bank service charges	5,000	36,109	31,109	19,793
Dues and subscriptions	26,000	10,072	(15,928)	32,245
Employee/office services	1,500	642	(858)	1,831
Legal notices	2,000	3,452	1,452	1,440
Library personal property replacement taxes	61,000	-	(61,000)	-
Licenses and payroll service fees	55,100	71,605	16,505	63,259
Meetings and seminars	500	195	(305)	2,393
Rental and leasing	650	154	(496)	2,953
Travel/transportation	300	-	(300)	100
Grant pass through expenditures	50,000	44,552	(5,448)	1,646
Grant expenditures	-	153,423	153,423	-
Other	39,100	81,808	42,708	9,416
Total miscellaneous	241,150	402,012	160,862	135,076
Total administration	1,625,994	2,034,265	408,271	1,968,490
Building Department				
Salaries and benefits				
Full-time salaries	218,568	230,543	11,975	201,230
Part-time salaries	70,000	27,482	(42,518)	38,618
Overtime salaries	3,200	-	(3,200)	933
Illinois Municipal Retirement Fund	42,400	36,196	(6,204)	24,748
Unemployment insurance	3,000	3,393	393	-
Payroll taxes-FICA and Medicare	22,350	17,239	(5,111)	17,752
Uniforms	600	-	(600)	595
Total salaries and benefits	360,118	314,853	(45,265)	283,876
Services				
Computers and software	2,457	1,362	(1,095)	2,849
Professional consulting and engineering	2,500	1,250	(1,250)	2,424
Legal notices	500	-	(500)	-
Training	1,000	-	(1,000)	258
Total services	6,457	2,612	(3,845)	5,531

*See independent auditor's report.*

**CITY OF BLUE ISLAND, ILLINOIS**  
**SCHEDULE OF DETAILED REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	2020		Variance with	2019
	Original and Final Budget	Actual	Final Budget Over/(Under)	Actual
<b>EXPENDITURES (Continued)</b>				
General Government (Continued)				
Building Department (Continued)				
Supplies and materials				
Gasoline and oil for vehicles	\$ 3,000	\$ 2,204	\$ (796)	\$ 3,432
Printing, postage, and office supplies	6,000	1,871	(4,129)	3,846
Total supplies and materials	9,000	4,075	(4,925)	7,278
Repairs and maintenance				
Elevator inspections	3,200	3,252	52	3,589
Equipment	1,500	1,349	(151)	2,148
Vehicle	2,000	158	(1,842)	619
Total repairs and maintenance	6,700	4,759	(1,941)	6,356
Miscellaneous				
Dues and subscriptions	400	-	(400)	363
Meetings and seminars	250	-	(250)	238
Travel/transportation	100	-	(100)	-
Grant pass through exp	-	33,709	33,709	29,090
Total miscellaneous	750	33,709	32,959	29,691
Total building department	383,025	360,008	(23,017)	332,732
Planning Department				
Services				
Computers and software	-	-	-	43
Total services	-	-	-	43
Supplies and materials				
Printing, postage, and office supplies	-	-	-	8
Total supplies and materials	-	-	-	8
Total planning department	-	-	-	51

*See independent auditor's report.*



**CITY OF BLUE ISLAND, ILLINOIS**  
**SCHEDULE OF DETAILED REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	2020		Variance with	2019
	Original and Final Budget	Actual	Final Budget Over/(Under)	Actual
<b>EXPENDITURES (Continued)</b>				
General Government (Continued)				
Insurance Department				
Employee insurance benefits				
Employee medical insurance	\$ 1,685,000	\$ 1,571,406	\$ (113,594)	\$ 1,909,065
Life/unemployment insurance	11,000	8,715	(2,285)	10,728
Total employee insurance benefits	1,696,000	1,580,121	(115,879)	1,919,793
Services				
Auto/property damage claims	2,500	45,551	43,051	22,547
Insurance-buildings/vehicles	70,000	57,000	(13,000)	27,722
Insurance fees	20,000	10,918	(9,082)	9,257
Liability claim expense	50,000	238,228	188,228	127,742
Personal injury claims	410,000	238,563	(171,437)	1,734,165
Workers compensation disability medical claim	15,000	13,038	(1,962)	15,973
Accident claims	8,000	-	(8,000)	7,157
Medical liability claims	20,000	31,958	11,958	-
Settlement payments	500,000	38,453	(461,547)	935,750
Total services	1,095,500	673,709	(421,791)	2,880,313
Total insurance department	2,791,500	2,253,830	(537,670)	4,800,106
Marketing Department				
Salaries and benefits				
Full-time salaries	-	3,350	3,350	8,708
Part-time salaries	22,000	21,510	(490)	21,680
Overtime salaries	-	-	-	66
Illinois Municipal Retirement Fund	3,600	3,935	335	3,504
Unemployment insurance	-	510	510	-
Payroll taxes-FICA and Medicare	1,900	1,733	(167)	2,291
Total salaries and benefits	27,500	31,038	3,538	36,249
Services				
Professional consulting	-	630	630	3,160
Total services	-	630	630	3,160

