

**NOTICE AND AGENDA FOR REGULAR MEETING
OF THE VILLAGE OF CAMPTON HILLS, IL.
FINANCE COMMITTEE – OCTOBER 27, 2021 7:00 P.M.
Campton Hills Village Hall
40W270 LaFox Road, Suite B
Campton Hills, IL 60175**

- I. Call to Order**
- II. Roll Call**
- III. Approval of Minutes:**
 - August 25, 2021, Meeting Minutes (to be distributed)
- IV. Reports**
 - a. Treasurer
 - b. Village Administrator
- V. New Business**
 - a. Meeting dates for the next year.
 - b. Potential Topics/Projects
- VI. Discussion:**
 - a. Zero Balance Bank Accounts
- VII. Other Business**
- VIII. Motion to Adjourn.**

Village of Campton Hills Board Summary Memo

To: Village President and Board of Trustees

From: Rebekah Flakus, Village Treasurer

Date: October 14, 2021

Subject: Fiscal Year 2020-2021 Annual Audit Report

Agenda #: 6

Issue:

The Village Board will be presented the Fiscal Year 2020-2021 Annual Financial Report and Audit Report Findings.

Background/Reasoning:

The Village has an Annual Audit every Fiscal Year. Fiscal Year 2020-2021, encompassing May 1, 2020, through April 30, 2021, is the most recent completed year which was audited. Lauterbach and Amen, LLP, the Village's Auditors completed this audit.

Once the audit is completed, Lauterbach & Amen, LLP prepare the Village's Management Report and Annual Financial Report (AFR) as well as any significant findings. This information is presented to the Village Board annually and the Village Board, in turn, makes motion that the Board acknowledges and has reviewed the Audit Financial Report.

Supporting Documents:

6a – Village of Campton Hills Annual Financial Report for Fiscal Year Ending April 30, 2021
6b - Village of Campton Hills Management Report for Fiscal Year Ending April 30, 2021

Budget:

N/A

Action Requested:

Make a motion to acknowledge receipt of the Annual Financial Report for Fiscal Year 2020-2021.

VILLAGE OF CAMPTON HILLS,
ILLINOIS

MANAGEMENT LETTER

FOR THE FISCAL YEAR ENDED
APRIL 30, 2021



October 8, 2021

The Honorable Village President
Members of the Board of Trustees
Village of Campton Hills, Illinois

In planning and performing our audit of the financial statements of the Village of Campton Hills (the Village), Illinois, for the year ended April 30, 2021, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

We do not intend to imply that our audit failed to disclose commendable aspects of your system and structure. For your consideration, we herein submit our comments and suggestions which are designed to assist in effecting improvements in internal controls and procedures. Those less-significant matters, if any, which arose during the course of the audit, were reviewed with management as the audit field work progressed.

The accompanying comments and recommendations are intended solely for the information and use of the Board, Executive Director and senior management of the Village of Campton Hills, Illinois.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Village personnel. We would be pleased to discuss our comments and suggestions in further detail with you at your convenience, to perform any additional study of these matters, or to review the procedures necessary to bring about desirable changes.

We commend the finance department for the well prepared audit package and we appreciate the courtesy and assistance given to us by the entire Village staff.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

CURRENT RECOMMENDATIONS

1. GASB STATEMENT NO. 87 LEASES

Comment

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, *Leases*, which provides guidance regarding the information needs of financial statement users by improving accounting and financial reporting for leases by governments. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. In accordance with GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, which was issued as temporary relieve to governments and other stakeholders in light of the COVID-19 pandemic, GASB Statement No. 87, *Leases* is applicable to the Village's financial statements for the year ended April 30, 2023.

Recommendation

Lauterbach & Amen, LLP will work directly with the Village to review the new lease criteria in conjunction with the Village's current leases to determine the appropriate financial reporting for these activities under GASB Statement No. 87.

Management's Response

Management acknowledges this comment and, if applicable, will work to implement it for the year ended April 30, 2023, as required by GASB.

PRIOR RECOMMENDATIONS

1. **FUNDS OVER BUDGET**

Comment

Previously, we noted that the following funds has an excess of actual expenditures over budget for the fiscal year:

Fund	4/30/2020
Road and Bridge	\$ 12,612
Special Service Area #1	269
Special Service Area #2	4,174

Recommendation

We recommended the village investigate the cause of the funds over budget and adopt appropriate future funding measures.

Status

This comment has been implemented and will not be repeated in the future.

2. **CAPITAL ASSET POLICY**

Comment

Previously, we noted the Village does not have a formal capital asset policy to provide guidance on the financial aspects and stewardship of capital assets. With respect to the financial aspects, guidance should be provided on the minimum dollar amount and minimum useful life for an item to be capitalized as a capital asset. Stewardship issues include the physical custody of capital assets.

