

Village of Glenwood, Illinois

Annual Financial Statements

For the Year Ended April 30, 2021



Village of Glenwood

Financial Statements and Supplementary Information

Year Ended April 30, 2021

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Financial Statements and Supplementary Information
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Independent Auditor's Report

The Honorable Mayor
Members of the Board of Trustees
Village of Glenwood, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Glenwood (the "Village"), as of and for the year ended April 30, 2021, and the related notes to the financial statements, which collectively comprise the Village'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; 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 Police Pension Fund, which represents 82 percent, 82 percent, and 84 percent, respectively, of the assets, net position, and revenues of the fiduciary funds. 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 the Police Pension Fund, 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 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 Village'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 Village'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 unmodified, and qualified audit opinions.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
Business-Type Activities	Qualified
General Fund	Unmodified
Holbrook Road TIF District Fund	Unmodified
TIF Halsted South Fund	Unmodified
Water and Sewer Fund	Qualified
Golf Course Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

Basis for Qualified Opinion on Business-Type Activities and Water and Sewer Fund

We were unable to obtain sufficient appropriate audit evidence related to the existence and valuation of the Water and Sewer Fund accounts receivable and related allowance for doubtful accounts recorded as accounts receivable on the Proprietary Funds' Statement of Net Position as of April 30, 2021. Our inability to obtain appropriate evidence regarding the existence and valuation of Water and Sewer Fund accounts receivable and allowance for doubtful accounts resulted in a limitation on the scope of our audit procedures related to this area.

The possible effects of the limitation on the financial statements cannot be determined. However, had we been able to obtain sufficient appropriate audit evidence regarding the existence and valuation of Water and Sewer Fund accounts receivable and allowance for doubtful accounts, adjustments might have been found to be necessary to the balance reported in the financial statements.

Qualified Opinions

In our opinion, except for the matter described in the "Basis for Qualified Opinion on Business-Type Activities and Water and Sewer Fund" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and water and sewer fund of the Village of Glenwood, Illinois, as of April 30, 2021, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States.

Unmodified 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, each major fund other than the Water and Sewer Fund, and the aggregate remaining fund information of the Village of Glenwood, Illinois, as of April 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States require that 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 have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The supplementary information and other information are presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management was derived from and relates 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States by us and other auditors. In our opinion, based on our audit, the procedures performed above, and the report of other auditors, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Wipfli LLP

Wipfli LLP
Sterling, Illinois

May 31, 2023

Basic Financial Statements

Village of Glenwood

Statement of Net Position

<i>April 30, 2021</i>	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments	\$ 5,953,913	\$ 5,532,135	\$ 11,486,048
Receivables:			
Property taxes	2,441,955	502,659	2,944,614
Accounts	64,122	742,496	806,618
Government	1,105,049	-	1,105,049
Internal balances	184,659	(184,659)	-
Prepaid items	96,440	16,854	113,294
Inventories	-	37,059	37,059
Total current assets	<u>9,846,138</u>	<u>6,646,544</u>	<u>16,492,682</u>
Noncurrent assets:			
Property held for resale	248,000	-	248,000
Net pension asset - IMRF	<u>417,639</u>	<u>334,728</u>	<u>752,367</u>
	<u>665,639</u>	<u>334,728</u>	<u>1,000,367</u>
Capital assets:			
Capital assets not being depreciated	22,536,643	4,323,187	26,859,830
Capital assets, net of depreciation	<u>9,110,453</u>	<u>12,191,649</u>	<u>21,302,102</u>
Total capital assets	<u>31,647,096</u>	<u>16,514,836</u>	<u>48,161,932</u>
Total noncurrent assets	<u>32,312,735</u>	<u>16,849,564</u>	<u>49,162,299</u>
Total assets	<u>42,158,873</u>	<u>23,496,108</u>	<u>65,654,981</u>
Deferred outflow of resources			
Deferred outflows of pension resources	<u>1,447,761</u>	<u>66,513</u>	<u>1,514,274</u>
Total deferred outflow of resources	<u>1,447,761</u>	<u>66,513</u>	<u>1,514,274</u>
Total assets and deferred outflow of resources	<u>43,606,634</u>	<u>23,562,621</u>	<u>67,169,255</u>

Village of Glenwood

Statement of Net Position (Continued)

<i>April 30, 2021</i>	Primary Government		
	Governmental Activities	Business-type Activities	Total
Liabilities			
Accounts payable	\$ 220,918	\$ 135,941	\$ 356,859
Accrued payroll and related	105,680	20,129	125,809
Accrued interest	275,890	18,323	294,213
Unearned revenue	36,978	-	36,978
Deposits payable	204,175	237,618	441,793
Accrued compensated absences, current	136,366	21,939	158,305
Capital lease payable, current	-	59,924	59,924
Bonds payable, current	-	1,032,297	1,032,297
Notes payable, current	<u>1,086,485</u>	<u>138,432</u>	<u>1,224,917</u>
Total current liabilities	<u>2,066,492</u>	<u>1,664,603</u>	<u>3,731,095</u>
Noncurrent liabilities			
Accrued compensated absences	45,456	7,313	52,769
Bonds payable	9,230,000	-	9,230,000
Notes payable	1,588,170	1,562,611	3,150,781
Net pension liabilities	10,602,084	-	10,602,084
OPEB liability	<u>682,837</u>	<u>184,711</u>	<u>867,548</u>
Total noncurrent liabilities	<u>22,148,547</u>	<u>1,754,635</u>	<u>23,903,182</u>
Total liabilities	<u>24,215,039</u>	<u>3,419,238</u>	<u>27,634,277</u>
Deferred inflow of resources			
Deferred inflows of pension resources	5,980,806	353,765	6,334,571
Unavailable property taxes	<u>2,448,623</u>	<u>457,285</u>	<u>2,905,908</u>
Total deferred inflow of resources	<u>8,429,429</u>	<u>811,050</u>	<u>9,240,479</u>
Total liabilities and deferred inflow of resources	<u>32,644,468</u>	<u>4,230,288</u>	<u>36,874,756</u>
Net position			
Net investment in capital assets	20,828,926	13,721,572	34,550,498
Restricted	7,716,261	-	7,716,261
Unrestricted (deficit)	<u>(17,583,021)</u>	<u>5,610,761</u>	<u>(11,972,260)</u>
Total net position	<u>\$ 10,962,166</u>	<u>\$ 19,332,333</u>	<u>\$ 30,294,499</u>

Village of Glenwood

Statement of Activities

Year Ended April 30, 2021	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Functions/Programs							
Governmental activities:							
General government	\$ 3,766,744	\$ 710,375	\$ 422,726	\$ -	\$ (2,633,643)	\$ -	\$ (2,633,643)
Public safety	4,644,622	352,963	-	-	(4,291,659)	-	(4,291,659)
Public works	1,075,285	610,180	616,673	-	151,568	-	151,568
Culture & recreation	24,168	-	-	-	(24,168)	-	(24,168)
Interest expense	<u>730,886</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(730,886)</u>	<u>-</u>	<u>(730,886)</u>
Total governmental activities	<u>10,241,705</u>	<u>1,673,518</u>	<u>1,039,399</u>	<u>-</u>	<u>(7,528,788)</u>	<u>-</u>	<u>(7,528,788)</u>
Business-type activities:							
Water and sewer	2,745,839	3,350,132	-	-	-	604,293	604,293
Golf course operations	<u>1,193,127</u>	<u>1,389,388</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>196,261</u>	<u>196,261</u>
Total business-type activities	<u>3,938,966</u>	<u>4,739,520</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>800,554</u>	<u>800,554</u>
Total primary government	<u>\$ 14,180,671</u>	<u>\$ 6,413,038</u>	<u>\$ 1,039,399</u>	<u>\$ -</u>	<u>(7,528,788)</u>	<u>800,554</u>	<u>(6,728,234)</u>
General revenues:							
Taxes:							
Property					7,239,940	1,000,118	8,240,058
Sales					495,873	-	495,873
Home rule sales					357,433	-	357,433
Income					1,028,182	-	1,028,182
Utilities					368,043	-	368,043
Other					876,417	17,421	893,838
Investment income					111,066	3,267	114,333
Gain (loss) sale of assets					401,552	-	401,552
Miscellaneous income					821,395	-	821,395
Transfers					(984,073)	984,073	-
Special item - capital asset impairment					<u>(4,755,545)</u>	<u>-</u>	<u>(4,755,545)</u>
Total					<u>5,960,283</u>	<u>2,004,879</u>	<u>7,965,162</u>
Change in net position					(1,568,505)	2,805,433	1,236,928
Net position, beginning of year					<u>12,530,671</u>	<u>16,526,900</u>	<u>29,057,571</u>
Net position, ending					<u>\$ 10,962,166</u>	<u>\$ 19,332,333</u>	<u>\$ 30,294,499</u>

Village of Glenwood

Balance Sheet - Governmental Funds

<i>April 30, 2021</i>	General Fund	TIF Holbrook Road	TIF Halsted South	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and investments	\$ 2,246,993	\$ 654,391	\$ 144,091	2,908,438	\$ 5,953,913
Receivables, net of allowance					
Property taxes	2,393,503	-	-	48,452	2,441,955
Accounts	63,299	-	-	823	64,122
Government	1,075,502	-	-	29,547	1,105,049
Due from other funds	543,511	-	-	32,644	576,155
Prepaid items	96,440	-	-	-	96,440
Advances to other funds	2,515,350	3,008,013	-	1,000,000	6,523,363
Property held for sale	56,000	-	-	192,000	248,000
Total assets	<u>\$ 8,990,598</u>	<u>\$ 3,662,404</u>	<u>\$ 144,091</u>	<u>\$ 4,211,904</u>	<u>\$ 17,008,997</u>
Liabilities, deferred inflows of resources, and fund balances					
Liabilities					
Accounts payable	214,076	-	5,900	942	220,918
Accrued payroll and related	105,680	-	-	-	105,680
Accrued interest	-	-	2,764	-	2,764
Deposits payable	164,175	-	-	40,000	204,175
Due to other funds	370,119	-	-	586,227	956,346
Advances from other funds	-	-	5,558,513	400,000	5,958,513
Total liabilities	<u>854,050</u>	<u>-</u>	<u>5,567,177</u>	<u>1,027,169</u>	<u>7,448,396</u>
Deferred inflow of resources					
Deferred property taxes	2,404,585	-	-	44,038	2,448,623
Unavailable revenue	715,797	-	-	-	715,797
Total deferred inflow of resources	<u>3,120,382</u>	<u>-</u>	<u>-</u>	<u>44,038</u>	<u>3,164,420</u>
Total liabilities and deferred inflow of resources	<u>3,974,432</u>	<u>-</u>	<u>5,567,177</u>	<u>1,071,207</u>	<u>10,612,816</u>
Fund balances					
Non-spendable	152,440	-	-	-	152,440
Restricted					
Road improvements	-	-	-	899,701	899,701
Tax increment financing projects	-	3,662,404	-	2,322,323	5,984,727
Public safety expenditures	-	-	-	191,438	191,438
Debt services	-	-	-	412,319	412,319
Capital projects	-	-	-	228,076	228,076
Unassigned	4,863,726	-	(5,423,086)	(913,160)	(1,472,520)
Total fund balances	<u>5,016,166</u>	<u>3,662,404</u>	<u>(5,423,086)</u>	<u>3,140,697</u>	<u>6,396,181</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,990,598</u>	<u>\$ 3,662,404</u>	<u>\$ 144,091</u>	<u>\$ 4,211,904</u>	<u>\$ 17,008,997</u>

Village of Glenwood
Reconciliation of the Balance Sheet of
Governmental Funds to the Statement of Net Position
For the Year Ended April 30, 2021

Total fund balances - governmental funds	\$	6,396,181
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		31,647,096
Unavailable revenues that are not measurable and available are not reported as revenues in the fund financial statements		678,819
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Accrued compensated absences		(181,822)
Bonds, notes payable and capital leases		(11,904,655)
Accrued net pension liability and related deferred resources		(14,717,490)
OPEB liability		(682,837)
Interest payable on debt is not reported in the governmental funds if payments are due subsequent to reporting date		<u>(273,126)</u>
Total net position - governmental activities	\$	<u><u>10,962,166</u></u>

Village of Glenwood

Statements of Revenues, Expenditures and Changes In Fund Balance - Governmental Funds

<i>Year Ended April 30, 2021</i>	General Fund	TIF Holbrook Road	TIF Halsted South	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	\$ 4,433,418	\$ 987,892	\$ 411,215	\$ 1,407,415	\$ 7,239,940
Utility taxes	368,043	-	-	-	368,043
Intergovernmental revenues	2,757,905	-	-	321,127	3,079,032
Charges for services	1,186,137	-	48,912	-	1,235,049
Fines and forfeitures	104,032	-	-	2,013	106,045
Licenses and permits	332,424	-	-	-	332,424
Grants	414,674	-	-	295,546	710,220
Investment income	2,816	-	-	108,250	111,066
Miscellaneous	<u>808,865</u>	<u>-</u>	<u>-</u>	<u>12,530</u>	<u>821,395</u>
Total revenues	<u>10,408,314</u>	<u>987,892</u>	<u>460,127</u>	<u>2,146,881</u>	<u>14,003,214</u>
Expenditures					
Current:					
General government	2,630,514	2,037	585,312	550,915	3,768,778
Public safety	5,885,590	-	-	9,593	5,895,183
Public works	718,541	-	-	116,178	834,719
Culture & recreation	24,168	-	-	-	24,168
Debt service					
Principal	-	-	1,049,462	-	1,049,462
Interest	-	-	89,852	650,219	740,071
Capital outlay	<u>563,043</u>	<u>-</u>	<u>-</u>	<u>50,299</u>	<u>613,342</u>
Total expenditures	<u>9,821,856</u>	<u>2,037</u>	<u>1,724,626</u>	<u>1,377,204</u>	<u>12,925,723</u>
Excess (deficiency) of revenues over expenditures	<u>586,458</u>	<u>985,855</u>	<u>(1,264,499)</u>	<u>769,677</u>	<u>1,077,491</u>
Other financing sources (uses)					
Proceeds from sale of capital assets	3,549	-	398,003	-	401,552
Transfers in	-	-	960,000	813,733	1,773,733
Transfers out	<u>(554,980)</u>	<u>(550,000)</u>	<u>-</u>	<u>(1,652,826)</u>	<u>(2,757,806)</u>
Total other financing sources (uses)	<u>(551,431)</u>	<u>(550,000)</u>	<u>1,358,003</u>	<u>(839,093)</u>	<u>(582,521)</u>
Net change in fund balance	35,027	435,855	93,504	(69,416)	494,970
Fund balances, beginning of year	<u>4,981,139</u>	<u>3,226,549</u>	<u>(5,516,590)</u>	<u>3,210,113</u>	<u>5,901,211</u>
Fund balances, end of year	<u>\$ 5,016,166</u>	<u>\$ 3,662,404</u>	<u>\$ (5,423,086)</u>	<u>\$ 3,140,697</u>	<u>\$ 6,396,181</u>

Village of Glenwood

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended April 30, 2021

Net change in fund balance - governmental funds	\$ 494,970
Amounts reported for governmental activities in the statement of net position are different because:	
Unavailable revenues that are not measurable and available are not reported as revenues in the fund financial statements.	8,052
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and adjustments) is to increase (decrease) net position.	
Impairment loss	(4,755,545)
Loss on sales of assets	(2,098)
Capital outlay	613,342
Depreciation	(505,768)
The issuance of long-term debt and related costs are shown on the fund financial statements as other financing sources (uses) and current expenditures, but are recorded as long-term liabilities on the government-wide statements	
Principal repayments	1,049,462
In the statement of activities, net pension and OPEB obligations, and deferred resources are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year net pension liabilities and related deferred resources exceed the amount paid by.	1,511,699
Interest payable on debt is not reported in the governmental funds if payments are due subsequent to reporting date.	9,185
Vacation and compensated pay for employees is expensed in the statement of activities. However, since these amounts will not be paid from current resources, this expense is not recorded in the governmental funds. This is the amount by which vacation and compensated pay increased over the prior period.	<u>8,196</u>
Change in net position of governmental activities	<u>\$ (1,568,505)</u>

Village of Glenwood
Combining Statements of Net Position
Proprietary Funds

<i>April 30, 2021</i>	Business-Type Activities		
	Water & Sewer Fund	Golf Course Fund	Total
Assets			
Current assets			
Cash and investments	\$ 4,319,849	\$ 1,212,286	\$ 5,532,135
Receivables:			
Property taxes	-	502,659	502,659
Accounts	625,889	116,607	742,496
Due from other funds	230,378	164,532	394,910
Prepaid items	6,928	9,926	16,854
Inventories	-	<u>37,059</u>	<u>37,059</u>
Total current assets	<u>5,183,044</u>	<u>2,043,069</u>	<u>7,226,113</u>
Noncurrent assets			
Net pension assets - IMRF	<u>193,208</u>	<u>141,520</u>	<u>334,728</u>
	193,208	141,520	334,728
Capital assets:			
Capital assets not being depreciated	-	4,323,187	4,323,187
Capital assets, net of depreciation	<u>9,045,791</u>	<u>3,145,858</u>	<u>12,191,649</u>
Total capital assets	<u>9,045,791</u>	<u>7,469,045</u>	<u>16,514,836</u>
Total noncurrent assets	<u>9,238,999</u>	<u>7,610,565</u>	<u>16,849,564</u>
Total assets	<u>14,422,043</u>	<u>9,653,634</u>	<u>24,075,677</u>
Deferred outflow of resources			
Deferred outflows of pension resources	<u>38,392</u>	<u>28,121</u>	<u>66,513</u>
Total deferred outflow of resources	<u>38,392</u>	<u>28,121</u>	<u>66,513</u>
Total assets and deferred outflow of resources	<u>14,460,435</u>	<u>9,681,755</u>	<u>24,142,190</u>

Village of Glenwood
Combining Statements of Net Position
Proprietary Funds (Continued)