*See independent auditor's report.*

**CITY OF BLUE ISLAND, ILLINOIS**  
**SCHEDULE OF DETAILED REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	2020			2019
	Original and Final Budget	Actual	Variance with Final Budget Over/(Under)	Actual
<b>EXPENDITURES (Continued)</b>				
General Government (Continued)				
Marketing Department (Continued)				
Miscellaneous				
Advertising and marketing	\$ 10,000	\$ 21,147	\$ 11,147	\$ 17,294
Community promotions	12,000	4,869	(7,131)	35,166
Cal-Sag reimbursement	-	-	-	409,879
Census	10,000	862	(9,138)	-
Total miscellaneous	32,000	26,878	(5,122)	462,339
Total marketing department	59,500	58,546	(954)	501,748
Rec Center Department				
Salaries and benefits				
Full-time salaries	54,260	56,086	1,826	52,652
Part-time salaries	22,200	9,335	(12,865)	22,191
Illinois Municipal Retirement Fund	10,920	9,935	(985)	7,777
Payroll taxes-FICA and Medicare	6,000	4,198	(1,802)	5,435
Total salaries and benefits	93,380	79,554	(13,826)	88,055
Services				
Telephone	2,000	957	(1,043)	2,233
Utilities	2,000	1,050	(950)	2,137
Other contractual services	6,257	3,709	(2,548)	5,427
Total supplies and materials	10,257	5,716	(4,541)	9,797
Supplies and materials				
Printing, postage, and office supplies	1,750	41	(1,709)	893
Maintenance supplies	2,000	518	(1,482)	3,719
Operating supplies	500	276	(224)	132
Small equipment	250	-	(250)	2,421
Total supplies and materials	4,500	835	(3,665)	7,165
Repairs and maintenance				
Equipment	100	60	(40)	-
Building and maintenance repair	500	348	(152)	325
Outside contractors	2,000	1,904	(96)	3,490
Total repairs and maintenance	2,600	2,312	(288)	3,815

*See independent auditor's report.*

**CITY OF BLUE ISLAND, ILLINOIS**  
**SCHEDULE OF DETAILED REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	2020			2019
	Original and Final Budget	Actual	Variance with Final Budget Over/(Under)	Actual
<b>EXPENDITURES (Continued)</b>				
General Government (Continued)				
Rec Center Department (Continued)				
Miscellaneous				
Employee/office services	\$ 250	\$ -	\$ (250)	\$ 441
Rental and leasing	500	-	(500)	413
Community promotions	11,000	1,971	(9,029)	1,831
Total miscellaneous	11,750	1,971	(9,779)	2,685
Total rec center department	122,487	90,388	(32,099)	111,517
Total general government	4,982,506	4,797,037	(185,469)	7,714,644
Public Safety				
Police Department				
Salaries and benefits				
Officers				
Full-time salaries	3,087,100	3,084,767	(2,333)	3,165,207
Overtime salaries	210,000	205,016	(4,984)	195,095
Records and desk clerks				
Full-time salaries	364,595	425,405	60,810	368,574
Part-time salaries	1,950	-	(1,950)	13,669
Overtime salaries	23,000	23,803	803	18,027
Part-time police	109,000	91,265	(17,735)	105,159
Part-time overtime salaries	100	-	(100)	27
Residency stipend	25,000	-	(25,000)	-
Illinois Municipal Retirement Fund	62,400	66,740	4,340	47,698
Payroll taxes-FICA and Medicare	91,000	75,043	(15,957)	77,647
Unemployment insurance	5,000	(351)	(5,351)	7,915
Total salaries and benefits	3,979,145	3,971,688	(7,457)	3,999,018
Services				
Animal care	10,000	2,448	(7,552)	13,321
Dispatch services	239,989	234,802	(5,187)	241,246
Computers and software	16,771	11,897	(4,874)	25,702
Prisoner care	1,500	1,682	182	1,172
Professional consulting	4,000	7,000	3,000	6,885
Telephone	18,000	25,164	7,164	20,369
Training	35,000	22,544	(12,456)	15,699
Utilities	660	345	(315)	165
Other contractual services	-	840	840	-
Total services	325,920	306,722	(19,198)	324,559