<i>April 30, 2021</i>	Business-Type Activities		
	Water & Sewer Fund	Golf Course Fund	Total
Liabilities			
Current liabilities			
Accounts payable	\$ 98,299	\$ 37,642	\$ 135,941
Accrued payroll and related	6,831	13,298	20,129
Accrued interest	1,240	17,083	18,323
Deposits payable	77,686	159,932	237,618
Due to other funds	11,103	3,616	14,719
Accrued compensated absences, current	10,940	10,999	21,939
Capital lease payable, current	-	59,924	59,924
Bonds payable, current	-	1,032,297	1,032,297
Notes payable, current	<u>138,432</u>	<u>-</u>	<u>138,432</u>
Total noncurrent liabilities	<u>344,531</u>	<u>1,334,791</u>	<u>1,679,322</u>
Noncurrent liabilities			
Advances from other funds	-	564,850	564,850
Accrued compensated absences	3,647	3,666	7,313
Notes payable	1,562,611	-	1,562,611
OPEB liability	<u>97,845</u>	<u>86,866</u>	<u>184,711</u>
Total noncurrent liabilities	<u>1,664,103</u>	<u>655,382</u>	<u>2,319,485</u>
Total liabilities	<u>2,008,634</u>	<u>1,990,173</u>	<u>3,998,807</u>
Deferred inflow of resources			
Deferred inflows of pension resources	204,196	149,569	353,765
Unavailable property taxes	<u>-</u>	<u>457,285</u>	<u>457,285</u>
Total deferred inflow of resources	<u>204,196</u>	<u>606,854</u>	<u>811,050</u>
Total liabilities and deferred inflow of resources	<u>2,212,830</u>	<u>606,854</u>	<u>2,819,684</u>
Net position			
Invested in capital assets, net of related debt	7,344,748	6,376,824	13,721,572
Unrestricted	<u>4,902,857</u>	<u>707,904</u>	<u>5,610,761</u>
Total net position	<u>\$ 12,247,605</u>	<u>\$ 7,084,728</u>	<u>\$ 19,332,333</u>

Village of Glenwood

Statement of Revenues, Expenses and Changes In Net Position Proprietary Funds

<i>Year Ended April 30, 2021</i>	Business-Type Activities		
	Water & Sewer Fund	Golf Course Fund	Total
Operating revenues			
Charges for services	\$ 3,350,132	\$ 1,389,388	\$ 4,739,520
Total operating revenues	<u>3,350,132</u>	<u>1,389,388</u>	<u>4,739,520</u>
Operating expenses			
Operating expenses	2,352,102	959,014	3,311,116
Depreciation	<u>371,291</u>	<u>168,616</u>	<u>539,907</u>
Total operating expenses	<u>2,723,393</u>	<u>1,127,630</u>	<u>3,851,023</u>
Operating income (loss)	<u>626,739</u>	<u>261,758</u>	<u>888,497</u>
Non-operating revenues (expenses)			
Property taxes	-	1,000,118	1,000,118
Other taxes	-	17,421	17,421
Investment income	3,267	-	3,267
Interest expense	<u>(22,446)</u>	<u>(65,497)</u>	<u>(87,943)</u>
Total non-operating revenues (expenses)	<u>(19,179)</u>	<u>952,042</u>	<u>932,863</u>
Income (loss) before transfers	<u>607,560</u>	<u>1,213,800</u>	<u>1,821,360</u>
Transfers			
Transfers in	159,264	1,059,847	1,219,111
Transfers out	<u>(235,038)</u>	<u>-</u>	<u>(235,038)</u>
Total transfers	<u>(75,774)</u>	<u>1,059,847</u>	<u>984,073</u>
Changes in net position	531,786	2,273,647	2,805,433
Net position, beginning of year	<u>11,715,819</u>	<u>4,811,081</u>	<u>16,526,900</u>
Net position, end of year	<u>\$ 12,247,605</u>	<u>\$ 7,084,728</u>	<u>\$ 19,332,333</u>

Village of Glenwood

Statement of Cash Flows

Proprietary Funds

<i>Year Ended April 30, 2021</i>	Business-type Activities		
	Water & Sewer Fund	Golf Course Fund	Totals
Cash flows from operating activities			
Receipts from customers and users	\$ 3,298,392	\$ 1,396,275	\$ 4,694,667
Payments to suppliers	(1,885,967)	(511,720)	(2,397,687)
Payments to employees	<u>(567,892)</u>	<u>(489,342)</u>	<u>(1,057,234)</u>
Net cash from operating activities	<u>844,533</u>	<u>395,213</u>	<u>1,239,746</u>
Cash flows from non-capital financing activities			
Property taxes	-	933,123	933,123
Other taxes	-	17,421	17,421
Interfund transactions	<u>(286,185)</u>	<u>916,431</u>	<u>630,246</u>
Net cash from non-capital financing activities	<u>(286,185)</u>	<u>1,866,975</u>	<u>1,580,790</u>
Cash flows from capital and related financing activities			
Interest paid on long term debt	(22,545)	(93,691)	(116,236)
Principal paid on long-term debt	<u>(136,718)</u>	<u>(997,993)</u>	<u>(1,134,711)</u>
Net cash from capital and related financing activities	<u>(159,263)</u>	<u>(1,091,684)</u>	<u>(1,250,947)</u>
Cash flows from investing activities			
Interest received	<u>3,266</u>	<u>-</u>	<u>3,266</u>
Net cash from investing activities	<u>3,266</u>	<u>-</u>	<u>3,266</u>
Net increase in cash and cash equivalents	402,351	1,170,504	1,572,855
Cash and cash equivalents, beginning of year	<u>3,917,498</u>	<u>41,782</u>	<u>3,959,280</u>
Cash and cash equivalents, end of year	<u>\$ 4,319,849</u>	<u>\$ 1,212,286</u>	<u>\$ 5,532,135</u>

Village of Glenwood
Statement of Cash Flows
Proprietary Funds (Continued)

<i>Year Ended April 30, 2021</i>	Business-type Activities		
	Water & Sewer Fund	Golf Course Fund	Total
Reconciliation of operating income (loss) to net cash provided by operating activities			
Operating income	\$ 626,739	\$ 261,758	\$ 888,497
Adjustment to reconcile operating income to net cash flows for operating activities:			
Depreciation and amortization	371,291	168,616	539,907
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	(53,066)	10,513	(42,553)
(Increase) decrease in prepaid items	2,239	(366)	1,873
(Increase) decrease in deferred outflows	(21,467)	(5,580)	(27,047)
(Increase) decrease in net pension asset	(171,265)	(112,297)	(283,562)
Increase (decrease) in accounts payable	(45,593)	4,743	(40,850)
Increase (decrease) in accrued expenses	(792)	6,685	5,893
Increase (decrease) in customer deposits	1,326	(3,626)	(2,300)
Increase (decrease) in OPEB liability	(17,638)	(17,421)	(35,059)
Increase (decrease) in accrued compensated absences	(3,505)	(3,546)	(7,051)
Increase (decrease) in deferred inflows	<u>156,264</u>	<u>85,734</u>	<u>241,998</u>
Net cash provided by operating activities	<u>\$ 844,533</u>	<u>\$ 395,213</u>	<u>\$ 1,239,746</u>

Village of Glenwood
Fiduciary Funds
Statement of Fiduciary Net Position

<i>April 30, 2021</i>	Pension Trust
Assets	
Cash and cash equivalents	\$ 282,120
Investments	
Certificates of deposits	242,098
U.S. treasury obligations	519,596
U.S. agency obligations	2,893,486
Corporate bonds	2,513,710
Insurance contracts	422,085
Equity mutual funds	10,403,145
Exchange traded funds	756,759
Accrued interest receivable	43,019
Due to village	7,849
Prepaid items	<u>4,091</u>
Total assets	<u>18,087,958</u>
Liabilities	
Accounts payable	<u>7,714</u>
Total liabilities	<u>7,714</u>
Net Position	
Restricted	<u>\$ 18,080,244</u>

Village of Glenwood
 Fiduciary Funds - Trust Funds
 Statement of Changes in Fiduciary Net Position

<i>April 30, 2021</i>	Pension Trust
Additions	
Contributions - employer	\$ 1,311,311
Contributions - employee	<u>242,665</u>
Total contributions	<u>1,553,976</u>
Investment income	
Net change in fair value	3,585,967
Total investment income	3,585,967
Less investment expense	<u>(44,981)</u>
Net investment income	<u>3,540,986</u>
Total additions	<u>5,094,962</u>
Deductions	
Benefits and refunds	891,439
Administrative expenses	<u>61,447</u>
Total deductions	<u>952,886</u>
Change in net position	4,142,076
Net position, beginning of year	<u>13,938,168</u>
Net position, end of year	<u>\$ 18,080,244</u>

Village of Glenwood

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

Introduction

The Village of Glenwood (the "Village") is located in Cook County, Illinois, and was first incorporated in 1871 under the provisions of the constitution and general statutes of the State of Illinois. The Village operates under a Board-Manager form of government. The Village board consists of six elected members that exercise all powers of the Village but are accountable to their constituents for all their actions. The Village provides the following services as authorized by its charter: public safety, highways and streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning and general administrative services. The Village is a Home Rule unit under the Home Rule provisions of the Illinois State Constitution.

Reporting Entity

The Village follows accounting principles generally accepted in the United States of America established by the Governmental Accounting Standards Board (GASB). The financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as:

1. Appointment of a voting majority of the component unit's board, and either (a) the ability to impose will by the primary government or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
2. Fiscal dependency on the primary government and there is a potential to provide specific financial benefits or to impose specific financial burdens. The accompanying financial statements present the Village of Glenwood, Illinois (the primary government) and its component units. The financial data of the component unit is included in the Village's reporting entity because of the significance of its operational or financial relationship with the Village.

The accompanying financial statements present the Village of Glenwood, Illinois (the primary government) and its component units. The financial data of the component unit is included in the Village's reporting entity because of the significance of its operational or financial relationship with the Village.

Fiduciary Component Units

Police Pension Employees Retirement System - The Village's police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members are appointed by the Village's Mayor, one elected by pension beneficiaries and two elected police employees constitute the pension board. The Village is obligated to fund all PPERS costs not funded by PPERS participants based upon actuarial valuations, which creates a financial burden on the Village. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels, which results in the PPERS being fiscally dependent upon the Village. PPERS is reported as a pension trust fund. PPERS issues a stand-alone financial report.

Village of Glenwood

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Reporting Entity (Continued)

Firefighters' Pension Employees Retirement System - The Village's sworn firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members are appointed by the Village's Mayor, one elected pension beneficiary and two elected fire employees constitute the pension board. The Village is obligated to fund all FPERS costs not funded by FPERS participants based upon actuarial valuations, which creates a financial on the Village. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels, which results in the FPERS being fiscally dependent on the Village. FPERS is reported as a pension trust fund. FPERS issues a stand-alone financial report.

Basis of Presentation

Government-Wide Financial Statements

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 Village. The effect of material interfund activity has been eliminated from these statements. Interfund services provided and used are not eliminated on 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.

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 standard revenues 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.

Fund Financial Statements

The fund statements provide information about the Village's funds, including fiduciary funds. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The Village reports the following major governmental fund:

General Fund – This is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Village of Glenwood

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

Holbrook Road Tax Increment Financing District Fund – This is a special revenue fund that accounts for the revenue generated from the tax increment financing district to pay development costs.

TIF Halsted South Fund – This is a special revenue fund that accounts for the revenue generated from the tax increment financing district to pay development costs.

The Village reports the following major proprietary funds:

Water and Sewer Fund - This fund accounts for the provision of water and sewer services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing and related debt service and billing and collection.

Golf Course Fund - This fund accounts for the revenues and expenses related to the operations of Glenwoodie Golf Course. Revenues are generated through charges to users based on rounds played, concessions purchased and banquet services.

The Village reports the following fiduciary funds:

The Village reports pension trust funds as fiduciary funds to account for the Police Pension Fund and the Fire Pension Fund.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place.

Nonexchange transactions, in which the Village gives (or receives) value without directly receiving (or giving) equal value in exchange, include various taxes, state shared revenues and various state, federal and local grants. On an accrual basis, revenues from taxes are recognized when the Village has a legal claim to the resources. Grants, entitlements, state-shared revenues and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both 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 be used to pay liabilities of the current period. The Village considers property taxes as available if they are collected within 60 days after the year end that they are intended to finance.

Village of Glenwood

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting (Continued)

A 60-day availability period is used for revenue recognition for most other governmental fund revenues except for sales taxes and telecommunications taxes which use a 90-day availability period.

Shared revenues remitted from the State of Illinois, such as the state motor fuel tax allotments, state income taxes, state sales taxes and state municipal telecommunications taxes are accrued applying the susceptible to accrual concept based upon the month they were owed to the state and/or allotted by the state.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidelines. Monies that are virtually unrestricted as to purpose of expenditure, which are usually revocable only for failure to comply with prescribed compliance requirements, are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Licenses and permits, charges for services (other than water and sewer) and miscellaneous revenues (except investment income) are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available.

The Village reports unearned, unavailable, and deferred revenue on its financial statements. Unearned, unavailable, and deferred revenues arise when a potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Unearned/unavailable/deferred revenues also arise when resources are received by the Village before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Village has a legal claim to the resources, the unearned, unavailable, and deferred revenue is removed from the financial statements and revenue is recognized.

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

The accrual basis of accounting is utilized by the proprietary and fiduciary funds. Under this method, revenues/additions are recognized when earned and expenses/deductions, including pension contributions, benefits paid and refunds paid, are recognized at the time liabilities are incurred. Earned, but unbilled services in the enterprise fund are accrued and reported in the financial statements.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the proprietary fund's principal ongoing operations. Incidental revenues/expenses, such as property taxes and investment income, are reported as nonoperating.

Village of Glenwood

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

The Village's cash and cash equivalents are considered to be all cash on hand, demand deposits, time deposits and all highly liquid investments with original maturities of three months or less from the date of acquisition.

Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased and all investments of the pension trust funds are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Insurance contracts are carried at contract value, which approximates fair value.

The Illinois Public Treasurers' Investment Pool, known as The Illinois Funds, operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, Certain External Investment Pools and Pool Participants, and thus, reports all investments at amortized cost rather than fair value. The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Treasurer's Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

Inventories

The Village uses the purchases method to report inventories. Inventory is stated at the lower of cost or market determined on the first-in, first-out (FIFO) basis.

Prepaid Items/Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The Village uses the purchases method to report prepaid items.

Interfund Activity

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Amounts are reported as "internal balances" in the government-wide statement of net position.

Interfund services provided and used, which are sales and purchases of goods and services between funds for a price approximating their external exchange value, are reported as revenues in seller funds and expenditures or expenses in purchaser funds.

Village of Glenwood

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Interfund Activity (Continued)

Unpaid amounts are reported as due to/from other funds in the fund balance sheets of fund statements of net position.

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

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

Capital Assets

Capital assets, which include land improvements, streets, sidewalks, buildings, storm sewers, sanitary sewers, water distribution system, vehicles, machinery and equipment and water meters are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Additions or improvements that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Expenditures for asset acquisitions and improvements are stated as capital outlay expenditures in the governmental funds.

These assets have been valued at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at their estimated acquisition value at the date of donation.

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

Depreciation of capital assets is recorded in the statement of activities with accumulated depreciation reflected in the statement of net position and is provided on the straight-line basis over the following estimated useful lives:

Improvements	3-30 years
Buildings	20-75 years
Machinery and equipment	4-40 years
Infrastructure	20-75 years

Property Held for Resale

Land held for resale is recorded at the lower of cost or fair value less costs to sell.

Village of Glenwood

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources

Deferred inflows of resources are the acquisition of net assets or fund balance that is applicable to future reporting periods. Deferred outflows of resources are the consumption of net assets that is applicable to future reporting periods.

Property taxes that are received or recorded as receivables prior to the period the levy is intended to finance are recorded as deferred inflows of resources on both the fund financial statements and government-wide financial statements. Intergovernmental revenue is recorded as deferred inflows of resources on the fund financial statements when it has not yet met both the "measurable" and "available" criteria for recognition in the current period.

For pension and other postemployment benefits (OPEB) plans, the net difference between projected and actual earnings on plan investments, changes in assumptions and differences between expected and actual experience, the change in proportion and differences between employer contributions and proportionate share of contributions for and payments made subsequent to the plan's measurement date are reported as deferred outflows or inflows of resources on the government-wide financial statements.

Unavailable revenues arise when resources are received by the Village before it has a legal claim to them. In subsequent periods, when revenue recognition criteria are met or when the Village has a legal claim to the resources, the liability for unavailable revenue is removed from the financial statements and revenue is recognized.

Compensated Absences

Accumulated unpaid compensated absences represent vacation time and are accrued as a liability in the proprietary funds using the accrual basis of accounting. For governmental funds using the modified accrual basis of accounting, such amounts, which are expected to be paid from current available resources, are accrued as liabilities in the funds and those amounts, which are not expected to be paid from current available resources, are accounted for in the statement of net position. The General Fund is typically used to liquidate the governmental fund liability.

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, post-employment benefits, and pension benefits, are reported as liabilities in the applicable governmental or business-type activities and proprietary fund statement of net position. Bond premiums and discounts, as well as deferred amounts on refunding, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

Village of Glenwood

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Long-Term Obligations (Continued)

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

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

Pension Plans

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Illinois Municipal Retirement Fund (IMRF), Police Pension, and Firefighters' Pension. Additions to/deductions from the pensions' fiduciary net position have been determined on the same basis as they are reported by IMRF and pension trust funds. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits (“OPEB”) Obligations

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and to OPEB expense, information about the plan net position and additions to/deductions from the plan net position has been determined on the same basis as they are reported by the plan. For this purpose, OPEB payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, it is the Village's policy to use externally restricted resources first.

Village of Glenwood

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Balance

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted fund balance: This classification reflects the amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities.

Committed fund balance: These amounts are constrained by formal actions of the Village Board of Trustees, which is considered the Village's highest level of decision-making authority. Formal actions include ordinances approved by the Village Board of Trustees.

Assigned fund balance: This classification represents amounts constrained by the Village's intent to use them for a specific purpose. The Village has established a fund balance reserve policy in its General Fund and Water and Sewer Fund at a minimum of 25% of net annual budgeted expenditures of the General Fund. Any residual fund balance of the General Fund and any deficits in other funds, if any, is reported as unassigned.

Unassigned fund balance: This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the Village's policy to use externally restricted resources first, then unrestricted resources – committed, assigned, and unassigned – in order as needed.