*See independent auditor's report.*

**CITY OF BLUE ISLAND, ILLINOIS**  
**SCHEDULE OF DETAILED REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	2020		Variance with	2019
	Original and Final Budget	Actual	Final Budget Over/(Under)	Actual
<b>EXPENDITURES (Continued)</b>				
Public Safety (Continued)				
Police Department (Continued)				
Supplies and materials				
Ammunition/guns	\$ 5,000	\$ 1,285	\$ (3,715)	\$ 1,973
Gasoline and oil for vehicles	77,000	59,616	(17,384)	87,815
Maintenance supplies	3,000	2,417	(583)	2,577
Operating supplies	4,000	2,407	(1,593)	4,395
Printing, postage, and office supplies	19,000	13,854	(5,146)	18,930
Small equipment	1,000	10,473	9,473	532
Tasers	10,453	10,453	-	10,000
Tools Expense	500	500	-	500
Uniforms	7,500	2,660	(4,840)	9,388
Coronavirus Supplemental Grant	-	16,649	16,649	-
Total supplies and materials	127,453	120,314	(7,139)	136,110
Repairs and maintenance				
Building	15,000	2,635	(12,365)	3,543
Equipment	48,500	53,526	5,026	52,183
Vehicle	45,000	22,136	(22,864)	42,111
Total repairs and maintenance	108,500	78,297	(30,203)	97,837
Miscellaneous				
Community promotions	500	-	(500)	119
Dues and subscriptions	3,500	1,195	(2,305)	3,710
Employee/office services	-	1,945	1,945	-
JAG grant expense	9,716	9,424	(292)	10,930
Licenses/fees	2,500	325	(2,175)	629
Meetings and seminars	1,000	-	(1,000)	334
Subscriptions/publications	-	-	-	12
Travel/transportation	1,000	-	(1,000)	453
Total miscellaneous	18,216	12,889	(5,327)	16,187
Total police department	4,559,234	4,489,910	(69,324)	4,573,711
9-1-1 Department				
Miscellaneous				
Licenses and fees	-	-	-	28
Total miscellaneous	-	-	-	28
Total 9-1-1 department	-	-	-	28

*See independent auditor's report.*

**CITY OF BLUE ISLAND, ILLINOIS**  
**SCHEDULE OF DETAILED REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	2020		Variance with	2019
	Original and Final Budget	Actual	Final Budget Over/(Under)	Actual
<b>EXPENDITURES (Continued)</b>				
Public Safety (Continued)				
Fire Department				
Salaries and benefits				
Full-time salaries	\$ 2,144,045	\$ 2,172,884	\$ 28,839	\$ 2,098,147
Overtime salaries	85,000	128,196	43,196	146,782
Residency stipend	5,000	-	(5,000)	-
Illinois Municipal Retirement Fund	6,900	6,751	(149)	4,910
Payroll taxes-FICA and Medicare	36,100	30,130	(5,970)	29,315
Total salaries and benefits	2,277,045	2,337,961	60,916	2,279,154
Services				
Ambulance processing fee	30,000	33,719	3,719	34,791
911 Charges	143,500	168,747	25,247	-
Computers and software	9,302	8,355	(947)	10,035
Professional consulting	2,500	4,985	2,485	159,269
Telephone	1,500	126	(1,374)	1,364
Utilities	1,200	542	(658)	1,387
Training	2,250	592	(1,658)	3,302
Total services	190,252	217,066	26,814	210,148
Supplies and materials				
Gasoline and oil for vehicles	2,900	2,857	(43)	4,048
Maintenance supplies	3,000	1,686	(1,314)	3,893
Operating supplies	35,000	8,450	(26,550)	3,278
Printing, postage, and office supplies	2,900	566	(2,334)	682
Small equipment	11,700	11,570	(130)	19,724
Uniforms	20,000	18,892	(1,108)	7,180
Total supplies and materials	75,500	44,021	(31,479)	38,805
Repairs and maintenance				
Building	6,000	7,868	1,868	6,220
Equipment	4,500	1,886	(2,614)	5,113
Vehicle	59,000	70,774	11,774	43,165
Total repairs and maintenance	69,500	80,528	11,028	54,498
Miscellaneous				
Community promotions	750	-	(750)	223
Dues and subscriptions	6,500	5,040	(1,460)	9,679
Employee/office services	1,000	(23)	(1,023)	-
Licenses/fees	11,700	75	(11,625)	225
Meetings and seminars	750	20	(730)	523
Physical exams	8,000	2,037	(5,963)	8,812
Rentals and leasing fees	250	752	502	344

*See independent auditor's report.*

**CITY OF BLUE ISLAND, ILLINOIS**  
**SCHEDULE OF DETAILED REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	2020			2019
	Original and Final Budget	Actual	Variance with Final Budget Over/(Under)	Actual
<b>EXPENDITURES (Continued)</b>				
Public Safety (Continued)				
Fire Department (Continued)				
Miscellaneous (Miscellaneous)				
Subscriptions/publication	\$ -	\$ -	\$ -	\$ 12
Travel/transportation	500	-	(500)	-
Natural gas	-	902	902	-
Total miscellaneous	29,450	8,803	(20,647)	19,818
Total fire department	2,641,747	2,688,379	46,632	2,602,423
Civil Service Commission				
Professional consulting	-	-	-	-
Personnel hiring/exams	20,000	18,207	(1,793)	30,066
Legal fees	-	2,451	2,451	278
Legal notices	1,000	992	(8)	1,488
Total civil service commission	21,000	21,650	650	31,832
Emergency Management Services				
Other	-	4,256	4,256	14,180
Total services	-	4,256	4,256	14,180
Supplies and materials				
Emergency supplies	17,800	34,724	16,924	-
Computers and software	-	-	-	608
Small equipment	-	-	-	993
Building and street signs	-	-	-	112
Total Supplies	17,800	34,724	16,924	1,713
Repairs and maintenance				
Vehicle	-	-	-	1,453
Total repairs and maintenance	-	-	-	1,453
Miscellaneous				
Meals	-	-	-	732
Total miscellaneous	-	-	-	732
Total emergency management department	17,800	38,980	21,180	18,078
Total public safety	7,239,781	7,238,919	(862)	7,226,072

*See independent auditor's report.*

**CITY OF BLUE ISLAND, ILLINOIS**  
**SCHEDULE OF DETAILED REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	2020		Variance with	2019
	Original and Final Budget	Actual	Final Budget Over/(Under)	Actual
<b>EXPENDITURES (Continued)</b>				
Public Works				
Salaries and benefits				
Full-time salaries	\$ 380,820	\$ 469,352	\$ 88,532	\$ 419,766
Part-time salaries	7,500	4,874	(2,626)	15,938
Overtime salaries	26,500	15,885	(10,615)	38,454
Illinois Municipal Retirement Fund	66,000	75,469	9,469	53,209
Unemployment insurance	-	(425)	(425)	-
Payroll taxes-FICA and Medicare	32,000	31,712	(288)	33,308
Total salaries and benefits	512,820	596,867	84,047	560,675
Services				
Computers and software	2,757	1,174	(1,583)	1,026
Engineering	36,000	732	(35,268)	981
Garbage and recycling	1,390,000	1,411,146	21,146	1,355,749
Other contractual	750	1,189	439	980
Utilities	267,250	264,656	(2,594)	317,519
Total services	1,696,757	1,678,897	(17,860)	1,676,255
Supplies and materials				
Building and street signs	10,000	8,009	(1,991)	6,701
Concrete/asphalt/stone	45,000	-	(45,000)	3,667
Gasoline and oil for vehicles	45,000	37,228	(7,772)	51,467
Maintenance supplies	15,000	11,118	(3,882)	8,501
Printing, postage, and office supplies	1,300	500	(800)	365
Small equipment	5,000	1,991	(3,009)	837
Tool expense	1,000	994	(6)	991
Total supplies and materials	122,300	59,840	(62,460)	72,529
Repairs and maintenance				
Building	5,000	2,451	(2,549)	2,095
Equipment	26,200	7,318	(18,882)	21,712
Equipment rental	2,000	-	(2,000)	-
Parking lot maintenance	25,000	8,601	(16,399)	7,913
Outside contractors	4,000	-	(4,000)	3,999
Street lighting system	25,000	13,249	(11,751)	30,953
Street resurfacing/repair	554,021	188,387	(365,634)	-
Traffic signals	25,000	23,012	(1,988)	28,146
Tree program	50,000	35,535	(14,465)	32,340
Vehicle	25,000	19,340	(5,660)	25,776
Total repairs and maintenance	741,221	297,893	(443,328)	152,934

*See independent auditor's report.*

**CITY OF BLUE ISLAND, ILLINOIS**  
**SCHEDULE OF DETAILED REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	2020			2019
	Original and Final Budget	Actual	Variance with Final Budget Over/(Under)	Actual
<b>EXPENDITURES (Continued)</b>				
Public Works (Continued)				
Miscellaneous				
Dues and subscriptions	\$ 150	\$ 100	\$ (50)	\$ 100
Training	1,000	-	(1,000)	-
Employee/office services	700	119	(581)	615
Travel/transportation	50	-	(50)	8
Total miscellaneous	1,900	219	(1,681)	723
Total public works department	3,074,998	2,633,716	(441,282)	2,463,116
Capital Outlay				
Marketing department	-	263,113	263,113	267,058
Police department	46,000	35,210	(10,790)	48,012
Total capital outlay	46,000	298,323	252,323	315,070
Debt Service				
Principal	16,200	16,102	(98)	79,135
Interest and fiscal charges	15,200	15,544	344	10,819
Total debt service	31,400	31,646	246	89,954
Total expenditures	15,374,685	14,999,641	(375,044)	17,808,856
(Deficiency) of revenues (under) expenditures	(450,000)	(250,458)	199,542	(2,833,552)
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond proceeds	-	-	-	2,088,232
Transfers in	450,000	401,249	(48,751)	391,154
Transfers out	-	(17,326)	(17,326)	(15,250)
Total other financing sources (uses)	450,000	383,923	(66,077)	2,464,136
Net change in fund balance	\$ -	133,465	\$ 133,465	(369,416)
Fund balance (deficit) at beginning of year		(3,597,234)		(3,667,706)
Fund balance (deficit) at end of year		\$ (3,463,769)		\$ (4,037,122)