Use of Estimates

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

Village of Glenwood

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Impairment of Long-Lived Assets

The Village reviews long-lived assets for impairment whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. If the value of the carrying value of the related asset or group of assets being reviewed for impairment, a loss is recognized for the difference between the fair value and carrying value of the asset or group of assets. In fiscal 2021, the Village determined that based on its annual impairment test, assets associated with Glenwood Plaza were impaired and a charge of \$4,755,545 was recorded.

Note 2: Property Taxes

The Village annually establishes a legal right to the property tax assessments upon the enactment of a tax levy ordinance by the Village Board. Property taxes are levied in Cook County in December, on the assessed valuation as of January 1. The tax levy becomes an enforceable lien against the property on January 1 of the year following the tax levy year. Tax bills are prepared by the County and issued on or about February 1 and July 1, and are payable in two installments which become delinquent on or about March 1 and August 1. Property taxes are billed, collected and remitted periodically by the County Treasurer of Cook County, Illinois. For all funds, the Village recognizes no more than one-half of the levy in the current fiscal year as revenue with the second half to be recognized in the following fiscal year. Accordingly, the second half amount is reflected as deferred inflows of resources in the current year.

The 2020 property tax levy is recorded as a receivable, net of estimated uncollectibles. For governmental funds, only property taxes which are intended to finance the current fiscal year and collected within 60 days subsequent to year end, if any, are recorded as revenue.

The 2021 tax levy has not been recorded as a receivable at April 30, 2021, as the tax has attached as a lien on property as of January 1, 2021; however, the tax will not be levied until December 2021 and, accordingly, is not measurable at April 30, 2021.

For tax increment financing district property taxes, revenues are recognized for all cash receipts received through 60 days at year end.

Note 3: Deposits and Investments

The Village and pension funds categorize the fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. As of April 30, 2021, the Village had no investments valued at fair value.

Permitted Deposits and Investments - The Village's investment policy allows for deposits/investments in any type of security allowed for in Illinois statutes, including insured commercial banks, obligations of the U.S. Treasury and U.S. agencies, short-term obligations of corporations organized in the United States subject to various limitations.

Village of Glenwood

Notes to Financial Statements

Note 3: Deposits and Investments (Continued)

Deposits

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. To guard against custodial credit risk for deposits with financial institutions, the Village's investment policy requires that deposits with financial institutions in excess of FDIC sufficiently collateralized to cover the uninsured deposits with the collateral held by a third party acting as the agent of the Village. The Village's deposits were fully collateralized as of April 30, 2021.

Investments

Interest rate risk is the risk that change in interest rates will adversely affect the fair market value of an investment. In accordance with its investment policy, the Village limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields. The Village's investment policy states that investment's maturity period shall be matched with anticipated cash flow requirements. Unless matched to specific cash flow, the Village will not directly invest in securities maturing more than five years from the date of the purchase.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Village's investment policy limits investment choices to instruments authorized under State Statute. At year end, the Village's investment in The Illinois Funds is rated AAAM by Standard & Poor's.

Concentration of credit risk is the risk that the Village has a high percentage of their investments invested in one type of investment. In order to limit its exposure to concentration of credit risk, the Village's investment policy states that investments shall be diversified to the best of their ability based on the types of funds invested and cash flow needs of those funds. Diversification can be the type of investment, the number of institutions invested in, and the length of maturity. The policy does not restrict the amount of investments in any one issuer. None of the Village's investments exceed 5% of total investments.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Village will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Village's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Village's agent separate from where the investment was purchased or by the trust department of the bank where purchased, in the Village's name. The Illinois Funds are not subject to custodial credit risk.

Village of Glenwood

Notes to Financial Statements

Note 4: Capital Assets

The governmental activities capital asset activity for the year ended April 30, 2021, is as follows:

<i>Governmental activities</i>	Balance 5/1/2020	Increases	Decreases and Transfers	Balance 04/30/21
Capital assets, not being depreciated:				
Land	\$ 27,292,188	\$ -	\$ (4,755,545)	\$ 22,536,643
Total capital assets, not being depreciated	<u>27,292,188</u>	<u>-</u>	<u>(4,755,545)</u>	<u>22,536,643</u>
Capital assets, being depreciated:				
Improvements	2,361,550	-	-	2,361,550
Buildings	6,273,256	-	-	6,273,256
Machinery and equipment	3,685,822	134,914	(33,561)	3,787,175
Infrastructure	<u>7,727,152</u>	<u>478,428</u>	<u>-</u>	<u>8,205,580</u>
Total capital assets, being depreciated	<u>20,047,780</u>	<u>613,342</u>	<u>(33,561)</u>	<u>20,627,561</u>
Accumulated depreciation:				
Improvements	(1,151,570)	(70,069)	-	(1,221,639)
Buildings	(2,700,576)	(118,763)	-	(2,819,339)
Machinery and equipment	(2,915,715)	(155,211)	31,463	(3,039,463)
Infrastructure	<u>(4,274,942)</u>	<u>(161,725)</u>	<u>-</u>	<u>(4,436,667)</u>
Total accumulated depreciation	<u>(11,042,803)</u>	<u>(505,768)</u>	<u>31,463</u>	<u>(11,517,108)</u>
Total capital assets, being depreciated, net	<u>9,004,977</u>	<u>107,574</u>	<u>(2,098)</u>	<u>9,110,453</u>
Governmental activities capital assets, net	<u>\$ 36,297,165</u>	<u>\$ 107,574</u>	<u>\$ (4,757,643)</u>	<u>\$ 31,647,096</u>

Depreciation expense was charged to governmental functions as follows:

<i>Governmental activities</i>	
General government	\$ 91,510
Public safety	124,315
Public works	155,023
Highways and streets	<u>134,920</u>
Total depreciation expense	<u>\$ 505,768</u>

Village of Glenwood

Notes to Financial Statements

Note 4: Capital Assets (Continued)

Business-type activities capital asset balances and activity for the year ended April 30, 2021, were as follows:

<i>Business-type activities</i>	Balance 5/1/2020	Increases	Decreases and Transfers	Balance 04/30/21
Capital assets, not being depreciated:				
Land	\$ 4,323,187	\$ -	\$ -	\$ 4,323,187
Total capital assets, not being depreciated	<u>4,323,187</u>	<u>-</u>	<u>-</u>	<u>4,323,187</u>
Capital assets, being depreciated:				
Improvements	1,911,156	-	-	1,911,156
Buildings	4,285,828	-	-	4,285,828
Machinery and equipment	2,724,315	-	-	2,724,315
Infrastructure	<u>19,084,055</u>	<u>-</u>	<u>-</u>	<u>19,084,055</u>
Total capital assets, being depreciated	<u>28,005,354</u>	<u>-</u>	<u>-</u>	<u>28,005,354</u>
Accumulated depreciation:				
Improvements	(1,719,604)	(57,117)	-	(1,776,721)
Buildings	(970,092)	(86,291)	-	(1,056,383)
Machinery and equipment	(1,891,339)	(98,793)	-	(1,990,132)
Infrastructure	<u>(10,692,763)</u>	<u>(297,706)</u>	<u>-</u>	<u>(10,990,469)</u>
Total accumulated depreciation	<u>(15,273,798)</u>	<u>(539,907)</u>	<u>-</u>	<u>(15,813,705)</u>
Total capital assets, being depreciated, net	<u>12,731,556</u>	<u>(539,907)</u>	<u>-</u>	<u>12,191,649</u>
Business-type activities capital assets, net	<u>\$ 17,054,743</u>	<u>\$ (539,907)</u>	<u>\$ -</u>	<u>\$ 16,514,836</u>

Depreciation expense was charged to functions of the Village as follows:

<i>Business-type activities</i>	
Water and sewer	\$ 371,291
Golf course operations	<u>168,616</u>
Total depreciation expense	<u>\$ 539,907</u>

Village of Glenwood

Notes to Financial Statements

Note 5: Long-Term Debt

Changes in long-term liabilities for the year ended April 30, 2021, were as follows:

Governmental activities	Balance 5/1/2020	Additions	Reductions	Balance 04/30/21	Amounts due Within One Year
General obligation bonds	\$ 9,230,000	\$ -	\$ -	\$ 9,230,000	\$ -
Notes payable	3,724,117	-	(1,049,462)	2,674,655	1,086,485
Compensated absences payable*	190,018	134,318	(142,514)	181,822	136,366
Net pension liability - IMRF SLEP*	22,608	-	(19,256)	3,352	-
Net pension liability - Police Pension*	11,162,895	-	(2,890,452)	8,272,443	-
Net pension liability - Fire Pension*	2,606,321	-	(280,032)	2,326,289	-
Total OPEB liability*	<u>846,558</u>	<u>-</u>	<u>(163,721)</u>	<u>682,837</u>	<u>-</u>
Total	<u>\$ 27,782,517</u>	<u>\$ 134,318</u>	<u>\$ (4,545,437)</u>	<u>\$ 23,371,398</u>	<u>\$ 1,222,851</u>

* The General Fund has typically been used in prior years to liquidate the compensated absences payable, total OPEB liability and net pension liabilities.

Business-type activities	Balance 5/1/2020	Additions	Reductions	Balance 04/30/21	Amounts due Within One Year
General obligation bonds	\$ 1,965,000	\$ -	\$ (940,000)	\$ 1,025,000	\$ 1,025,000
Unamortized bond premium	19,825	-	(12,528)	7,297	7,297
IEPA loan payable	1,837,761	-	(136,718)	1,701,043	138,432
Capital leases	117,917	-	(57,993)	59,924	59,924
Compensated absences payable*	36,303	20,175	(27,226)	29,252	21,939
Total OPEB liability*	<u>219,770</u>	<u>-</u>	<u>(35,059)</u>	<u>184,711</u>	<u>-</u>
Total	<u>\$ 4,196,576</u>	<u>\$ 20,175</u>	<u>\$ (1,209,524)</u>	<u>\$ 3,007,227</u>	<u>\$ 1,252,592</u>

* The Water and Sewer Fund and Golf Course Fund have typically been used in prior years to liquidate the compensated absences payable, total OPEB liability and net pension liability.

Village of Glenwood

Notes to Financial Statements

Note 5: Long-Term Debt (Continued)

1. General Obligation Bonds

The Village issues general obligation bonds and notes to provide funds for the acquisition and construction of major capital facilities.

General obligation bonds and notes are direct obligations and pledge the full faith and credit of the Village. General obligation bonds and notes currently outstanding are as follows:

Issue	Fund Debt Retired By	Beginning Balance	Issuances	Retirements /Refundings	Combined Total	Current Portion
\$9,230,000 General Obligation Bonds, Series 2010A, dated July 22, 2010, due in annual installments of \$950,000 to \$1,685,000 with interest at 7.03%.	Debt Service	\$ 9,230,000	\$ -	\$ -	\$ 9,230,000	\$ -
\$5,115,000 General Obligation Bonds, Series 2010C, dated September 29, 2010, due in annual installments of \$30,000 to \$1,025,000 with interest from 3.50% to 4.00%.	Sewer	<u>1,965,000</u>	<u>-</u>	<u>(940,000)</u>	<u>1,025,000</u>	<u>1,025,000</u>
Total general obligation bonds		<u>\$ 11,195,000</u>	<u>\$ -</u>	<u>\$ (940,000)</u>	<u>\$ 10,255,000</u>	<u>\$ 1,025,000</u>

Village of Glenwood

Notes to Financial Statements

Note 5: Long-Term Debt (Continued)

2. Notes Payable

The Village has a loan payable directly with a bank. The Village had entered into a line of credit agreement which became a term note. On September 13, 2018, the Village's note had a balance of \$4,823,047 and was due in monthly installments of principal and interest of \$69,509 through August 2023 and a final balloon payment of the entire remaining outstanding principal in September 2023 and had interest of 5.50%. On December 3, 2019, the agreement was amended, whereby the Village was to pay monthly installments of principal and interest of \$97,143 through August 2023 and a final balloon payment of the entire remaining outstanding principal in September 2023 and had interest of 3.85%. Subsequent to year end, on August 19, 2020, the agreement was again amended, whereby the Village was to pay monthly installments of principal and interest of \$94,991 through August 2023 and a final balloon payment of the entire remaining outstanding principal in September 2023 and had interest of 2.48%.

The loan is payable in monthly installments of principal. The loans payable currently outstanding are as follows:

Issue	Fund Debt Retired By	Beginning Balance	Issuances	Retirements /Refundings	Combined Total	Current Portion
\$4,823,047 Loan Payable dated September 13, 2018 (Direct Placement)	TIF Halsted South	\$ 3,724,117	\$ -	\$ (1,049,462)	\$ 2,674,655	\$ 1,086,485
Total		<u>\$ 3,724,117</u>	<u>\$ -</u>	<u>\$ (1,049,462)</u>	<u>\$ 2,674,655</u>	<u>\$ 1,086,485</u>

3. IEPA Loans Payable

The Village entered into an IEPA loan payable to provide funds for the acquisition/construction of water and sewer capital assets. The loan payable was issued for business-type activities. Therefore, the liabilities are reported in the business-type column. The loans payable currently outstanding are as follows:

Issue	Fund Debt Retired By	Beginning Balance	Issuances	Retirements /Refundings	Combined Total	Current Portion
\$3,084,041 EPA Loan dated May 13, 2012 at 1.25% interest rate.	Water and Sewer	\$ 1,837,761	\$ -	\$ (136,718)	\$ 1,701,043	\$ 138,432
Total		<u>\$ 1,837,761</u>	<u>\$ -</u>	<u>\$ (136,718)</u>	<u>\$ 1,701,043</u>	<u>\$ 138,432</u>

Village of Glenwood

Notes to Financial Statements

Note 5: Long-Term Debt (Continued)

Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

<i>Year ending</i> <i>April 30:</i>	Governmental Activities General Obligation Bonds			Notes Payable (Direct Placement)		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ -	\$ 648,869	\$ 648,869	\$ 1,086,485	\$ 54,750	\$ 1,141,235
2023	1,035,000	648,869	1,683,869	1,114,121	27,114	1,141,235
2024	1,230,000	576,109	1,806,109	474,049	2,975	477,024
2025	1,330,000	489,640	1,819,640	-	-	-
2026	1,440,000	396,141	1,836,141	-	-	-
2027 - 2029	4,195,000	546,934	4,741,934	-	-	-
Total	\$ 9,230,000	\$ 3,306,562	\$ 12,536,562	\$ 2,674,655	\$ 84,839	\$ 2,759,494

<i>Year ending</i> <i>April 30:</i>	Business-Type Activities General Obligation Bonds			IEPA Loans Payable		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 1,025,000	\$ 41,000	\$ 1,066,000	\$ 138,432	\$ 20,832	\$ 159,264
2023	-	-	-	140,168	19,096	159,264
2024	-	-	-	141,926	17,338	159,264
2025	-	-	-	143,705	15,559	159,264
2026	-	-	-	145,507	13,757	159,264
2027 - 2031	-	-	-	755,365	40,955	796,320
2032 - 2033	-	-	-	235,940	2,955	238,895
Total	\$ 1,025,000	\$ 41,000	\$ 1,066,000	\$ 1,701,043	\$ 130,492	\$ 1,831,535

4. Capital Leases

The Village is committed under leases for various vehicle and equipment purchases as follows:

Issue	Fund Debt Retired By	Beginning Balance	Issuances	Retirements /Refundings	Combined Total	Current Portion
Vehicles	Golf Course	\$ 117,917	\$ -	\$ (57,993)	\$ 59,924	\$ 59,924
Total		\$ 117,917	\$ -	\$ (57,993)	\$ 59,924	\$ 59,924

Village of Glenwood

Notes to Financial Statements

Note 5: Long-Term Debt (Continued)

The Village leases equipment under capital leases, which expire in October 2021. Monthly lease payments, including interest between 3.80% and 5.75%, are between \$2,100 and \$8,152. The cost of the capital assets acquired under the capital leases included in business-type activities machinery and equipment is \$266,805 and accumulated depreciation is \$226,805.

Annual debt service requirements to maturity under capital leases are as follows:

<i>Year ending April 30:</i>	Total
2022	\$ <u>60,516</u>
Total minimum lease payments	60,516
Less: amount representing interest costs	<u>(592)</u>
Present value of minimum lease payments	\$ <u><u>59,924</u></u>

5. Legal Debt Margin

The Village is a home rule municipality. Chapter 65, Section 5/8-5-1 Illinois Compiled Statutes governs computation of the legal debt margin.

“The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property ...(2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent: ...indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum...shall not be included in the foregoing amounts.”

To date the General Assembly has set no limits for home rule municipalities.

Village of Glenwood

Notes to Financial Statements

Note 6: Interfund Activity

Due to/from other funds as of April 30, 2021 are as follows:

Fund	Due From Other Funds	Due To Other Funds
Major governmental funds:		
General fund	\$ 543,511	\$ 370,119
Nonmajor governmental funds	32,644	586,227
Major enterprise funds:		
Water and Sewer	230,378	11,103
Golf Course	<u>164,532</u>	<u>3,616</u>
 Total all funds	 <u>\$ 971,065</u>	 <u>\$ 971,065</u>

Significant due to/from other funds are as follows:

1. \$433,962 due from the Illinois Municipal Retirement Fund to the General Fund is for IMRF costs paid by other funds and to cover expenditures incurred.
2. \$344,383 due from the General Fund to the Water and Sewer Fund (\$206,752) and the Golf Course Fund (\$137,631) is for interfund payments not yet processed.

Long-term advances to/from other funds as of April 30, 2021 are as follows:

Fund	Advances To Other Funds	Advances From Other Funds
Major governmental funds:		
General fund	\$ 2,515,350	\$ -
TIF Holbrook Road	3,008,013	-
TIF Halsted South	-	5,558,513
Nonmajor governmental funds	1,000,000	400,000
Major enterprise funds:		
Golf Course	<u>-</u>	<u>564,850</u>
 Total all funds	 <u>\$ 6,523,363</u>	 <u>\$ 6,523,363</u>

Significant due to/from other funds are as follows:

1. \$400,000 advanced to the TIF Main Street Fund from the TIF Holbrook Road Fund is to cover operating expenditures.
2. \$5,558,513 advanced to the TIF Halsted South Fund to the TIF Holbrook Road Fund (\$2,608,013), General Fund (\$1,950,500), TIF Industrial Park Fund (\$700,000), TIF Industrial North Fund (\$150,000), and Illinois Capital Acquisition Fund (\$150,000) is for the purchase of Glenwood Plaza.
3. \$564,850 advanced to the Golf Course Fund to the General Fund is to cover operating expenses.