*See independent auditor's report.*



**CITY OF BLUE ISLAND, ILLINOIS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**DECEMBER 31, 2020**

	Special Revenue					
	Business District	Motor Fuel Tax	Special Tax Increment Allocation IV	Special Tax Increment Allocation VI	Special Revenue Allocation VII	Foreign Fire Tax
<b>ASSETS</b>						
Cash and cash equivalents	\$ 2,475,525	\$ 1,425,707	\$ 62,526	\$ 997	\$ 45,392	\$ 54,065
Receivables						
Property taxes-net	-	-	-	-	-	-
Other taxes	153,794	-	-	-	-	32,080
Due from other funds	(740)	23,995	-	249,780	-	-
Due from other governments	-	150,429	-	-	-	-
	<u>-</u>	<u>150,429</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 2,628,579</u>	<u>\$ 1,600,131</u>	<u>\$ 62,526</u>	<u>\$ 250,777</u>	<u>\$ 45,392</u>	<u>\$ 86,145</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 23,777	\$ 3,715	\$ 3,255	\$ 115,422	\$ 101	\$ -
Due to other funds	-	-	26,752	-	25,401	-
Due to other government units	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>23,777</u>	<u>3,715</u>	<u>30,007</u>	<u>115,422</u>	<u>25,502</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Property taxes levied for subsequent year	-	-	-	-	-	-
Unavailable revenue	56,794	544,068	-	-	-	-
	<u>56,794</u>	<u>544,068</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>56,794</u>	<u>544,068</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>						
Restricted						
Grants	-	-	-	-	-	-
Economic development	2,548,008	-	32,519	135,355	19,890	-
Street maintenance	-	1,052,348	-	-	-	-
Public safety	-	-	-	-	-	86,145
Unassigned (deficit)	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances (deficits)	<u>2,548,008</u>	<u>1,052,348</u>	<u>32,519</u>	<u>135,355</u>	<u>19,890</u>	<u>86,145</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,628,579</u>	<u>\$ 1,600,131</u>	<u>\$ 62,526</u>	<u>\$ 250,777</u>	<u>\$ 45,392</u>	<u>\$ 86,145</u>

*See independent auditor's report.*

**CITY OF BLUE ISLAND, ILLINOIS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS (Continued)**  
**DECEMBER 31, 2020**

	Special Revenue				Debt Service	Capital Projects	
	State Asset Seizure	Federal Asset Seizure	Police Pension Contribution	Firefighters' Pension Contribution	Debt Service	CDBG	Total
<b>ASSETS</b>							
Cash and cash equivalents	\$ 103,504	\$ 78,275	\$ -	\$ -	\$ -	\$ 409,056	\$ 4,655,047
Receivables							
Property taxes-net	-	-	2,285,828	1,448,765	265,518	-	4,000,111
Other taxes	-	-	-	-	-	-	185,874
Due from other funds	-	-	28,983	20,387	-	-	322,405
Due from other governments	-	-	-	-	-	-	150,429
Total assets	<u>\$ 103,504</u>	<u>\$ 78,275</u>	<u>\$ 2,314,811</u>	<u>\$ 1,469,152</u>	<u>\$ 265,518</u>	<u>\$ 409,056</u>	<u>\$ 9,313,866</u>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ -	\$ 28,983	\$ 20,387	\$ -	\$ -	\$ 195,640
Due to other funds	-	-	-	-	58,538	15,000	125,691
Due to other government units	87,650	-	-	-	-	-	87,650
Total liabilities	<u>87,650</u>	<u>-</u>	<u>28,983</u>	<u>20,387</u>	<u>58,538</u>	<u>15,000</u>	<u>408,981</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Property taxes levied for subsequent year	-	-	2,285,828	1,448,765	265,518	-	4,000,111
Unavailable revenue	-	-	-	-	-	-	600,862
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>2,285,828</u>	<u>1,448,765</u>	<u>265,518</u>	<u>-</u>	<u>4,600,973</u>
<b>FUND BALANCES</b>							
Restricted							
Grants	-	-	-	-	-	394,056	394,056
Economic development	-	-	-	-	-	-	2,735,772
Street maintenance	-	-	-	-	-	-	1,052,348
Public safety	15,854	78,275	-	-	-	-	180,274
Unassigned (deficit)	-	-	-	-	(58,538)	-	(58,538)
Total fund balances (deficits)	<u>15,854</u>	<u>78,275</u>	<u>-</u>	<u>-</u>	<u>(58,538)</u>	<u>394,056</u>	<u>4,303,912</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 103,504</u>	<u>\$ 78,275</u>	<u>\$ 2,314,811</u>	<u>\$ 1,469,152</u>	<u>\$ 265,518</u>	<u>\$ 409,056</u>	<u>\$ 9,313,866</u>

*See independent auditor's report.*

**CITY OF BLUE ISLAND, ILLINOIS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Special Revenue					
	Business District	Motor Fuel Tax	Special Tax Increment Allocation IV	Special Tax Increment Allocation VI	Special Revenue Allocation VII	Foreign Fire Tax
<b>REVENUES</b>						
Property taxes-net	\$ -	\$ -	\$ 38,691	\$ 128,249	\$ 23,855	\$ -
Personal property replacement taxes	-	-	-	-	-	-
Other taxes	626,890	-	-	-	-	29,773
Motor fuel tax allotments	-	991,245	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Interest	-	3,656	51	2	11	-
Total revenues	626,890	994,901	38,742	128,251	23,866	29,773
<b>EXPENDITURES</b>						
Current						
General government	190,362	-	63,355	125,452	483	-
Public safety	-	-	-	-	-	31,872
Street maintenance	-	167,034	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total Expenditures	190,362	167,034	63,355	125,452	483	31,872
Excess (Deficiency) of Revenues over (under) Expenditures	436,528	827,867	(24,613)	2,799	23,383	(2,099)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfer in	-	-	-	-	-	-
Transfer out	-	(401,249)	-	-	-	-
Total Other Financing Uses	-	(401,249)	-	-	-	-
Net changes in fund balances	436,528	426,618	(24,613)	2,799	23,383	(2,099)
Fund balances (deficits) at beginning of year	2,111,480	625,730	57,132	132,556	(3,493)	88,244
Fund balances (deficits) at end of year	\$ 2,548,008	\$ 1,052,348	\$ 32,519	\$ 135,355	\$ 19,890	\$ 86,145

*See independent auditor's report.*

**CITY OF BLUE ISLAND, ILLINOIS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Special Revenue				Debt Service	Capital Projects	
	State Asset Seizure	Federal Asset Seizure	Police Pension Contribution	Firefighters' Pension Contribution	Debt Service	CDBG	Total
<b>REVENUES</b>							
Property taxes-net	\$ -	\$ -	\$ 2,054,936	\$ 1,305,752	\$ 501,754	\$ -	\$ 4,053,237
Personal property replacement taxes	-	-	28,983	20,387	-	-	49,370
Other taxes	-	-	-	-	-	-	656,663
Motor fuel tax allotments	-	-	-	-	-	-	991,245
Fines and forfeitures	-	22,671	-	-	-	-	22,671
Interest	8	57	-	-	-	260	4,045
Total revenues	8	22,728	2,083,919	1,326,139	501,754	260	5,777,231
<b>EXPENDITURES</b>							
Current							
General government	-	-	-	-	-	-	379,652
Public safety	12,494	12,237	2,092,595	1,334,789	-	-	3,483,987
Street maintenance	-	-	-	-	-	14,434	181,468
Capital outlay	-	103,804	-	-	-	-	103,804
Debt service							
Principal	-	-	-	-	468,819	-	468,819
Interest and fiscal charges	-	-	-	-	61,366	-	61,366
Total Expenditures	12,494	116,041	2,092,595	1,334,789	530,185	14,434	4,679,096
Excess (Deficiency) of Revenues over (under) Expenditures	(12,486)	(93,313)	(8,676)	(8,650)	(28,431)	(14,174)	1,098,135
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfer in	-	-	8,676	8,650	-	-	17,326
Transfer out	-	-	-	-	-	-	(401,249)
Total Other Financing Sources (Uses)	-	-	8,676	8,650	-	-	(383,923)
Net changes in fund balances	(12,486)	(93,313)	-	-	(28,431)	(14,174)	714,212
Fund balances (deficits) at beginning of year	28,340	171,588	-	-	(30,107)	408,230	3,589,700
Fund balances (deficits) at end of year	\$ 15,854	\$ 78,275	\$ -	\$ -	\$ (58,538)	\$ 394,056	\$ 4,303,912

*See independent auditor's report.*

**CITY OF BLUE ISLAND, ILLINOIS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**BUSINESS DISTRICT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	2020			2019
	Original and Final Budget	Actual	Variance with Final Budget Over/(Under)	Actual
<b>REVENUES</b>				
Other taxes				
Business district taxes	\$ 675,000	\$ 626,890	\$ (48,110)	\$ 663,619
Total Revenues	675,000	626,890	(48,110)	663,619
<b>EXPENDITURES</b>				
Current				
General government	675,000	190,362	(484,638)	158,605
Total Expenditures	675,000	190,362	(484,638)	158,605
Net change in fund balance	\$ -	436,528	\$ 436,528	505,014
Fund balance at beginning of year		2,111,480		1,606,466
Fund balance at end of year		\$ 2,548,008		\$ 2,111,480

*See independent auditor's report.*

**CITY OF BLUE ISLAND, ILLINOIS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**MOTOR FUEL TAX FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	2020			2019
	Original and Final Budget	Actual	Variance with Final Budget Over/(Under)	Actual
<b>REVENUES</b>				
Motor fuel tax allotments	\$ 1,020,000	\$ 991,245	\$ (28,755)	\$ 777,697
Interest	10,000	3,656	(6,344)	11,422
Total Revenues	1,030,000	994,901	(35,099)	789,119
<b>EXPENDITURES</b>				
Current				
Street maintenance	580,000	167,034	(412,966)	180,257
Total Expenditures	580,000	167,034	(412,966)	180,257
Excess of Revenues over Expenditures	450,000	827,867	377,867	608,862
<b>OTHER FINANCING (USES)</b>				
Transfer out	(450,000)	(401,249)	48,751	(391,154)
Total Other Financing (Uses)	(450,000)	(401,249)	48,751	(391,154)
Net change in fund balance	\$ -	426,618	\$ 426,618	217,708
Fund balance at beginning of year		625,730		408,022
Fund balance at end of year		\$ 1,052,348		\$ 625,730