Village of Glenwood

Notes to Financial Statements

Note 6: Interfund Activity (Continued)

Interfund transfers during the year ended April 30, 2021, consisted of the following:

Fund	Transfers In	Transfers Out
Major governmental funds:		
General fund	\$ -	\$ 554,980
Holbrook Road TIF District	-	550,000
TIF Halsted South	960,000	-
Nonmajor governmental funds	813,733	1,652,826
Major enterprise funds:		
Water and Sewer	159,264	235,038
Golf Course	<u>1,059,847</u>	<u>-</u>
 Total all funds	 <u>\$ 2,992,844</u>	 <u>\$ 2,992,844</u>

Significant interfund transfers are as follows:

1. \$960,000 transferred to the TIF Halsted South Fund from the TIF Holbrook Road Fund (\$550,000), the TIF Fund (\$350,000) and the TIF Halsted Street North Fund (\$60,000) is for payment on the notes payable.
2. \$124,226 transferred to the Water and Sewer Fund from the TIF Main Street Fund is for payment on the IEPA loan.
3. \$813,733 transferred to the 2010A Bond Payment Fund from the Water and Sewer Fund (\$200,000), the Motor Fuel Tax Fund (\$100,000), and the General Fund (\$513,733) is for payment on the 2010A debt.
4. \$1,018,600 transferred to the Golf Course Fund from the 2010A Bond Payment Fund is to repay interfund loan amounts.

Village of Glenwood

Notes to Financial Statements

Note 7: Risk Management

The Village is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Village purchases property and liability insurance from commercial carriers and is part of a risk pool for workers' compensation insurance. To limit exposure to employee health risks, the City has purchased third party indemnity insurance.

The Village participates in the Illinois Public Risk Fund (IPRF). The IPRF is an organization of Illinois local governmental entities and public agencies, which have formed an association under the Illinois Intergovernmental Cooperation Statute, to pool its risk management needs for workers' compensation insurance. The IPRF has contracted with CCMSI for claims administration services and has developed a formal loss control program to help its members minimize losses and maximize potential savings. The member agreement provides that IPRF will be self-sustaining through member premiums and provide an additional \$3,000,000 of coverage with reinsurance coverage. The Village along with IPRF's members has a contractual obligation to fund any deficit of IPRF attributable to a membership year during which it was a member. Supplemental contributions may be required to fund these deficits. Dividends may be paid for any closed year in which there is a surplus.

The Village has not had significant reductions in insurance coverage from the previous fiscal year nor did settlements exceed insurance coverage in any of the last three years.

Note 8: Contingencies

Litigation

From time to time, the Village is a defendant in various lawsuits in the normal course of business. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the Village's attorney that resolution of these matters will not have a material adverse effect on the financial condition of the Village.

Grants

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

Village of Glenwood

Notes to Financial Statements

Note 9: Defined Benefit IMRF Pension Plans

Illinois Municipal Retirement Fund (IMRF)

Plan Description and Benefits

Plan description – The Village’s defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The Village’s plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent 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 Annual Comprehensive Financial Report that includes financial statements, detailed information about the pension plan’s fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits provided - 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.

IMRF benefit plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 12/3% 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 12/3% 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
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Village of Glenwood

Notes to Financial Statements

Note 9: Defined Benefit IMRF Pension Plans (Continued)

Regular Personnel (Non-SLEP)

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

Retirees and beneficiaries currently receiving benefits	41
Inactive plan member entitled to but not yet receiving benefits	30
Active employees	<u>28</u>
 Total	 <u><u>99</u></u>

Contributions - As set by statute, the Village’s Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village’s annual contribution rate for calendar year 2020 was 7.40%. For the fiscal year ended April 30, 2021, the Village contributed \$120,258 to the plan. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF’s Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Asset - The Village’s Net Pension Asset was measured as of December 31, 2020, and the total pension asset used to calculate the Net Pension Asset was determined by an annual 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:

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value of Assets
Inflation	2.25%
Salary increases	2.85% to 13.75%, including inflation
Investment rate of return	7.25%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation according to an experience study from years 2017 to 2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements using scale MP-2020. For Disabled Retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male and Female (both unadjusted) tables, and future mortality improvements using scale MP-2020. For Active Members, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male and Female (both unadjusted) tables, and future mortality improvements using scale MP-2020.

Village of Glenwood

Notes to Financial Statements

Note 9: Defined Benefit IMRF Pension Plans (Continued)

Regular Personnel (Non-SLEP) (Continued)

The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2020:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic equity	37 %	5.00 %
International equity	18 %	6.00 %
Fixed income	28 %	1.30 %
Real estate	9 %	6.20 %
Alternative investments	7 %	2.85-6.95 %
Cash equivalents	<u>1 %</u>	1.85 %
Total	<u><u>100.0 %</u></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%.

Village of Glenwood

Notes to Financial Statements

Note 9: Defined Benefit IMRF Pension Plans (Continued)

Regular Personnel (Non-SLEP) (Continued)

Changes in Net Pension Asset

	Pension Liability (A)	Plan Net Position (B)	Net Pension Liability (Asset) (A) - (B)
Balances at January 1, 2020	\$ 7,701,337	\$ 7,956,786	\$ (255,449)
Changes for the year:			
Service cost	188,334	-	188,334
Interest on the total pension liability	550,057	-	550,057
Differences between expected and actual experience of the total pension liability	117,078	-	117,078
Changes in assumptions	(79,043)	-	(79,043)
Contributions - employer	-	127,769	(127,769)
Contributions - employees	-	77,697	(77,697)
Net investment income	-	1,100,757	(1,100,757)
Benefit payments, including refunds of employee contributions	(417,015)	(417,015)	-
Other (net transfer)	-	(32,879)	32,879
Net changes	<u>359,411</u>	<u>856,329</u>	<u>(496,918)</u>
Balances at December 31, 2020	<u>\$ 8,060,748</u>	<u>\$ 8,813,115</u>	<u>\$ (752,367)</u>

Sensitivity of the Net Pension Asset to Changes in the Discount Rate - The following presents the plan's net pension asset, calculated using the single discount rate of 7.25 percent, as well as what the plan's net pension asset would be if it were calculated using a single discount rate that is 1% lower or 1% higher:

	1% Lower (6.25%)	Current Discount (7.25%)	1% Higher (8.25%)
Net pension liability (asset)	\$ 196,603	\$ (752,367)	\$ (1,516,946)

Village of Glenwood

Notes to Financial Statements

Note 9: Defined Benefit IMRF Pension Plans (Continued)

Regular Personnel (Non-SLEP) (Continued)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions - For year ended April 30, 2021, the Village recognized pension expense (income) of \$(97,761). At April 30, 2021, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflow of Resources
<i>Deferred amounts to be recognized in pension expense in future periods:</i>		
Difference between expected and actual experience	\$ 95,879	\$ 91,005
Changes in assumptions	17,459	54,260
Net difference between projected and actual earnings on pension plan investments	-	<u>649,891</u>
Total deferred amounts to be recognized in pension expense in future periods	113,338	795,156
Pension contributions subsequent to the measurement date	<u>36,164</u>	-
Total deferred amounts related to pensions	<u>\$ 149,502</u>	<u>\$ 795,156</u>

The Village reported \$36,164 reported as deferred outflows of resources related to pensions resulting from Village contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the measurement period ending April 30, 2022.

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

<u>Year Ending April 30,</u>	Net Deferred Outflows (Inflows) of Resources
2022	\$ (215,777)
2023	(103,118)
2024	(256,373)
2025	<u>(106,550)</u>
Total	<u>\$ (681,818)</u>

Village of Glenwood

Notes to Financial Statements

Note 9: Defined Benefit IMRF Pension Plans (Continued)

Sheriff's Law Enforcements (SLEP):

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

Retirees and beneficiaries currently receiving benefits	1
Inactive plan member entitled to but not yet receiving benefits	0
Active employees	0
 Total	 1

Contributions - As set by statute, the Village's Sheriff's Law Enforcement Plan Members are required to contribute 7.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual contribution rate for calendar year 2020 was 0.00%. For the fiscal year ended April 30, 2021, the employer contributed \$858 to the plan. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability - The Village's Net Pension Liability was measured as of December 31, 2020, and the total pension liability used to calculate the Net Pension Liability was determined by an annual 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:

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value of Assets
Inflation	2.25%
Salary increases	2.85% to 13.75%, including inflation
Investment rate of return	7.25%
Retirement age	Experience based Table of Rates, specific to the type of eligibility condition, last updated for the 2020 valuation according to an experience study from years 2017 to 2019.
Mortality	For non disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements using scale MP-2020. For Disabled Retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male and Female (both unadjusted) tables, and future mortality improvements using scale MP-2020. For Active Members, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male and Female (both unadjusted) tables, and future mortality improvements using scale MP-2020.

Village of Glenwood

Notes to Financial Statements

Note 9: Defined Benefit IMRF Pension Plans (Continued)

Sheriff's Law Enforcements (SLEP) (Continued)

The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2020:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic equity	37 %	5.00 %
International equity	18 %	6.00 %
Fixed income	28 %	1.30 %
Real estate	9 %	6.20 %
Alternative investments	7 %	2.85-6.95 %
Cash equivalents	<u>1 %</u>	1.85 %
Total	<u><u>100.0 %</u></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%.

Village of Glenwood

Notes to Financial Statements

Note 9: Defined Benefit IMRF Pension Plans (Continued)

Sheriff's Law Enforcements (SLEP) (Continued)

Changes in Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at January 1, 2020	\$ 257,970	\$ 235,362	\$ 22,608
Interest on the total pension liability	18,048	-	18,048
Differences between expected and actual experience of the total pension liability	1,775	-	1,775
Changes in assumptions	505	-	505
Net investment income	-	37,290	(37,290)
Benefit payments, including refunds of employee contributions	(18,059)	(18,059)	-
Other (net transfer)	-	2,294	(2,294)
Net changes	<u>2,269</u>	<u>21,525</u>	<u>(19,256)</u>
Balances at December 31, 2020	<u>\$ 260,239</u>	<u>\$ 256,887</u>	<u>\$ 3,352</u>

Sensitivity of the Village's proportionate share of the net pension liability to changes in the discount rate - The following presents the plan's net pension liability, calculated using the single discount rate of 7.25%, as well as what the plan's net pension liability (asset) would be if it were calculated using a single discount rate that is 1% lower or 1% higher:

	1% Lower (6.25%)	Current Discount (7.25%)	1% Higher (8.25%)
Net pension liability (asset)	\$ 32,126	\$ 3,352	\$ (20,855)

Village of Glenwood

Notes to Financial Statements

Note 9: Defined Benefit IMRF Pension Plans (Continued)

Sheriff's Law Enforcements (SLEP) (Continued)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions - For the year ended April 30, 2021, the Village recognized pension expense of \$5,615. At April 30, 2021, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflow of Resources
<i>Deferred amounts to be recognized in pension expense in future periods:</i>		
Difference between expected and actual experience	\$ 14,866	\$ 1,617
Changes in assumptions	1,326	-
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>19,025</u>
Total deferred amounts related to pensions	<u>\$ 16,192</u>	<u>\$ 20,642</u>

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

	Net Deferred Outflows (Inflows) of Resources
Year Ending April 30, 2021	
2022	\$ 3,879
2023	2,916
2024	(7,087)
2025	<u>(4,158)</u>
Total	<u>\$ (4,450)</u>

Aggregate Pension Amounts - At April 30, 2021, the Village reported the following from all pension plans:

		IMRF-Regular	IMRF-SLEP	Police Pension Plan	Firefighters' Pension Plan	Total Pension Plans
Net pension liability/(asset)	\$	(752,367)	\$ 3,352	\$ 8,272,443	\$ 2,326,289	\$ 9,849,717
Deferred outflows of resources		149,502	16,192	1,182,722	165,858	1,514,274
Deferred inflows of resources		795,156	20,642	4,725,703	793,070	6,334,571
Pension expense		(97,761)	5,615	70,851	30,480	9,185

Village of Glenwood

Notes to Financial Statements

Note 10: Defined Benefit Police Pension Plan

Plan Description - The Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The Village accounts for the Plan as a pension trust fund. The Fund is governed by a five-member Board of Trustees. Two members of the Board are appointed by the Village, one member is elected by pension beneficiaries and two members are elected by active police employees.

Plan Membership - As of April 30, 2020, the actuarial valuation data date, the Fund's membership consisted of:

Inactive plan members currently receiving benefits	13
Inactive plan members entitled to but not receiving benefits	5
Active plan members	<u>22</u>
Total	<u><u>40</u></u>

Benefits Provided. The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired prior to January 1, 2011 (tier 1), 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 1/2 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% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter.

Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 with at least ten 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 officer salary for the pension purpose is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Non-compounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the preceding calendar year.

Village of Glenwood

Notes to Financial Statements

Note 10: Defined Benefit Police Pension Plan (Continued)

Contributions. of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the Fund, including administrative costs, as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. The Village has chosen to use the following parameters to fund its pension plan above and beyond the state minimum. For the year ended April 30, 2021, the Village's contribution was 51.11% of covered payroll.

Investment Policy. The deposits and investments of the Police Pension Fund are held separately from the Village's funds. Statutes authorize the Police Pension Fund to make deposits/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; savings accounts or certificates of deposit 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; credit unions, 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 Funds, 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; direct obligations of the State of Israel; 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 specified 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 in separate accounts and mutual funds does not exceed ten percent of the pension fund's fiduciary 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. Pension funds with fiduciary net position of \$2.5 million or more may invest up to 45% of fiduciary net position in separate accounts of life insurance companies and mutual funds. Pension funds with fiduciary net position of at least \$5 million that have appointed an investment advisor may, through that investment advisor invest up to 45% of the fiduciary net position in common and preferred stocks that meet specific restrictions.

In addition, pension funds with fiduciary net position of at least \$10 million that have appointed an investment advisor may invest up to 55% of its fiduciary net position in common and preferred stocks and mutual funds that meet specific restrictions effective July 1, 2012. On August 1, 2012, the Illinois Department of Insurance issued an advisory opinion indicating that the total allowable investment in equities (mutual funds) is 67% of net position.

Village of Glenwood

Notes to Financial Statements

Note 10: Defined Benefit Police Pension Plan (Continued)

The Police Pension Fund's investment policy in accordance with ILCS establishes the following target allocation across asset classes, net of inflation:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash and equivalents	2.00 %	1.90 %
Fixed income	53.00 %	2.70-5.20%
Domestic equities	37.00 %	5.60-6.50%
International equities	5.00 %	7.20-9.20%
Real estate equities	5.00 %	6.00%

ILCS limits the Police Pension Fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

The long-term expected rate of return on the Police Pension Fund's investments was determined using an asset allocation study conducted by the Global Investment Committee of Morgan Stanley as of November 2017. The best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. Best estimates for arithmetic real rates of return excluding inflation for each major asset class included in the Police Pension Fund's target asset allocation as of April 30, 2020 are listed in the table above.

Investment Rate of Return. For the year ended April 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 28.71%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Interest Rate Risk. As of April 30, 2020, the Police Pension Fund had the following investment maturities in debt securities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			
		<u>0-1</u>	<u>1-5</u>	<u>5-10</u>	<u>More than 10</u>
Certificates of deposit	\$ 81,273	\$ -	\$ 81,273	\$ -	\$ -
U.S. treasury obligations	413,362	181,772	231,590	-	-
U.S. agency obligations	2,269,417	141,423	1,362,566	570,524	194,904
Corporate bonds	1,914,127	176,728	1,363,210	374,189	-
Total	\$ 4,678,179	\$ 499,923	\$ 3,038,639	\$ 944,713	\$ 194,904

The Police Pension Fund categorize the fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

Village of Glenwood

Notes to Financial Statements

Note 10: Defined Benefit Police Pension Plan (Continued)

The Police Pension Fund has the following recurring fair value measurements as of April 30, 2021: the equity mutual funds are valued using quoted prices in active markets for identical assets (Level 1 inputs). The U.S. agency obligations, corporate bonds and insurance contracts are valued using quoted matrix pricing models based on various market and industry inputs (Level 2 inputs).

Interest Rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the Police Pension Fund's investment policy, the Police Pension 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.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Police Pension 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 establishes criteria for allowable investments; those criteria follow the requirements of the Illinois Pension Code.

With the exception unrated GNMA securities with a fair value of \$194,904, as of April 30, 2021, all investments in the securities of the U.S. Government agencies were all rated AAA and corporate bonds are rated BBB or better by Standard & Poor's or by Moody's Investors. The Police Pension Fund's investment policy also prescribes to the "prudent person" rule, which states, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the primary objective of safety as well as the secondary objective of the attainment of market rates of return."

Custodial Credit Risk - Deposits. In the case of deposits, custodial credit risk is the risk that in the event of a bank failure, the Police Pension Fund's deposits may not be returned to it. At April 30, 2021, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance. The Police Pension Fund's investment policy does not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the Police Pension Fund's deposits with financial institutions.

Custodial Credit Risk - Investments. For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Police Pension 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 Police Pension Fund's investment policy limits its exposure to custodial credit risk by utilizing an independent third party institution, selected by the Police Pension Fund, to act as custodian for its securities and collateral.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the Police Pension Fund's investment in a single issuer. In accordance with the investment policy, 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. Agency investments represent a large portion of the portfolio; however the investments are diversified by maturity date and are backed by the issuing organization. Although unlike U.S. treasuries, agency securities do not have the "full faith and credit" backing of the United States 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.