*See independent auditor's report.*

**CITY OF BLUE ISLAND, ILLINOIS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**POLICE PENSION CONTRIBUTION FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	2020			2019
	Original and Final Budget	Actual	Variance with Final Budget Over/(Under)	Actual
<b>REVENUES</b>				
Property taxes-net	\$ 2,436,772	\$ 2,054,936	\$ (381,836)	\$ 1,932,070
Personal property replacement taxes	35,000	28,983	(6,017)	30,250
Total Revenues	2,471,772	2,083,919	(387,853)	1,962,320
<b>EXPENDITURES</b>				
Public Safety				
Pension contributions	2,471,772	2,092,595	(379,177)	1,969,070
Total Expenditures	2,471,772	2,092,595	(379,177)	1,969,070
Excess (Deficiency) of Revenues over (under) Expenditures	-	(8,676)	(8,676)	(6,750)
<b>OTHER FINANCING SOURCES</b>				
Transfer in	-	8,676	8,676	6,750
Total Other Financing Sources	-	8,676	8,676	6,750
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund balance at beginning of year		<u>-</u>		<u>-</u>
Fund balance at end of year		<u>\$ -</u>		<u>\$ -</u>

*See independent auditor's report.*

**CITY OF BLUE ISLAND, ILLINOIS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**FIREFIGHTERS' PENSION CONTRIBUTION FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	2020			2019
	Original and Final Budget	Actual	Variance with Final Budget Over/(Under)	Actual
<b>REVENUES</b>				
Property taxes-net	\$ 1,540,465	\$ 1,305,752	\$ (234,713)	\$ 1,364,209
Personal property replacement taxes	25,000	20,387	(4,613)	21,627
Total Revenues	1,565,465	1,326,139	(239,326)	1,385,836
<b>EXPENDITURES</b>				
Public Safety				
Pension contributions	1,565,465	1,334,789	(230,676)	1,394,336
Total Expenditures	1,565,465	1,334,789	(230,676)	1,394,336
Excess (Deficiency) of Revenues over (under) Expenditures	-	(8,650)	(8,650)	(8,500)
<b>OTHER FINANCING SOURCES</b>				
Transfer in	-	8,650	8,650	8,500
Total Other Financing Sources	-	8,650	8,650	8,500
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund balance at beginning of year		<u>-</u>		<u>-</u>
Fund balance at end of year		<u>\$ -</u>		<u>\$ -</u>

*See independent auditor's report.*



**CITY OF BLUE ISLAND, ILLINOIS**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**PENSION TRUST FUNDS**  
**DECEMBER 31, 2020**

	Police Pension Fund	Firefighters' Pension Fund	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 8,875	\$ 113,862	\$ 122,737
Investments			
US treasury	1,905,922	1,548,711	3,454,633
US government securities	2,367,216	159,957	2,527,173
US government agencies	-	191,873	191,873
Mutual funds	10,677,185	2,980,115	13,657,300
Corporate obligations	1,204,404	1,562,031	2,766,435
Money market mutual funds	280,811	-	280,811
Receivables			
Interest receivable	27,364	24,707	52,071
Personal property replacement taxes receivable	28,983	20,387	49,370
	<u>16,500,760</u>	<u>6,601,643</u>	<u>23,102,403</u>
<b>LIABILITIES</b>			
Accounts payable	<u>12,762</u>	<u>1,750</u>	<u>14,512</u>
	<u>12,762</u>	<u>1,750</u>	<u>14,512</u>
<b>NET POSITION</b>			
Net position held in trust for pension benefit	<u><u>\$ 16,487,998</u></u>	<u><u>\$ 6,599,893</u></u>	<u><u>\$ 23,087,891</u></u>

*See independent auditor's report.*

**CITY OF BLUE ISLAND, ILLINOIS**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY**  
**NET POSITION-PENSION TRUST FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Police Pension Fund	Firefighters' Pension Fund	Total
<b>ADDITIONS</b>			
Contributions			
Employee contributions	\$ 291,786	\$ 193,562	\$ 485,348
Employer contributions	2,092,595	1,334,789	3,427,384
	<u>2,384,381</u>	<u>1,528,351</u>	<u>3,912,732</u>
Investment income			
Investment income	1,960,177	879,635	2,839,812
Investment fees	(36,121)	(23,980)	(60,101)
	<u>1,924,056</u>	<u>855,655</u>	<u>2,779,711</u>
Other income	97	1,226	1,323
	<u>4,308,534</u>	<u>2,385,232</u>	<u>6,693,766</u>
<b>DEDUCTIONS</b>			
Benefits and refunds	2,154,274	1,475,916	3,630,190
Administrative costs	41,174	36,760	77,934
	<u>2,195,448</u>	<u>1,512,676</u>	<u>3,708,124</u>
Net change in plan net position	2,113,086	872,556	2,985,642
Net position held in trust for pension benefits at beginning of year	<u>14,374,912</u>	<u>5,727,337</u>	<u>20,102,249</u>
Net position held in trust for pension benefits at end of year	<u><u>\$ 16,487,998</u></u>	<u><u>\$ 6,599,893</u></u>	<u><u>\$ 23,087,891</u></u>

*See independent auditor's report.*

## **OTHER SUPPLEMENTARY INFORMATION**

**CITY OF BLUE ISLAND, ILLINOIS**  
**SCHEDULE OF VALUATIONS, RATES AND EXTENSIONS**  
**FOR TAX LEVIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