Village of Glenwood

Notes to Financial Statements

Note 10: Defined Benefit Police Pension Plan (Continued)

At April 30, 2021, the Police Pension Fund had over 5% of net position invested in the following:

<u>Equity Mutual Funds</u>	<u>Fair Value</u>
T. Rowe Price Blue Chip	\$1,204,612
Schwab S&P Index Fund	973,949
MFS International Diversification	754,776
IShares Core S&P 500	1,603,034
IShares Russell 2000	797,329

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed as of May 1, 2020 using the following actuarial methods and assumptions:

Actuarial valuation date	May 1, 2020
Measurement date	April 30, 2021
Actuarial cost method	Entry age normal (Level % of Pay)
Asset valuation method	Market Value
Actuarial assumptions:	
Discount rate	6.50%
Long-term expected rate of return	6.50%
High quality 20 year tax-exempt bond rate	2.27%
Projected salary increases	3.75% - 23.62%
Inflation rate included	2.25%
Projected increase in total payroll	3.00%

Retirement, disability and termination rates were based on an independent actuary assumption study for Illinois Police 2020. Mortality table is the Pub-2010 adjusted for plan status, demographics, and Illinois public pension data, as appropriate. The high quality 20 year tax-exempt general obligation bond rate assumption as changed from 2.56% to 2.27% for the current year.

Discount Rate. A single discount rate of 6.50% 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 the 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 obligations 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 6.50%, the municipal bond rate is 2.27% and the resulting single discount rate is 6.50%.

Village of Glenwood

Notes to Financial Statements

Note 10: Defined Benefit Police Pension Plan (Continued)

Discount Rate Sensitivity. The following is a sensitivity analysis of the net pension liability of the Village to changes in the discount rate. The table below presents the net pension liability calculated using the discount rate of 6.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1-percentage-point higher (7.50%) than the current rate:

	1% Lower (5.50%)	Current Discount (6.50%)	1% Higher (7.50%)
Net pension liability	\$ 12,301,324	\$ 8,272,443	\$ 5,055,455

Changes in the Net Pension Liability.

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at May 1, 2020	\$ 22,428,402	\$ 11,265,507	\$ 11,162,895
Changes for the year:			
Service cost	619,390	-	619,390
Interest on the total pension liability	1,396,794	-	1,396,794
Differences between expected and actual experience of the total pension liability	(603,442)	-	(603,442)
Contributions - employer	-	1,067,690	(1,067,690)
Contributions - employees	-	207,875	(207,875)
Contributions - other	-	6,672	(6,672)
Net investment income	-	3,059,617	(3,059,617)
Benefit payments, including refunds of employee contributions	(670,255)	(670,255)	-
Administrative expense	-	(38,660)	38,660
Net changes	742,487	3,632,939	(2,890,452)
Balances at April 30, 2021	\$ 23,170,889	\$ 14,898,446	\$ 8,272,443

Village of Glenwood

Notes to Financial Statements

Note 10: Defined Benefit Police Pension Plan (Continued)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. For year ended April 30, 2021, the Village recognized pension expense (income) of \$70,851. At April 30, 2021, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflow of Resources
<i>Deferred amounts to be recognized in pension expense in future periods:</i>		
Difference between expected and actual experience	\$ 399,739	\$ 966,929
Changes in assumptions	782,983	2,283,097
Net difference between projected and actual earnings on pension plan investments	-	1,475,677
Total deferred amounts related to pensions	\$ 1,182,722	\$ 4,725,703

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:

	Net Deferred Outflows (Inflows) of Resources
<hr/> Year Ending April 30, 2021 <hr/>	
2022	\$ (1,009,667)
2023	(1,040,230)
2024	(836,598)
2025	(560,762)
2026	(88,416)
Thereafter	(7,308)
Total	\$ (3,542,981)

Village of Glenwood

Notes to Financial Statements

Note 11: Defined Benefit Firefighters' Pension Plan

Plan Description - The Village's fire sworn personnel are covered by the Firefighters' Pension Plan which is 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 (Chapter 40 - Article 5/4) and may be amended only by the Illinois legislature. The Village accounts for the Firefighters' Pension Plan as a pension trust fund.

The plan is governed by a five-member pension board. Two members are appointed by the Village's president, one member is elected by pension beneficiaries and two members are elected by active police employees.

Benefits provided - The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit to one-half of the salary attached to the rank held at the date of retirement. The annual benefit shall be increased by 2.50% of each salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten 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 covered employee who retired with 20 or more years of service after January 1, 1977, shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% 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 greater of the average monthly salary obtaining by dividing the total salary during the 48 consecutive months of service within the last of 60 months in which the total salary was the highest by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for pension purposes is capped at \$106,800, plus the lesser of 1/2 of the annual change in the Consumer Price Index or 3% compounded.

The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% 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). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Plan membership - At April 30, 2021, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	4
Inactive plan members entitled to but not yet receiving benefits	4
Active employees	<u>4</u>
Total	<u><u>12</u></u>

Village of Glenwood

Notes to Financial Statements

Note 11: Defined Benefit Firefighters' Pension Plan (Continued)

Contributions - Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to finance the Firefighters' Pension Plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service cost for the Firefighters' Pension Plan. For the fiscal year ended April 30, 2021, the Village's contribution was 75.45% of covered payroll.

Investment Policy - The Firefighters' Pension Plan's policy in regard to the allocation of invested assets is established and may be amended by the Fire Pension Board by a majority vote of its members. It is the policy of the Fire Pension Board to pursue an investment strategy that preserves capital and minimizes risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes as allowed under Illinois Statutes (40 ILCS 5/1-113.2 to 113.4a). The Firefighters' Pension Plan's investment policy encourages maintaining adequate liquidity to meet the pension fund's obligations. The investment policy implies that funds not needed to meet liquidity requirements should be invested with diversity between asset classes and types of investments. Fiduciary objectives toward maintenance of Public Trust and Prudence dictate that dramatic shifts in asset class allocations over short time spans are discouraged and should be avoided where possible.

The Firefighters' Pension Fund's investment policy in accordance with ILCS establishes the following target allocation across asset classes, net of inflation:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	53.00 %	3.99 %
Large cap domestic equity	40.00 %	9.72 %
Small cap domestic equity	3.00 %	8.53 %
International equities	1.00 %	3.80 %
Real estate (REITs)	1.00 %	5.68 %
Cash	2.00 %	0.85 %

ILCS limits the Firefighters' Pension Fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

The long-term expected rate of return on pension plan investments was determined using a building-block method. The best estimate of future real rates of return are developed for each of the major asset classes. Future real rates of return are weighted based on the target asset allocation as established by the Board in accordance with the investment policy. Expected inflation is added back in. Adjustment is made to reflect geometric returns. The above are the long-term expected arithmetic real rates of return by asset class as of April 30, 2021.

Village of Glenwood

Notes to Financial Statements

Note 11: Defined Benefit Firefighters' Pension Plan (Continued)

Investment Rate of Return - For the year ended April 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.63%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Interest Rate Risk - As of April 30, 2021, the Firefighters' Pension Fund had the following investment maturities in debt securities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		0-1	1-5	5-10	More than 10
Certificates of deposit	\$ 160,825	\$ -	\$ 160,825	\$ -	\$ -
U.S. government securities	730,303	-	614,894	336	115,073
Corporate bonds	599,583	126,315	394,364	78,904	-
Total	\$ 1,490,711	\$ 126,315	\$ 1,170,083	\$ 79,240	\$ 115,073

The Firefighters' Pension Fund categorize the fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The Firefighters' Pension Fund has the following recurring fair value measurements as of April 30, 2021: the equity mutual funds and exchange traded funds are valued using quoted prices in active markets for identical assets (Level 1 inputs). The U.S. government securities, corporate bonds and certificates of deposit are valued using quoted matrix pricing models based on various market and industry inputs (Level 2 inputs). Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Firefighters' Pension Fund's investment policy does not specifically identify limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Firefighters' Pension Fund's investment policy also prescribes to the "prudent person" rule, which states, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the primary objective of safety as well as the secondary objective of the attainment of market rates of return."

The Firefighters' Pension 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 Firefighters' Pension Fund's investment policy establishes criteria for allowable investments; corporate bonds must be investment grade and rated by one of the two largest rating services at the time of purchase, and certificates of deposit follow those rules as set forth in the Illinois Pension Code. The U.S. government securities are rated AA, the corporate bonds are rated BBB to A, and the certificates of deposit are not rated.

Village of Glenwood

Notes to Financial Statements

Note 11: Defined Benefit Firefighters' Pension Plan (Continued)

Custodial Credit Risk - Deposits - In the case of deposits, custodial credit risk is the risk that in the event of a bank failure, the Firefighters' Pension Fund's deposits may not be returned to it. At April 30, 2021, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance. The Firefighters' Pension Fund's investment policy does not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the Firefighters' Pension Fund's deposits with financial institutions.

Custodial Credit Risk - Investments - For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Firefighters' Pension 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 Firefighters' Pension Fund's investment policy limits its exposure to custodial credit risk by utilizing an independent third party institution, selected by the Firefighters' Pension Fund, to act as custodian for its securities and collateral.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the Firefighters' Pension Fund's investment in a single issuer. The Firefighters' Pension Fund policy provides target percentages that have been determined for each asset class. These allocations are to serve as a guideline. Market conditions or investment transitions may require interim investment strategy and, therefore, temporary imbalance in asset mix.

At April 30, 2021, there are no significant investments (other than United States Government guaranteed obligations) in any one organization that represent 5% or more of the Firefighters' Pension Fund's investments. These investments are diversified by maturity date and are backed by the issuing organization. Although unlike Treasuries, 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.

At April 30, 2021, the Firefighters' Pension Fund had over 5% of net position invested in the following:

<u>Equity Mutual Funds</u>	<u>Fair Value</u>
T. Rowe Price Blue Chip	\$220,311
Schwab S&P Index Fund	438,617
IShares Core S&P 500	218,110

Village of Glenwood

Notes to Financial Statements

Note 11: Defined Benefit Firefighters' Pension Plan (Continued)

Actuarial assumptions - The following are the methods and assumptions used to determine total pension liability at April 30, 2021:

Actuarial valuation date	May 1, 2020
Measurement date	April 30, 2021
Actuarial cost method	Entry age normal (Level % of Pay)
Asset valuation method	Market Value
Actuarial assumptions:	
Discount rate	6.00%
Long-term expected rate of return	6.00%
High quality 20 year tax-exempt bond rate	2.27%
Projected salary increases	3.50% - 23.37%
Inflation rate included	2.25%
Projected increase in total payroll	3.00%

Retirement, disability and termination rates were based on an independent actuary assumption study for Illinois Firefighters' 2020. Mortality table is the Pub-2010 adjusted for plan status, demographics, and Illinois public pension data, as appropriate. The high quality 20 year tax-exempt general obligation bond rate assumption as changed from 2.56% to 2.27% for the current year.

Discount Rate - A single discount rate of 6.00% 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 the 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 obligations 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 6.00%, the municipal bond rate is 2.27% and the resulting single discount rate is 6.00%.

Discount Rate Sensitivity - The following is a sensitivity analysis of the net pension liability of the Village to changes in the discount rate. The table below presents the net pension liability calculated using the discount rate of 6.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.00%) or 1-percentage-point higher (7.00%) than the current rate:

	1% Lower (5.00%)	Current Discount (6.00%)	1% Higher (7.00%)
Net pension liability	\$ 3,154,258	\$ 2,326,289	\$ 1,657,683

Village of Glenwood

Notes to Financial Statements

Note 11: Defined Benefit Firefighters' Pension Plan (Continued)

Changes to Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A)-(B)
Balances at May 1, 2020	\$ 5,278,982	\$ 2,672,661	\$ 2,606,321
Changes for the year:			
Service Cost	77,758	-	77,758
Interest on the total pension liability	314,191	-	314,191
Differences between expected and actual experience of the total pension liability	58,338	-	58,338
Contributions - employer	-	243,621	(243,621)
Contributions - employees	-	28,118	(28,118)
Net investment income	-	481,144	(481,144)
Benefit payments, including refunds of employee contributions	(221,183)	(221,183)	-
Other (net transfer)	-	(22,564)	22,564
Net Changes	<u>229,104</u>	<u>509,136</u>	<u>(280,032)</u>
Balance at April 30, 2021	<u>\$ 5,508,086</u>	<u>\$ 3,181,797</u>	<u>\$ 2,326,289</u>

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – For the year ended April 30, 2021, the Village recognized pension expense of \$30,480. At April 30, 2021, the Village 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
<i>Deferred amounts to be recognized in pension expense in future periods:</i>		
Differences between expected and actual experience	\$ 163,511	\$ 13,208
Changes in assumptions	2,347	576,636
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>203,226</u>
Total deferred amounts related to pensions	<u>\$ 165,858</u>	<u>\$ 793,070</u>

Village of Glenwood

Notes to Financial Statements

Note 11: Defined Benefit Firefighters' Pension Plan (Continued)

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

Year Ending April 30:	Net Deferred Outflows (Inflows) of Resources
2022	\$ (161,402)
2023	(145,127)
2024	(131,584)
2025	(119,774)
2026	(65,403)
Thereafter	<u>(3,922)</u>
 Total	 \$ <u><u>(627,212)</u></u>

Note 12: Other Postemployment Benefits

Plan Description. In addition to providing the pension benefits described, the Village provides postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the Village and can be amended by the Village through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the Village's governmental and business-type activities.

Benefits Provided. The Village provides OPEB to its retirees and certain disabled employees. To be eligible for benefits, an employee must qualify for retirement under one of the Village's retirement plans or meet COBRA requirements. All health care benefits are provided through the Village's insured health plan. The benefit levels are the same as those afforded to active employees. Once reaching Medicare age, retirees are covered by a Medicare supplement plan as opposed to the Village's active employee health plan. For certain disabled employees who qualify for health insurance benefits under the Public Safety Employee Benefits Act (PSEBA), the Village is required to pay 100% of the cost of basic health insurance for the employee and their dependents for their lifetime. Depending on the retirement date and collective bargaining agreement, retirees contribute between 90% to 100% of the actuarially determined premium to the plan to cover the cost of providing the benefits to the current members via the insured plan (pay-as-you-go) which results in an implicit subsidy to the Village.

Employees Covered by the Benefit Terms. At April 30, 2021 (most recent actuarial study), the following employees were covered by the benefit terms:

Active employees	35
Inactive employees currently receiving benefits	<u>2</u>
 Total	 <u><u>37</u></u>

Village of Glenwood

Notes to Financial Statements

Note 12: Other Postemployment Benefits (Continued)

Total OPEB Liability. At April 30, 2021, the Village's total OPEB Liability of \$867,548; the Village's total OPEB liability was measured as of April 30, 2020 and was determined by an actuarial valuation as of that date.

Actuarial Methods and Assumptions. The total OPEB liability in the April 30, 2021 actuarial valuation (most recent) was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial valuation date	May 1, 2020
Measurement date	April 30, 2021
Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value
Actuarial assumptions:	
Discount rate	2.27%
Long-term expected rate of return	N/A
High quality 20 year tax-exempt bond rate	2.56% - 2.27%
Projected salary increases	3.00%
Inflation rate	2.25%

Coverage Status	Active employees are assumed to continue into retirement at their current coverage level.
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Healthcare cost trend rates	7.30% to 5.00% ultimate
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The discount rate was based on The Bond Buyer 20-Bond GO Index, which is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

The actuarial assumptions used in the April 30, 2020 valuation are based on 30% participation assumed and 50% are assumed to elect spousal coverage.

Village of Glenwood

Notes to Financial Statements

Note 12: Other Postemployment Benefits (Continued)

Changes in Total OPEB Liability

	Total OPEB Liability (A)	Plan Fiduciary Net Position (B)	Net OPEB Liability (A) - (B)
Balance at May 1, 2020	\$ 1,066,328	\$ -	\$ 1,066,328
Changes for the year:			
Service cost	30,211	-	30,211
Interest on the total OPEB liability	27,127	-	27,127
Differences between expected and actual experience of the total OPEB liability	(289,459)	-	(289,459)
Changes of assumptions and other inputs	46,712	-	46,712
Contributions - employer	-	13,371	(13,371)
Benefit payments	(13,371)	(13,371)	-
Net changes	(198,780)	-	(198,780)
Balances at April 30, 2021	\$ 867,548	\$ -	\$ 867,548

Changes of assumptions related to a change in the discount rate from 2.56% to 2.27%, inflation rate, mortality rates, mortality improvement rates, retirement rates, termination rates and disability rates.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the net OPEB liability of the Village, as well as what the Village's net OPEB liability would be if it were calculated using a discount rate of described in the actuarial assumptions and the net OPEB liability that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Increase (1.27%)	Current Discount Rate (2.27%)	1% Decrease (3.27%)
Total OPEB liability	\$ 971,707	\$ 867,548	\$ 777,839

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The table below presents the total OPEB liability of the Village calculated using the healthcare rate of 7.30% to 5.00% as well as what the Village's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (6.30% to 4.00%) or 1 percentage point higher (8.30% to 6.0%) than the current rate:

	1% Increase (Varies)	Healthcare Cost Trend Rates (Varies)	1% Decrease (Varies)
Net OPEB liability	\$ 786,476	\$ 867,548	\$ 982,511

Village of Glenwood

Notes to Financial Statements

Note 12: Other Postemployment Benefits (Continued)

OPEB Expense (Income) and Deferred Outflows and Inflows of Resources Related to OPEB. For year ended April 30, 2021, the Village recognized OPEB income of \$(185,409). At April 30, 2021, the Village did not report deferred outflows of resources or deferred inflows of resources related to OPEB due to the use of the alternative measurement method.

Note 13: Economic Development Agreements and Tax Abatements

The Village rebates sales taxes to recruit, retain or improve local business facilities or their supporting public infrastructure under certain circumstances. The terms of these rebate arrangements are specified within written agreements with the businesses concerned. This information is as of April 30, 2020 which is the most recent period available.

The Village entered into an agreement with Patton Properties for economic assistance from the Village. If not for the economic assistance to be provided by the Village, the Project would not be economically viable to the developer. The Redevelopment Project Costs have been initially deemed to qualify under the Act for Village payment through tax increment allocation financing. The Village agreed to pay to the developer an amount equal to 50% of the municipal sales tax revenues received by the Village as a result of the operations of such retail store at the Subject Property. The municipal sales tax revenue sharing shall continue for a term of ten years from the date the Village's obligation to share municipal sales tax revenue arises for each retail store located within the project. Payments are due on or before the 30th of June following the date of the Village's obligation to share municipal sales tax revenue and on each June 30th thereafter. As of April 30, 2020, the Village has remitted \$33,573 related to this agreement.

The Village entered into an agreement with West Side Property to purchase a building to construct and operate a new permanent truck maintenance facility. The Village agreed to reimburse West Side a maximum of \$400,000 or 50% of eligible costs, whichever is less. As of April 30, 2020, the Village has remitted \$47,403 related to this agreement. In May 2013, the Village sold this parcel of property in the amount of \$200,000 to West Side Property. The amount is scheduled to be paid in seven annual installments at a rate of 4%. The agreement further stipulates that on each annual date West Side Property is required to make a payment, the Village will waive its right to receive the amount due provided that West Side continues to operate on the premises and pay all property tax bills that are associated with this property and due. As of April 30, 2020, the receivable is fully reserved for in the Holbrook Road Tax Increment Financing District Fund as the collectability of this amount is not known.

The Village entered into an agreement with All Star Management, Inc. to reimburse the developer for eligible real estate costs for the lesser of 25% of the cost or \$150,000. As of April 30, 2020, the Village has remitted \$150,000 related to this agreement.

The Village entered into an agreement with Duff Real Estate, LLC to reimburse the developer for the lesser of \$10,000,000 or the total sum of eligible redevelopment costs with reimbursement costs to pay only from property taxes received from the developer. As of April 30, 2021, the Village has remitted \$0 related to this agreement.

Village of Glenwood

Notes to Financial Statements

Note 13: Economic Development Agreements and Tax Abatements (Continued)

The Village entered into an agreement with Mack Industries to complete the renovation and remodel the building on the Redevelopment Property. The Village agreed to pay the developer's costs for eligible costs up to \$200,000. As of April 30, 2020, the Village has remitted \$200,000 related to this agreement. During fiscal year 2015, the Village sold this parcel of property in the amount of \$162,000 to Morrison Container. The amount is scheduled to be paid in seven annual installments. The agreement further stipulates that on each annual date Mack Industries is required to make a payment, the Village will waive its right to receive the amount due provided that West Side continues to operate on the premises and pay all property tax bills that are associated with this property and due. As of April 30, 2020, the receivable is fully reserved for in the Holbrook Road Tax Increment Financing District Fund as the collectability of this amount is not known.

In October 2017, the Village entered into an agreement with Glensted Animal Hospital to reimburse the developer for 100% of certified eligible redevelopment project costs up to \$100,000. As of April 30, 2020, the Village has remitted \$0 related to this agreement.

In March 2018, the Village entered into an agreement with Among Friends Daycare to reimburse the developer for 100% of certified eligible redevelopment project costs up to 60% of the total costs, with a maximum of \$465,480. As of April 30, 2020, the Village has remitted \$0 related to this agreement.

In April 2018, the Village entered into an agreement with TJ Meat Packing to reimburse the developer for 100% of certified eligible redevelopment project costs up to 65% of the total costs, with a maximum of \$1,200,000. As of April 30, 2020, the Village has remitted \$37,389 related to this agreement.

In April 2018, the Village entered into an agreement with Ralph Edgar and J. Wynsma Properties LLC to provide economic assistance for the developer to acquire and redevelop the project site along a portion of the Halsted Street Redevelopment Project Area (TIF Halsted South). Under the terms of the agreement, the Village agrees to transfer the project land to the Developer for \$1.

Cook County Economic Development Incentive

The Cook County Assessor's Office, in conjunction with municipalities located within Cook County, encourage certain industrial and commercial development by offering real estate tax incentive programs (such as Class 6a, 6b, 7, 8 and 9) for the development of new industrial facilities, the rehabilitation of existing industrial structures and industrial utilization of abandoned buildings or areas experiencing severe stagnation. These programs offer qualified properties a reduced equalized assessed valuation for up to 12 years.

Village of Glenwood

Notes to Financial Statements

Note 14: Subsequent Events

The Village has evaluated subsequent events through the date of the independent auditor's opinion, which is the date the financial statements were available to be issued.

In August 2021, the Village was awarded \$1,185,978 of the State and Local Fiscal Recovery Funds grant through the American Rescue Plan Act (ARPA). The Village received the grant funds between August 2021 and September 2022.

In October 2021, the Village board approved contract with Gallagher Asphalt for 2021 road resurfacing project for \$387,285. This project was completed in December 2021.

In August 2022, the Village board approved contract with Gallagher Asphalt for concrete overlay in the amount of \$721,413. The project was completed in October 2022.

In October 2022, the Village board approved contract with Gallagher Asphalt for CDBG Street Resurfacing Project on Young/Center Streets in the amount of \$281,124.50. The project will be funded through a Cook County community development block grant (CDBG). The project consists of removal of existing roadway, base repair as needed, drainage structure adjustment, curb/gutter/sidewalk replacement, ADA improvements at intersections, sidewalk extension, repaving of roadways, pavement markings, and replacement of traffic signal detector loops. The project is still underway as of the date of this report.

Note 15: Impact of Pending Accounting Principles

GASB Statement No. 87, *Leases*, improves 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. The requirements of this Statement are effective for fiscal years beginning after June 15, 2021.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which supersedes GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This Statement (1) enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) simplifies accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

GASB Statement No. 91, *Conduit Debt Obligations*. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

Village of Glenwood

Notes to Financial Statements

Note 15: Impact of Pending Accounting Principles (Continued)

GASB Statement No. 92, *Omnibus*, improves the consistency of several practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, amends certain hedge accounting from GASB Statement No. 53 and variable lease payments in accordance with GASB Statement No. 87. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, provides for more guidance for accounting and financial reporting for availability payment arrangements. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*, defines a SBITA, establishes a right-to-use subscription asset and liability, provides the capitalization criteria for outlays other than subscription payments, and requires note disclosures regarding a SBITA. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 99, *Omnibus 2022*, improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022 and 2023.

GASB Statement No. 100, *Accounting Changes and Error Corrections*, enhances accounting and financial reporting for accounting changes in error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023.

GASB Statement No. 101, *Compensated Absences*, better meets the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023.

Management of the Village is still in the process of determining what effect, if any, the above statements will have on the basic financial statements and related disclosures.

Required Supplementary Information

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

<i>Year Ended April 30, 2021</i>	General Fund		
	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Property taxes	\$ 3,991,837	\$ 4,433,418	\$ 441,581
Utilities Tax	400,000	368,043	(31,957)
Intergovernmental revenues	2,616,700	2,757,905	141,205
Charges for services	1,182,800	1,186,137	3,337
Fines and forfeitures	157,200	104,032	(53,168)
Licenses and permits	316,100	332,424	16,324
Grants	-	414,674	414,674
Investment income	47,000	2,816	(44,184)
Miscellaneous	<u>869,376</u>	<u>808,865</u>	<u>(60,511)</u>
Total revenues	<u>9,581,013</u>	<u>10,408,314</u>	<u>827,301</u>
Expenditures			
General government	2,279,355	2,630,514	(351,159)
Public safety	6,186,169	5,885,590	300,579
Public works	719,561	718,541	1,020
Culture & recreation	38,000	24,168	13,832
Capital outlay	<u>-</u>	<u>563,043</u>	<u>(563,043)</u>
Total expenditures	<u>9,223,085</u>	<u>9,821,856</u>	<u>(598,771)</u>
Excess (deficiency) of revenue over (under) expenditures	<u>357,928</u>	<u>586,458</u>	<u>228,530</u>
Other financing sources (uses)			
Proceeds from sale of capital assets	-	3,549	3,549
Transfers out	<u>(350,000)</u>	<u>(554,980)</u>	<u>(204,980)</u>
Total other financing sources (uses)	<u>(350,000)</u>	<u>(551,431)</u>	<u>(201,431)</u>
Net change in fund balance	<u>\$ 7,928</u>	35,027	<u>\$ 27,099</u>
Fund balance at beginning of year		<u>4,981,139</u>	
Fund balance at end of year		<u>\$ 5,016,166</u>	

Village of Glenwood
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 Holbrook Road Tax Increment Financing District Fund

<i>Year Ended April 30, 2021</i>	TIF Holbrook Road		
	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Property taxes	\$ 700,000	\$ 987,892	\$ 287,892
Total revenues	<u>700,000</u>	<u>987,892</u>	<u>287,892</u>
Expenditures			
General government	<u>105,000</u>	<u>2,037</u>	<u>102,963</u>
Total expenditures	<u>105,000</u>	<u>2,037</u>	<u>102,963</u>
Excess of revenue over expenditures	<u>595,000</u>	<u>985,855</u>	<u>390,855</u>
Other financing sources (uses)			
Transfers out	<u>-</u>	<u>(550,000)</u>	<u>(550,000)</u>
Total other financing sources (uses)	<u>-</u>	<u>(550,000)</u>	<u>(550,000)</u>
Net change in fund balance	<u>\$ 595,000</u>	435,855	<u>\$ (159,145)</u>
Fund balance at beginning of year		<u>3,226,549</u>	
Fund balance at end of year		<u>\$ 3,662,404</u>	

Village of Glenwood
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 Halsted Street South Tax Increment Financing District Fund

<i>Year Ended April 30, 2021</i>	TIF Halsted South		
	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Property taxes	\$ 150,000	\$ 411,215	\$ 261,215
Charges for services	<u>50,000</u>	<u>48,912</u>	<u>(1,088)</u>
Total revenues	<u>200,000</u>	<u>460,127</u>	<u>260,127</u>
Expenditures			
General government	280,000	585,312	(305,312)
Debt Service			
Principal payments	-	1,049,462	(1,049,462)
Interest payments	<u>15,000</u>	<u>89,852</u>	<u>(74,852)</u>
Total expenditures	<u>295,000</u>	<u>1,724,626</u>	<u>(1,429,626)</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(95,000)</u>	<u>(1,264,499)</u>	<u>(1,169,499)</u>
Other financing sources (uses)			
Proceeds from sale of capital assets	-	398,003	398,003
Transfers in	<u>-</u>	<u>960,000</u>	<u>960,000</u>
Total other financing sources (uses)	<u>-</u>	<u>1,358,003</u>	<u>1,358,003</u>
Net change in fund balance	<u>\$ (95,000)</u>	93,504	<u>\$ 188,504</u>
Fund balance (deficit), beginning of year		<u>(5,516,590)</u>	
Fund balance (deficit), end of year		\$ <u>(5,423,086)</u>	

Village of Glenwood

Schedule of Changes in the Employer's Net Pension Asset and Related Ratios Illinois Municipal Retirement Fund

Last Seven Calendar Years

December 31,	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability							
Service cost	\$ 188,334	\$ 191,199	\$ 160,584	\$ 171,351	\$ 160,554	\$ 192,215	\$ 187,434
Interest	550,057	528,609	479,973	484,964	457,367	455,982	405,205
Differences between expected and actual experience	117,078	(200,910)	186,638	(223,477)	10,413	(336,265)	143,503
Changes of assumption	(79,043)	-	210,077	(212,990)	-	-	205,492
Benefit payments, including refunds of member contributions	<u>(417,015)</u>	<u>(26,250)</u>	<u>(295,867)</u>	<u>(266,160)</u>	<u>(265,371)</u>	<u>(289,914)</u>	<u>(244,074)</u>
Net change in total pension liability	359,411	492,648	741,405	(46,312)	362,963	22,018	697,560
Total pension liability, beginning	<u>7,701,337</u>	<u>7,208,689</u>	<u>6,467,284</u>	<u>6,513,596</u>	<u>6,150,633</u>	<u>6,128,615</u>	<u>5,431,055</u>
Total pension liability - ending	<u>\$ 8,060,748</u>	<u>\$ 7,701,337</u>	<u>\$ 7,208,689</u>	<u>\$ 6,467,284</u>	<u>\$ 6,513,596</u>	<u>\$ 6,150,633</u>	<u>\$ 6,128,615</u>
Plan Fiduciary Net Position							
Contributions - employer	\$ 127,769	\$ 104,435	\$ 129,630	\$ 117,527	\$ 131,768	\$ 136,654	\$ 139,908
Contributions - member	77,697	85,667	79,195	68,595	70,591	73,558	77,702
Net investment income	1,100,757	1,249,139	(362,522)	1,097,948	416,353	30,933	355,400
Benefit payments, including refunds of member contributions	(417,015)	(26,250)	(295,867)	(266,160)	(265,371)	(289,914)	(244,074)
Other	<u>(32,879)</u>	<u>(230,818)</u>	<u>76,523</u>	<u>(202,113)</u>	<u>14,483</u>	<u>(213,683)</u>	<u>58,090</u>
Net change in plan fiduciary net position	856,329	1,182,173	(373,041)	815,797	367,824	(262,452)	387,026
Plan net position, beginning	<u>7,956,786</u>	<u>6,774,613</u>	<u>7,147,654</u>	<u>6,331,857</u>	<u>5,964,033</u>	<u>6,226,485</u>	<u>5,839,459</u>
Plan net position, ending	<u>\$ 8,813,115</u>	<u>\$ 7,956,786</u>	<u>\$ 6,774,613</u>	<u>\$ 7,147,654</u>	<u>\$ 6,331,857</u>	<u>\$ 5,964,033</u>	<u>\$ 6,226,485</u>
Employer's net pension liability (asset)	<u>\$ (752,367)</u>	<u>\$ (255,449)</u>	<u>\$ 434,076</u>	<u>\$ (680,370)</u>	<u>\$ 181,739</u>	<u>\$ 186,600</u>	<u>\$ (97,870)</u>
Plan fiduciary net position as a percentage of the total pension liability	109.33 %	103.32 %	93.98 %	110.52 %	97.21 %	96.97 %	101.60 %
Covered payroll	\$ 1,726,603	\$ 1,740,023	\$ 1,677,796	\$ 1,524,340	\$ 1,568,668	\$ 1,634,622	\$ 1,721,563
Employer's net pension liability (asset) as a percentage of covered payroll	(43.57)%	(14.68)%	25.87 %	(44.63)%	11.59 %	11.42 %	(5.68)%

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be obtained, information will be presented as it is available.

Village of Glenwood
Schedule of Employer Contributions
Illinois Municipal Retirement Fund
 Last Seven Fiscal Years

Fiscal Year	Actuarially Determined Contribution*	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contributions as a Percentage of Covered Valuation Payroll
2021	\$ 120,258	\$ 120,258	\$ -	\$ 1,611,336	7.46 %
2020	101,622	101,622	-	1,732,368	5.87 %
2019	129,023	129,630	(607)	1,677,796	7.73 %
2018	117,527	136,654	(19,127)	1,524,340	8.96 %
2017	131,768	131,768	-	1,568,668	8.40 %
2016	136,654	136,654	-	1,634,622	8.36 %
2015	139,477	139,908	(431)	1,724,563	8.11 %

Ultimately, this schedule should present information for the last ten years.

However, until ten years of information can be obtained, information will be presented as it is available.

Village of Glenwood

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

Illinois Municipal Retirement - SLEP

Last Seven Calendar Years

December 31,	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability							
Service cost	\$ -	\$ 21,623	\$ 20,202	\$ 21,590	\$ 19,341	\$ 19,062	\$ 18,293
Interest	18,048	16,769	16,475	13,565	10,324	8,349	7,277
Differences between expected and actual experience	1,775	23,982	(7,078)	4,205	12,429	(1,229)	(6,655)
Changes of assumption	505	-	6,206	128	-	-	3,487
Benefit payments, including refunds of member contributions	(18,059)	(49,768)	-	-	-	-	(16,979)
Net change in total pension liability	2,269	12,606	35,805	39,488	42,094	26,182	5,423
Total pension liability, beginning	257,970	245,364	209,559	170,071	127,977	101,795	96,372
Total pension liability - ending	<u>\$ 260,239</u>	<u>\$ 257,970</u>	<u>\$ 245,364</u>	<u>\$ 209,559</u>	<u>\$ 170,071</u>	<u>\$ 127,977</u>	<u>\$ 101,795</u>
Plan Fiduciary Net Position							
Contributions - employer	\$ -	\$ 460	\$ 18,211	\$ 17,311	\$ 15,810	\$ 13,995	\$ 5,083
Contributions - member	-	263	9,687	9,498	8,929	7,957	7,797
Net investment income	37,290	30,202	(5,550)	24,277	8,824	613	6,976
Benefit payments, including refunds of member contributions	(18,059)	(49,768)	-	-	-	-	(16,979)
Administrative expense	2,294	29,720	(1,816)	(3,048)	(2,092)	(9,773)	(7,641)
Net change in plan fiduciary net position	21,525	10,877	20,532	48,038	31,471	12,792	(4,764)
Plan net position, beginning	235,362	224,485	203,953	155,915	124,444	111,652	116,416
Plan net position, ending	<u>\$ 256,887</u>	<u>\$ 235,362</u>	<u>\$ 224,485</u>	<u>\$ 203,953</u>	<u>\$ 155,915</u>	<u>\$ 124,444</u>	<u>\$ 111,652</u>
Employer's net pension liability	<u>\$ 3,352</u>	<u>\$ 22,608</u>	<u>\$ 20,879</u>	<u>\$ 5,606</u>	<u>\$ 14,156</u>	<u>\$ 3,533</u>	<u>\$ (9,857)</u>
Plan fiduciary net position as a percentage of the total pension liability	98.71 %	91.24 %	91.49 %	97.32 %	91.68 %	97.24 %	109.68 %
Covered payroll	\$ -	\$ 3,500	\$ 129,158	\$ 126,635	\$ 119,053	\$ 106,096	\$ 103,957
Employer's net pension liability as a percentage of covered payroll	0.00 %	645.94 %	16.17 %	4.43 %	11.89 %	3.33 %	(9.48)%

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be obtained, information will be presented as it is available.

Village of Glenwood
Schedule of Employer Contributions
Illinois Municipal Retirement Fund - SLEP
 Last Seven Fiscal Years

Fiscal Year	Actuarially Determined Contribution*	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contributions as a Percentage of Covered Payroll
2021	\$ 0	\$ 858	\$ (858)	\$ 0	0.00 %
2020	0	0	0	0	0.00 %
2019	18,211	18,211	0	129,158	14.10 %
2018	17,311	17,311	0	126,635	13.67 %
2017	15,810	15,810	0	119,053	13.28 %
2016	13,994	13,995	(1)	106,096	13.19 %
2015	11,986	5,083	6,903	103,957	4.89 %

Ultimately, this schedule should present information for the last ten years.
 However, until ten years of information can be obtained, information will be presented as it is available.