Tax Levy Year	Assessed Valuation	Extended Tax Rate
2010	\$ 302,729,252	2.5914
2011	245,174,072	3.0379
2012	223,319,634	3.3069
2013	209,449,861	3.9485
2014	201,553,201	3.0730
2015	197,423,852	3.2280
2016	204,634,824	3.2900
2017	233,481,372	2.9550
2018	232,661,354	3.1571
2019	233,760,710	3.3339

The 2019 gross tax levy is analyzed below:

	Rate	Percent	Amount
General:			
Corporate	0.3683	11.06	\$ 860,940
Garbage	0.0387	1.16	90,465
Illinois Municipal Retirement Fund	0.0918	2.75	214,592
Liability insurance	0.0291	0.87	68,024
Street and bridge	0.0859	2.58	200,800
Fire protection	0.2922	8.76	683,048
Police protection	0.3854	11.56	900,913
Social Security	0.0964	2.89	225,345
Auditing	0.0215	0.64	50,258
Workers' compensation	0.0208	0.62	48,622
Total general	1.4301	42.89	3,343,007
Bond and interest	0.2485	7.46	581,067
Police pension	1.0131	30.39	2,368,229
Firefighters' pension	0.6422	19.26	1,501,263
Total	3.3339	100.00	\$ 7,793,566

*See independent auditor's report.*

**CITY OF BLUE ISLAND, ILLINOIS**  
**SCHEDULE OF GENERAL OBLIGATION DEBT TO MATURITY**  
**DECEMBER 31, 2020**

Fiscal Year Ended December 31,	Total		General Obligation Illinois Finance Authority General Obligation Bond		General Obligation Judgment Bonds Series 2011 Dated December 16, 2011		General Obligation Judgment Bonds Series 2019 Dated December 16, 2019	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 482,590	\$ 310,268	\$ 127,590	\$ 24,788	\$ 110,000	\$ 5,512	\$ 245,000	\$ 279,968
2022	441,476	306,756	131,476	20,960	55,000	1,586	255,000	284,210
2023	400,481	304,852	135,481	17,016	-	-	265,000	287,836
2024	414,607	303,763	139,607	12,951	-	-	275,000	290,812
2025	418,859	291,875	143,859	8,763	-	-	275,000	283,112
2026	148,240	4,447	148,240	4,447	-	-	-	-
	<u>\$ 2,306,253</u>	<u>\$ 1,521,961</u>	<u>\$ 826,253</u>	<u>\$ 88,925</u>	<u>\$ 165,000</u>	<u>\$ 7,098</u>	<u>\$ 1,315,000</u>	<u>\$ 1,425,938</u>

Fiscal Year Ended December 31,	Total		2013 Illinois Environmental Protection Agency Public Water Supply Loan Program Business-type activities		General Obligations Bonds 2006 Waterworks & Sewerage Bonds Business-type activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 374,951	\$ 74,096	\$ 44,951	\$ 7,058	\$ 330,000	\$ 67,038
2022	390,515	58,270	45,515	6,495	345,000	51,775
2023	411,085	41,312	46,085	5,924	365,000	35,388
2024	426,663	23,396	46,663	5,346	380,000	18,050
2025	47,248	4,761	47,248	4,761	-	-
2026	47,841	4,168	47,841	4,168	-	-
2027	48,441	3,569	48,441	3,569	-	-
2028	49,048	2,961	49,048	2,961	-	-
2029	49,663	2,346	49,663	2,346	-	-
2030	50,286	1,723	50,286	1,723	-	-
2031	50,916	1,093	50,916	1,093	-	-
2032	49,198	454	49,198	454	-	-
	<u>\$ 1,995,855</u>	<u>\$ 218,149</u>	<u>\$ 575,855</u>	<u>\$ 45,898</u>	<u>\$ 1,420,000</u>	<u>\$ 172,251</u>

*See independent auditor's report.*

**CITY OF BLUE ISLAND, ILLINOIS**  
**LEGAL DEBT MARGIN**  
**DECEMBER 31, 2020**

---

	<u>2019 Tax Levy Year</u>
Assessed valuation	<u>\$ 233,760,710</u>
Statutory debt limitation (8.625% of assessed valuation)	20,161,861
Total debt:	
General Obligation debt outstanding at December 31, 2020	<u>4,302,108</u>
Legal Debt Margin	<u>\$ 15,859,753</u>

*See independent auditor's report.*

**CITY OF BLUE ISLAND, ILLINOIS**  
**ILLINOIS GRANT ACCOUNTABILITY AND TRANSPARENCY ACT**  
**CONSOLIDATED YEAR-END FINANCIAL REPORT**  
**DECEMBER 31, 2020**

<b>CSFA #</b>	<b>Program Name</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
494-10-0343	State & Community Highway Safety/National Priority Safety Program	\$ 7,624	\$ -	\$ -	\$ 7,624
494-00-1488	Motor Fuel Tax Program	568,283	-	-	568,283
494-80-2410	Coronavirus Aid, Relief, and Economic Security Act	-	710,816	-	710,816
	All Other Costs Not Allocated	-	-	26,011,686	26,011,686
	<b>Total expenditures</b>	<u>\$ 575,907</u>	<u>\$ 710,816</u>	<u>\$ 26,011,686</u>	<u>\$ 27,298,409</u>

*See independent auditor's report.*