Village of Glenwood

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

Police Pension Fund

Last Seven Fiscal Years

	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability							
Service cost	\$ 619,390	\$ 594,598	\$ 628,874	\$ 546,907	\$ 513,528	\$ 436,295	\$ 700,590
Interest	1,396,794	1,342,800	1,238,562	1,167,365	1,152,594	1,341,032	954,337
Changes of benefit terms	-	71,196	-	-	-	-	-
Differences between expected and actual experience	(603,442)	(276,627)	465,890	1,023	268,094	(837,809)	-
Changes of assumption	-	364,455	(1,039,353)	962,388	(1,094,955)	(3,893,580)	-
Benefit payments, including refunds of member contributions	<u>(670,255)</u>	<u>(652,977)</u>	<u>(636,203)</u>	<u>(619,918)</u>	<u>(604,106)</u>	<u>(595,787)</u>	<u>(751,714)</u>
Net change in total pension liability	742,487	1,443,445	657,770	2,057,765	235,155	(3,549,849)	903,213
Total pension liability, beginning	<u>22,428,402</u>	<u>20,984,957</u>	<u>20,327,187</u>	<u>18,269,422</u>	<u>18,034,267</u>	<u>21,584,116</u>	<u>20,680,903</u>
Total pension liability - ending	<u>\$ 23,170,889</u>	<u>\$ 22,428,402</u>	<u>\$ 20,984,957</u>	<u>\$ 20,327,187</u>	<u>\$ 18,269,422</u>	<u>\$ 18,034,267</u>	<u>\$ 21,584,116</u>
Plan Fiduciary Net Position							
Contributions - employer	\$ 1,067,690	\$ 1,114,160	\$ 983,965	\$ 874,658	\$ 903,512	\$ 634,894	\$ 562,168
Contributions - member	207,875	191,494	185,642	183,436	184,392	167,505	166,018
Contributions - other	6,672	7,534	7,200	2,154	-	-	-
Net investment income	3,059,617	132,922	630,463	418,221	552,270	23,729	400,241
Benefit payments, including refunds of member contributions	(670,255)	(652,977)	(636,203)	(619,918)	(604,106)	(595,787)	(751,714)
Administrative expense	<u>(38,660)</u>	<u>(38,361)</u>	<u>(59,443)</u>	<u>(49,690)</u>	<u>(32,503)</u>	<u>(31,637)</u>	<u>(37,738)</u>
Net change in plan fiduciary net position	3,632,939	754,772	1,111,624	808,861	1,003,565	198,704	338,975
Plan net position, beginning	<u>11,265,507</u>	<u>10,510,735</u>	<u>9,399,111</u>	<u>8,590,250</u>	<u>7,586,685</u>	<u>7,387,981</u>	<u>7,049,006</u>
Plan net position, ending	<u>\$ 14,898,446</u>	<u>\$ 11,265,507</u>	<u>\$ 10,510,735</u>	<u>\$ 9,399,111</u>	<u>\$ 8,590,250</u>	<u>\$ 7,586,685</u>	<u>\$ 7,387,981</u>
Employer's net pension liability	<u>\$ 8,272,443</u>	<u>\$ 11,162,895</u>	<u>\$ 10,474,222</u>	<u>\$ 10,928,076</u>	<u>\$ 9,679,172</u>	<u>\$ 10,447,582</u>	<u>\$ 14,196,135</u>
Plan fiduciary net position as a percentage of the total pension liability	64.30 %	50.23 %	50.09 %	46.24 %	47.02 %	42.07 %	34.23 %
Covered-employee payroll	\$ 2,089,194	\$ 1,979,079	\$ 1,912,754	\$ 1,857,043	\$ 1,811,015	\$ 1,631,556	\$ 2,013,041
Employer's net pension liability as a percentage of covered-employee payroll	395.96 %	564.04 %	547.60 %	588.47 %	534.46 %	640.34 %	705.21 %

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be obtained, information will be presented as it is available.

Village of Glenwood
Schedule of Employer Contributions
Police Pension Fund
Last Seven Fiscal Years

Fiscal Year	Actuarially Determined Contribution*	Actual Contribution	Contribution Deficiency (Excess)	Covered- Employee Payroll	Actual Contributions as a Percentage of Covered- Employee Payroll
2021	\$ 1,057,840	\$ 1,067,690	\$ (9,850)	\$ 2,089,194	51.11 %
2020	1,031,297	1,114,160	(82,863)	1,979,079	56.30 %
2019	948,459	983,965	(35,506)	1,912,754	51.44 %
2018	860,013	874,658	(14,645)	1,857,043	47.10 %
2017	818,116	903,512	(85,396)	1,811,015	49.89 %
2016	614,208	634,894	(20,686)	1,631,556	38.91 %
2015	594,823	562,168	32,655	2,013,041	27.93 %

Notes to Schedule of Contributions

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Pay (Closed)
Equivalent single amortization period	100% funded over 22 years
Asset valuation method	5-Yr Smoothed Market Value
Inflation	2.50%
Payroll increases	3.00%
Salary increases	4.00% - 23.87%
Investment rate of return (net of expense)	6.50%
Mortality rates	RP-2014 Adjusted for Plan Status, Collar, and Illinois Public Pension Data, as Appropriate
Retirement rates	100% of L&A 2016 Illinois Police Retirement Rates Capped at age 65
Termination rates	100% of L&A 2016 Illinois Police Termination Rates
Disability rates	100% of L&A 2016 Illinois Police Disability Rates

Ultimately, this schedule should present information for the last ten years.

However, until ten years of information can be obtained, information will be presented as it is available.

Village of Glenwood
Schedule of Investment Returns
Police Pension Fund
 Last Seven Fiscal Years

Fiscal Year Ended April 30,	2021	2020	2019	2018	2017	2016	2015
Annual money-weighted rate of return, net of investment expense	28.71 %	1.55 %	5.06 %	4.78 %	7.11 %	0.32 %	5.82 %

Ultimately, this schedule should present information for the last ten years.
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 However, until ten years of information can be obtained, information will be presented as it is available.

Village of Glenwood

Schedule of Changes in the Employer's Net Pension Liability and Related Ratios Firefighters' Pension Fund

Last Seven Fiscal Years

	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability							
Service cost	\$ 77,758	\$ 100,747	\$ 95,805	\$ 95,411	\$ 91,006	\$ 97,158	\$ 121,332
Interest	314,191	283,299	265,241	258,497	269,040	252,640	218,814
Changes of benefit terms	-	37,038	-	-	-	-	-
Differences between expected and actual experience	58,338	100,145	(315,778)	(8,933)	(285,278)	(203,971)	-
Changes of assumption	-	(561,888)	100,715	8,183	(97,922)	(14,363)	-
Benefit payments, including refunds of member contributions	(221,183)	(215,083)	(205,573)	(199,382)	(189,975)	(184,016)	(181,245)
Net change in total pension liability	229,104	(255,742)	(59,590)	153,776	(213,129)	(52,552)	158,901
Total pension liability, beginning	5,278,982	5,534,724	5,594,314	5,440,538	5,653,667	5,706,219	5,547,318
Total pension liability - ending	\$ 5,508,086	\$ 5,278,982	\$ 5,534,724	\$ 5,594,314	\$ 5,440,538	\$ 5,653,667	\$ 5,706,219
Plan Fiduciary Net Position							
Contributions - employer	\$ 243,621	\$ 238,062	\$ 199,633	\$ 171,724	\$ 168,468	\$ 76,342	\$ 86,579
Contributions - member	28,118	31,622	30,832	24,366	24,378	24,009	20,195
Net investment income	481,144	129,376	109,497	16,770	39,060	46,272	98,571
Benefit payments, including refunds of member contributions	(221,183)	(215,083)	(205,573)	(199,382)	(189,975)	(184,016)	(181,245)
Administrative expense	(22,564)	(25,025)	(23,522)	(24,224)	(22,952)	(23,088)	(23,355)
Net change in plan fiduciary net position	509,136	158,952	110,867	(10,746)	18,979	(60,481)	745
Plan net position, beginning	2,672,661	2,513,709	2,402,842	2,413,588	2,394,609	2,455,090	2,454,345
Plan net position, ending	\$ 3,181,797	\$ 2,672,661	\$ 2,513,709	\$ 2,402,842	\$ 2,413,588	\$ 2,394,609	\$ 2,455,090
Employer's net pension liability	\$ 2,326,289	\$ 2,606,321	\$ 3,021,015	\$ 3,191,472	\$ 3,026,950	\$ 3,259,058	\$ 3,251,129
Plan fiduciary net position as a percentage of the total pension liability	57.77 %	50.63 %	45.42 %	42.95 %	44.36 %	42.35 %	43.02 %
Covered-employee payroll	\$ 322,875	\$ 314,550	\$ 252,430	\$ 241,022	\$ 241,022	\$ 234,399	\$ 226,148
Employer's net pension liability as a percentage of covered-employee payroll	720.49 %	828.59 %	1,196.77 %	1,324.14 %	1,255.88 %	1,390.39 %	1,437.61 %

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be obtained, information will be presented as it is available.

Village of Glenwood
Schedule of Employer Contributions
Firefighters' Pension Fund
 Last Seven Fiscal Years

Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered- Employee Payroll	Actual Contributions as a Percentage of Covered- Employee Payroll
2021	\$ 205,107	\$ 243,621	\$ (38,514)	\$ 322,875	75.45 %
2020	184,542	238,062	(53,520)	314,550	75.68 %
2019	166,671	199,633	(32,962)	252,430	79.08 %
2018	162,323	171,724	(9,401)	245,078	70.07 %
2017	141,262	168,468	(27,206)	241,022	69.90 %
2016	133,054	76,342	56,712	234,399	32.57 %
2015	125,534	86,579	38,955	226,148	38.28 %

Notes to Schedule of Contributions

Methods and assumptions used to determined contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Pay (Closed)
Equivalent single amortization period	100% funded over 21 years
Asset valuation method	5-Yr Smoothed Market Value
Inflation	2.50%
Payroll increases	3.00%
Salary increases	3.75% - 23.37%
Investment rate of return (net of expense)	6.00%
Mortality rates	RP-2014 Adjusted for Plan Status, Collar, and Illinois Public Pension Data, as Appropriate
Retirement rates	100% of L&A 2016 Illinois Firefighters Retirement Rates Capped at age 65
Termination rates	100% of L&A 2016 Illinois Firefighters Termination Rates
Disability rates	100% of L&A 2016 Illinois Firefighters Disability Rates

Ultimately, this schedule should present information for the last ten years.

However, until ten years of information can be obtained, information will be presented as it is available.

Village of Glenwood
Schedule of Investment Returns
Firefighters' Pension Fund
 Last Seven Fiscal Years

Fiscal Year Ended April 30,	2021	2020	2019	2018	2017	2016	2015
Annual money-weighted rate of return, net of investment expense	6.63 %	5.54 %	4.47 %	5.19 %	5.48 %	6.40 %	4.33 %

Ultimately, this schedule should present information for the last ten years.
 However, until ten years of information can be obtained, information will be presented as it is available.

Ultimately, this schedule should present information for the last ten years.
 However, until ten years of information can be obtained, information will be presented as it is available.

Village of Glenwood

Schedule of Changes in the Employer's Total OPEB Liability and Related Ratios Other Postemployment Benefit Plan

Last Three Fiscal Years

Measurement Date April 30,	2021	2020	2019
Total OPEB Liability			
Service costs	\$ 30,211	\$ 26,122	\$ 24,507
Interest	27,127	33,025	32,641
Differences between expected and actual experience	(289,459)	-	-
Changes in assumptions	46,712	150,079	17,337
Benefit payments	<u>(13,371)</u>	<u>(28,700)</u>	<u>(21,748)</u>
Net change in total pension liability	(198,780)	180,526	52,737
Total OPEB liability - beginning	<u>1,066,328</u>	<u>885,802</u>	<u>833,065</u>
Total OPEB liability - ending	<u>867,548</u>	<u>1,066,328</u>	<u>885,802</u>
Covered-employee payroll	2,897,506	3,630,905	3,516,615
Employer's total OPEB liability as a percentage of covered-employee payroll	29.94 %	29.37 %	25.19 %

Notes to Schedule

Changes in assumptions

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

Fiscal Year Ending April 30, 2021:	2.27%
Fiscal Year Ending April 30, 2020:	2.56%
Fiscal Year Ending April 30, 2019:	3.79%

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

Benefit payments

The plan sponsor did not provide actual net benefits by the Plan for the fiscal year ending April 30, 2021. Expected net benefit payments produced by the valuation model for the same period are shown in the table above.

Ultimately, this schedule should present information for the last ten years.

However, until ten years of information can be obtained, information will be presented as it is available.

Village of Glenwood

Notes to Required Supplementary Information

Note 1: Basis of Accounting

Budgets are adopted on a basis consistent with GAAP. The original budget was not amended during the current fiscal year.

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

- a. The Village Manager submits to the Village Board of Trustees a proposed operating budget, which serves as a budget, for the fiscal year commencing the following May 1. The operating budget includes proposed expenditures and the means of financing them.
- b. Public hearings are conducted by the Village to obtain taxpayer comments.
- c. Subsequently, the budget is adopted by the Village Board. This budget is the Village's legal budgetary document. The budget ordinance is enacted through passage of a Village ordinance.
- d. Formal budgetary integration is employed as a management control device during the year for all governmental funds.
- e. All appropriations lapse at year end.
- f. Transfers between line items and departments may be made by administrative action; however, amounts to be transferred between funds require the approval of the Village Board. The level of legal control is the individual fund budget in total.
- g. Budgeted amounts are as originally adopted. Annual budgets are adopted at the fund level for the Governmental and Proprietary Funds except for the EDA, Illinois Municipal Retirement, Foreign Fire Insurance, and Police Forfeiture Funds.

Note 2: Excess of Disbursements Over Appropriations

The Village had expenditures in excess of budget for the below funds for fiscal year 2021.

	Actual	Budget	Excess
General Fund	\$ 9,821,342	\$ 9,223,085	\$ 598,257
TIF Halsted South Fund	\$ 1,724,626	\$ 295,000	\$ 1,429,626
Golf Course Fund	\$ 1,193,127	\$ 1,152,575	\$ 40,552

Village of Glenwood

Notes to Required Supplementary Information (Continued)

Note 3: Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2020 Contribution Rate*

Valuation date:

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

Methods and assumptions used to determine 2020 contribution rates:

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percent of payroll, closed
Remaining amortization period	Non-Taxing bodies: 10 year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 23 year closed period until remaining period. Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94 712 were financed over 18 years for most employers (three employers were financed over 27 years and four others were financed over 28 years).
Asset valuation method	5-year smoothed market; 20% corridor
Wage growth	3.25%
Inflation	2.50%
Salary increases	3.35% to 14.25%, including inflation
Investment rate of return	7.25%
Retirement age	Experience based table of rates that are specific to the type of eligibility condition. 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 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes: There were no benefit changes during the year.

**Based on Valuation Assumptions used in the December 31, 2018 actuarial valuation.*

Supplementary Information

Village of Glenwood
Combining Balance Sheet
Nonmajor Governmental Funds

<i>Year Ended April 30, 2021</i>	Special Revenue Funds			
	Motor Fuel Tax Fund	IMRF Fund	State Forfeiture Fund	Federal Forfeiture Fund
Assets				
Cash and investments	\$ 870,154	\$ -	\$ 38,195	\$ 82,397
Receivables, net of allowance				
Property taxes	-	48,452	-	-
Accounts	-	-	-	-
Government	29,547	-	-	-
Due from other funds	-	-	-	-
Advances to other funds	-	-	-	-
Property held for sale	-	-	-	-
Total assets	<u>\$ 899,701</u>	<u>\$ 48,452</u>	<u>\$ 38,195</u>	<u>\$ 82,397</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deposits payable	-	-	-	-
Due to other funds	-	479,319	-	-
Advances from other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>479,319</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources				
Unavailable property taxes	-	44,038	-	-
Total deferred inflows of resources	<u>-</u>	<u>44,038</u>	<u>-</u>	<u>-</u>
Fund balances				
Restricted				
Road improvements	899,701	-	-	-
Tax increment financing projects	-	-	-	-
Public safety expenditures	-	-	38,195	82,397
Debt service	-	-	-	-
Capital projects	-	-	-	-
Unassigned	-	(474,905)	-	-
Total fund balances	<u>899,701</u>	<u>(474,905)</u>	<u>38,195</u>	<u>82,397</u>
Total liabilities, deferred inflows or resources and fund balances	<u>\$ 899,701</u>	<u>\$ 48,452</u>	<u>\$ 38,195</u>	<u>\$ 82,397</u>

Village of Glenwood
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)

<i>Year Ended April 30, 2021</i>	Special Revenue Funds			
	Foreign Fire Insurance Fund	EDA	TIF Industrial Park	TIF Industrial North
Assets				
Cash and investments	\$ 70,846	\$ -	\$ 607,256	\$ 315,537
Receivables, net of allowance				
Property taxes	-	-	-	-
Accounts	-	-	-	-
Government	-	-	-	-
Due from other funds	-	-	-	6,908
Advances to other funds	-	-	700,000	150,000
Property held for sale	-	-	192,000	-
Total assets	<u>\$ 70,846</u>	<u>\$ -</u>	<u>\$ 1,499,256</u>	<u>\$ 472,445</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ -	\$ -	\$ 368	\$ -
Deposits payable	-	-	40,000	-
Due to other funds	-	6,908	-	-
Advances from other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>6,908</u>	<u>40,368</u>	<u>-</u>
Deferred inflows of resources				
Unavailable property taxes	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances				
Restricted				
Road improvements	-	-	-	-
Tax increment financing projects	-	-	1,458,888	472,445
Public safety expenditures	70,846	-	-	-
Debt service	-	-	-	-
Capital projects	-	-	-	-
Unassigned	-	(6,908)	-	-
Total fund balances	<u>70,846</u>	<u>(6,908)</u>	<u>1,458,888</u>	<u>472,445</u>
Total liabilities, deferred inflows or resources and fund balances	<u>\$ 70,846</u>	<u>\$ -</u>	<u>\$ 1,499,256</u>	<u>\$ 472,445</u>

Village of Glenwood
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)

<i>Year Ended April 30, 2021</i>	Special Revenue Funds			Capital Project Fund
	TIF-Main Street	TIF-State Street	TIF Halsted North	Capital Acquisition Fund
Assets				
Cash and investments	\$ 69,227	\$ 322,686	\$ 68,304	\$ 77,253
Receivables, net of allowance				
Property taxes	-	-	-	-
Accounts	-	-	-	823
Government	-	-	-	-
Due from other funds	-	-	-	-
Advances to other funds	-	-	-	150,000
Property held for sale	-	-	-	-
	-	-	-	-
Total assets	\$ 69,227	322,686	\$ 68,304	\$ 228,076
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ 574	\$ -	\$ -	\$ -
Deposits payable	-	-	-	-
Due to other funds	100,000	-	-	-
Advances from other funds	400,000	-	-	-
Total liabilities	500,574	-	-	-
Deferred inflows of resources				
Unavailable property taxes	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances				
Restricted				
Road improvements	-	-	-	-
Tax increment financing projects	-	322,686	68,304	-
Public safety expenditures	-	-	-	-
Debt service	-	-	-	-
Capital projects	-	-	-	228,076
Unassigned	(431,347)	-	-	-
Total fund balances	(431,347)	322,686	68,304	228,076
Total liabilities, deferred inflows or resources and fund balances	\$ 69,227	\$ 322,686	\$ 68,304	\$ 228,076

Village of Glenwood
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)

	<u>Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<i>Year Ended April 30, 2021</i>	<u>2010A Bond Payment Fund</u>	
Assets		
Cash and investments	\$ 386,583	\$ 2,908,438
Receivables, net of allowance		
Property taxes	-	48,452
Accounts	-	823
Government	-	29,547
Due from other funds	25,736	32,644
Advances to other funds	-	1,000,000
Property held for sale	-	<u>192,000</u>
Total assets	<u>\$ 412,319</u>	<u>\$ 4,211,904</u>
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities		
Accounts payable	\$ -	\$ 942
Deposits payable	-	40,000
Due to other funds	-	586,227
Advances from other funds	-	<u>400,000</u>
Total liabilities	<u>-</u>	<u>1,027,169</u>
Deferred inflows of resources		
Unavailable property taxes	-	<u>44,038</u>
Total deferred inflows of resources	<u>-</u>	<u>44,038</u>
Fund balances		
Restricted		
Road improvements	-	899,701
Tax increment financing projects	-	2,322,323
Public safety expenditures	-	191,438
Debt service	412,319	412,319
Capital projects	-	228,076
Unassigned	-	<u>(913,160)</u>
Total fund balances	<u>412,319</u>	<u>3,140,697</u>
Total liabilities, deferred inflows or resources and fund balances	<u>\$ 412,319</u>	<u>\$ 4,211,904</u>

Village of Glenwood
Combining Statement of Revenues, Expenditures and
Changes In Fund Balance -
Nonmajor Governmental Funds

	Special Revenue Funds			
	Motor Fuel Tax Fund	IMRF Fund	State Forfeiture Fund	Federal Forfeiture Fund
<i>Year Ended April 30, 2021</i>				
Revenues				
Property taxes	\$ -	\$ 108,414	\$ -	\$ -
Intergovernmental revenues	321,127	-	-	-
Fines and forfeitures	-	-	2,013	-
Grants	295,546	-	-	-
Investment income	562	-	-	-
Miscellaneous	-	-	10	-
Total revenues	<u>617,235</u>	<u>108,414</u>	<u>2,023</u>	<u>-</u>
Expenditures				
Current				
General government	-	468,437	-	-
Public safety	-	-	-	9,038
Public works	116,178	-	-	-
Debt service				
Interest	-	-	-	-
Capital outlay	<u>50,299</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>166,477</u>	<u>468,437</u>	<u>-</u>	<u>9,038</u>
Excess (deficiency) of revenues over expenditures	<u>450,758</u>	<u>(360,023)</u>	<u>2,023</u>	<u>(9,038)</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	<u>(100,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(100,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	350,758	(360,023)	2,023	(9,038)
Fund balances (deficits), beginning of year	<u>548,943</u>	<u>(114,882)</u>	<u>36,172</u>	<u>91,435</u>
Fund balances (deficits), end of year	<u>\$ 899,701</u>	<u>\$ (474,905)</u>	<u>\$ 38,195</u>	<u>\$ 82,397</u>

Village of Glenwood
Combining Statement of Revenues, Expenditures and
Changes In Fund Balance -
Nonmajor Governmental Funds (Continued)

<i>Year Ended April 30, 2021</i>	Special Revenue Funds			
	Foreign Fire Insurance Fund	EDA	TIF Industrial Park	TIF Industrial North
Revenues				
Property taxes	\$ -	\$ -	\$ 797,949	\$ 250,204
Intergovernmental revenues	-	-	-	-
Fines and forfeitures	-	-	-	-
Grants	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	<u>11,682</u>	<u>-</u>	<u>10</u>	<u>-</u>
Total revenues	<u>11,682</u>	<u>-</u>	<u>797,959</u>	<u>250,204</u>
Expenditures				
Current				
General government	-	-	58,630	1,611
Public safety	555	-	-	-
Public works	-	-	-	-
Debt service				
Interest	-	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>555</u>	<u>-</u>	<u>58,630</u>	<u>1,611</u>
Excess (deficiency) of revenues over expenditures	<u>11,127</u>	<u>-</u>	<u>739,329</u>	<u>248,593</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>(350,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(350,000)</u>	<u>-</u>
Net change in fund balance	11,127	-	389,329	248,593
Fund balances (deficits), beginning of year	<u>59,719</u>	<u>(6,908)</u>	<u>1,069,559</u>	<u>223,852</u>
Fund balances (deficits), end of year	<u>\$ 70,846</u>	<u>\$ (6,908)</u>	<u>\$ 1,458,888</u>	<u>\$ 472,445</u>

Village of Glenwood
Combining Statement of Revenues, Expenditures and
Changes In Fund Balance -
Nonmajor Governmental Funds (Continued)

	Special Revenue Funds			Capital Projects Fund
	TIF-Main Street	TIF-State Street	TIF Halsted North	Capital Acquisition Fund
<i>Year Ended April 30, 2021</i>				
Revenues				
Property taxes	\$ 104,374	\$ 88,344	\$ 58,130	\$ -
Intergovernmental revenues	-	-	-	-
Fines and forfeitures	-	-	-	-
Grants	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	828
Total revenues	<u>104,374</u>	<u>88,344</u>	<u>58,130</u>	<u>828</u>
Expenditures				
Current				
General government	21,360	877	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Debt service				
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>21,360</u>	<u>877</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>83,014</u>	<u>87,467</u>	<u>58,130</u>	<u>828</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	<u>(124,226)</u>	<u>-</u>	<u>(60,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(124,226)</u>	<u>-</u>	<u>(60,000)</u>	<u>-</u>
Net change in fund balance	(41,212)	87,467	(1,870)	828
Fund balances (deficits), beginning of year	<u>(390,135)</u>	<u>235,219</u>	<u>70,174</u>	<u>227,248</u>
Fund balances (deficits), end of year	<u>\$ (431,347)</u>	<u>\$ 322,686</u>	<u>\$ 68,304</u>	<u>\$ 228,076</u>

Village of Glenwood
Combining Statement of Revenues, Expenditures and
Changes In Fund Balance -
Nonmajor Governmental Funds (Continued)

	<u>Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<i>Year Ended April 30, 2021</i>	<u>2010A Bond Payment Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues		
Property taxes	\$ -	\$ 1,407,415
Intergovernmental revenues	-	321,127
Fines and forfeitures	-	2,013
Grants	-	295,546
Investment income	107,688	108,250
Miscellaneous	-	12,530
Total revenues	<u>107,688</u>	<u>2,146,881</u>
Expenditures		
Current		
General government	-	550,915
Public safety	-	9,593
Public works	-	116,178
Debt service		
Interest	650,219	650,219
Capital outlay	-	50,299
Total expenditures	<u>650,219</u>	<u>1,377,204</u>
Excess (deficiency) of revenues over expenditures	<u>(542,531)</u>	<u>769,677</u>
Other financing sources (uses)		
Transfers in	813,733	813,733
Transfers out	<u>(1,018,600)</u>	<u>(1,652,826)</u>
Total other financing sources (uses)	<u>(204,867)</u>	<u>(839,093)</u>
Net change in fund balance	(747,398)	(69,416)
Fund balances (deficits), beginning of year	<u>1,159,717</u>	<u>3,210,113</u>
Fund balances (deficits), end of year	<u>\$ 412,319</u>	<u>\$ 3,140,697</u>

Village of Glenwood

Combining Statement of Fiduciary Net Position - Pension Trust Funds

<i>April 30, 2021</i>	Police Pension Fund	Fire Pension Fund	Total
Assets			
Cash and cash equivalents	\$ 149,230	\$ 132,890	\$ 282,120
Investments			
Certificates of deposit	81,273	160,825	242,098
U.S. Treasury obligations	413,362	106,234	519,596
U.S. agency obligations	2,269,417	624,069	2,893,486
Corporate bonds	1,914,127	599,583	2,513,710
Insurance contracts	422,085	-	422,085
Equity mutual funds	9,614,392	788,753	10,403,145
Exchange traded funds	-	756,759	756,759
Accrued interest receivable	29,623	13,396	43,019
Due from Village	7,849	-	7,849
Prepaid items	<u>1,030</u>	<u>3,061</u>	<u>4,091</u>
Total assets	<u>14,902,388</u>	<u>3,185,570</u>	<u>18,087,958</u>
Liabilities			
Accounts payable	<u>3,941</u>	<u>3,773</u>	<u>7,714</u>
Total liabilities	<u>3,941</u>	<u>3,773</u>	<u>7,714</u>
Net Position			
Restricted	<u>\$ 14,898,447</u>	<u>\$ 3,181,797</u>	<u>\$ 18,080,244</u>

Village of Glenwood

Combining Statement of Changes in Fiduciary Net Position - Pension Trust Funds

<i>Year Ended April 30, 2021</i>	Police Pension Fund	Fire Pension Fund	Total
Additions			
Contributions			
Employer	\$ 1,067,690	\$ 243,621	\$ 1,311,311
Employee	<u>214,547</u>	<u>28,118</u>	<u>242,665</u>
Total contributions	<u>1,282,237</u>	<u>271,739</u>	<u>1,553,976</u>
Investment income			
Net appreciation in fair value of investment	3,095,044	490,923	3,585,967
Total investment income	<u>3,095,044</u>	<u>490,923</u>	<u>3,585,967</u>
Less investment expense	<u>(35,426)</u>	<u>(9,555)</u>	<u>(44,981)</u>
Net investment income	<u>3,059,618</u>	<u>481,368</u>	<u>3,540,986</u>
Total additions	<u>4,341,855</u>	<u>753,107</u>	<u>5,094,962</u>
Deductions			
Benefits and refunds	670,255	221,184	891,439
Administrative expenses	<u>38,660</u>	<u>22,787</u>	<u>61,447</u>
Total deductions	<u>708,915</u>	<u>243,971</u>	<u>952,886</u>
Change in net position	3,632,940	509,136	4,142,076
Net position, beginning of year	<u>11,265,507</u>	<u>2,672,661</u>	<u>13,938,168</u>
Net position, end of year	<u>\$ 14,898,447</u>	<u>\$ 3,181,797</u>	<u>\$ 18,080,244</u>

Other Information

Village of Glenwood

Assessed Valuations, Tax Rates, Tax Extensions and Tax Collections

	Tax Year 2020	Tax Year 2019	Tax Year 2018	Tax Year 2017	Tax Year 2016	Tax Year 2015
Tax Rates						
General corporate	2.758	3.050	3.043	3.146	3.465	3.272
Police pension	1.081	1.194	1.144	0.997	0.919	0.896
Firefighters' pension	0.259	0.264	0.238	0.197	0.173	0.155
Bond and interest	0.932	1.043	1.023	0.987	1.035	1.005
IMRF	0.090	0.126	0.499	0.498	0.516	0.578
Social Security	0.295	0.383	-	-	-	-
Total tax rates	5.415	6.060	5.947	5.825	6.108	5.906
Tax Extensions						
General corporate	\$ 3,008,375	\$ 2,973,209	\$ 3,022,143	\$ 3,180,154	\$ 3,340,673	\$ 3,078,504
Police pension	1,179,612	1,163,735	1,136,396	1,007,867	885,813	842,659
Firefighters' pension	282,943	257,662	236,480	199,272	167,193	145,500
Bond and interest	1,016,190	1,016,190	1,016,190	997,500	997,500	945,000
IMRF	97,953	122,673	495,945	503,670	497,284	543,987
Social Security	322,081	373,684	-	-	-	-
Total tax extensions	\$ 5,907,154	\$ 5,907,153	\$ 5,907,154	\$ 5,888,463	\$ 5,888,463	\$ 5,555,650
Collections	\$ 2,705,886	\$ 5,566,413	\$ 5,250,962	\$ 5,546,049	\$ 5,535,248	\$ 5,358,614
Percentage of extensions collected	45.81 %	94.23 %	88.89 %	94.19 %	94.00 %	96.45 %

Compliance

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

The Honorable Mayor
Members of the Board of Trustees
Village of Glenwood, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Glenwood, Illinois (the "Village") as of and for the year ended April 30, 2021 and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated May 31, 2023. Our report includes a reference to other auditors who audited the financial statements of Police Pension Fund, as described in our report on the Village's financial statements.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed in the accompanying schedule of findings and responses, we identified a deficiency in internal control that we consider to be a material weakness and deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies in internal control, such that there is reasonable possibility that a material misstatement of the Village's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses as item 2021-001 to be a material weakness.

A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2021-002, 2021-003, and 2021-004 to be significant deficiencies.

Compliance and Other Matters

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

Village's Response to Finding

The Village's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The Village's responses were not subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of This Report

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



Wipfli LLP
Sterling, Illinois

May 31, 2023

Village of Glenwood

Schedule of Findings and Responses

2021-001

Lack of Supporting Documentation

Criteria or Specific Requirement: When conducting an audit, we are required to obtain sufficient and appropriate evidence to support the financial statement amounts and our findings and conclusions.

Condition: The Village did not maintain supporting documentation for the Water & Sewer Fund accounts receivable April 30, 2021 balance. In addition, the Village could not produce requested invoices for a specific disbursement testing audit procedure.

Context: We were not able to properly test the Water & Sewer accounts receivable during the audit resulting in a modified audit opinion. For the disbursement testing, we selected 25 transactions for testing and the Village was not able to provide adequate support for 15 of those transactions.

Effect: The lack of supporting documentation affects the reliability and integrity of the Village's financial statements. There is an increased risk of errors and misstatements and difficulty auditing.

Cause: The Village is 2 years behind on its financial reporting and has difficulty pulling documents from the audit period.

Auditor's Recommendation: We recommend the Village maintain all documents that support balances and transactions until the end of the audit period. The Village should consider establishing documentation policies and implementing an electronic document management system for easy retrieval.

2021-002

Internal Control over Financial Reporting

Criteria or Specific Requirement: Internal controls ensure that financial information is accurate, complete, and reliable. They help to prevent errors, misstatements, and irregularities in financial records

Condition: We identified and proposed several audit adjustments to present fairly the Village's basic financial statements. The adjustments were to various accounts and were material in nature. These adjustments related to a variety of areas including grant receivables, property tax receivables, land held for resale, capital assets, and interfund loans and transfers.

Context: The existing controls were ineffective in preventing, detecting, and correcting errors, misstatements, or inaccuracies in the financial records.

Effect: The lack of controls increased the risk of material misstatements and required extensive adjustments to be made during the audit process.

Cause: As a result of the inadequate controls, significant material adjustments were necessary to correct errors, reconcile discrepancies, and reflect the proper financial position of the Village.

Auditor's Recommendation: As part of the year-end closing process, the Village should review financial statement accounts to ensure they are properly adjusted.

Village of Glenwood

Schedule of Findings and Responses (Continued)

2021-003

Improper Segregation of Duties - Billing

Criteria or Specific Requirement: Internal controls should be in place that provide reasonable assurance that not one individual handles a transaction from its inception to its completion.

Condition: There is inadequate control over the functions of processing and recording the water billing cycle. The Water Billing Clerk handles cash receipts, applies cash receipts to customer accounts, and has access to adjust or write-off customer receivable balances.

Context: The Village has approval procedures in place. However, we believe the Water Billing Clerk would be able to conceal an authorized adjustment or write-off without being detected in a timely manner since the annual adjustment report is exported from the system to excel which would allow an opportunity for manual manipulation.

Effect: As a result of this condition, there is a higher risk that errors or irregularities could occur and not be detected and corrected within a timely period.

Cause: The current duties of the Water Billing Clerk do not provide for adequate segregation of duties within the billing cycle.

Auditor's Recommendation: We recommend the Water Billing Clerk does not handle cash receipts. If this is not an option due to the size of the Village staff, we suggest the Public Works Director review a system-generated billing adjustment report at least quarterly and initial as proof of review.

2021-004

Unreconciled Bank Account

Criteria or Specific Requirement: The existence of an unexplained bank reconciliation difference indicates weaknesses in the Village's internal controls over cash management and financial reporting. Internal controls should include comprehensive procedures to ensure that all transactions are accurately recorded, reconciled, and supported by appropriate documentation. In this case, the lack of effective controls contributed to the unexplained difference.

Condition: The Village has one bank account (E-Pay) that is not being properly reconciled between bank and book balances. The bank account has more money in it than is not being allocated to the Village's accounting funds.

Context: The variance in the E-Pay account nearly doubled from fiscal year 2020's unreconciled difference which indicates the account was not properly reconciled during fiscal year 2021.

Effect: The unreconciled difference is reported as a passed adjustment since it is not material to the financial statements as a whole. In addition, the Village's cash and revenue records may be understated.

Cause:

Auditor's Recommendation: We recommend that the Village conduct a thorough investigation to identify the root cause of the unexplained variance and strengthen management oversight of that account to ensure that it gets reconciled and there is timely resolution for any discrepancies in the future.