Recommendation

We recommended that the Village adopt a capital asset policy, which addresses both financial, and stewardship issues. As part of developing the capital asset policy, a review of the current capitalization amount and estimated useful life should be performed for both financial reporting and stewardship. The capital asset policy should also establish standard depreciation methods and useful lives to be applied to specific categories of assets. With respect to stewardship, the policy should address location of assets, tagging, physical access and security and frequency of periodic inventories. Once the policy has been established, we recommended the Village undertake a complete inventory and valuation of capital assets to create detail capital asset records that are in compliance with the new policy. Additionally, as part of this process we recommended land be inventoried and valued at its estimated fair value on the date donated.

Status

This comment has been implemented and will not be repeated in the future.

VILLAGE OF CAMPTON HILLS, ILLINOIS

ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
April 30, 2021

VILLAGE OF CAMPTON HILLS, ILLINOIS

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VILLAGE OF CAMPTON HILLS, ILLINOIS

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INTRODUCTORY SECTION

VILLAGE OF CAMPTON HILLS, ILLINOIS

List of Principal Officials

April 30, 2021

VILLAGE PRESIDENT

Mike Tyrrell

VILLAGE BOARD OF TRUSTEES

Darlene Bakk

Susan George

Jim McKelvie

Mike Millette

Michael O'Dwyer

Wendy K. White Eagle

ADMINISTRATIVE

Lynn Baez, Village Clerk

Ron Searl, Village Administrator

Rebekah Flakus, Village Treasurer

FINANCIAL SECTION

This section includes:

Independent Auditors' Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Other Supplementary Information

Supplemental Schedule

INDEPENDENT AUDITORS' REPORT

This section includes the opinion of the Village's independent auditing firm.



INDEPENDENT AUDITORS' REPORT

October 8, 2021

The Honorable Village President
Members of the Board of Trustees
Village of Campton Hills, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Campton Hills, Illinois, 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 of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Campton Hills, Illinois, as of April 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Campton Hills, Illinois' basic financial statements. The introductory section, other supplementary information, and supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory sections 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.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF CAMPTON HILLS, ILLINOIS

Management's Discussion and Analysis

April 30, 2021

Our discussion and analysis of the Village of Campton Hills' financial performance provides an overview of the Village's financial activities for the fiscal year ended April 30, 2021. Please read it in conjunction with the financial statements.

FINANCIAL HIGHLIGHTS

- The Village's net position increased \$1,110,284, or 4.6 percent, as a result of this year's operations.
- During the year, government-wide revenues totaled \$4,758,276, while expenses totaled \$3,647,992, resulting in an increase to net position of \$1,110,284.
- The Village's net position totaled \$25,168,770 on April 30, 2021, which includes \$19,933,087 net investment in capital assets, \$777,585 subject to external restrictions, and \$4,458,098 unrestricted net position that may be used to meet the ongoing obligations to citizens and creditors.
- The General Fund reported a surplus this year of \$757,753, resulting in ending fund balance of \$3,747,618, an increase of 25.3 percent.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Village of Campton Hills as a whole and present a longer-term view of the Village's finances. For governmental activities, fund financial statements tell how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Village's operations in more detail than the government-wide statements by providing information about the Village's most significant funds. The remaining statements provide financial information about activities for which the Village acts solely as a trustee or agent for the benefit of those outside of the government.

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the Village of Campton Hills' finances, in a matter similar to a private-sector business.

The Statement of Net Position reports information on all of the Village's assets/deferred outflows and liabilities/deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the Village's property tax base and the condition of the Village's infrastructure, is needed to assess the overall health of the Village.

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

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The Village only reports governmental activities, which include general government and public safety.

VILLAGE OF CAMPTON HILLS, ILLINOIS

Management's Discussion and Analysis

April 30, 2021

USING THIS ANNUAL REPORT - Continued

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village of Campton Hills, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds

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

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

The Village of Campton Hills maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Motor Fuel Tax Fund, the Road and Bridge Fund, and the Capital Projects Fund, all of which are considered major funds. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Village adopts an annual appropriated budget for all of the governmental funds. A budgetary comparison schedule for these funds has been provided to demonstrate compliance with this budget.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs.

Notes to the Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's I.M.R.F. and police employee pension obligations and budgetary comparison schedules for the General Fund and major special revenue funds. The combining statements referred to earlier in connection with non-major governmental funds is presented immediately following the required supplementary information.

VILLAGE OF CAMPTON HILLS, ILLINOIS

Management's Discussion and Analysis

April 30, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the Village of Campton Hills, assets/deferred outflows exceeded liabilities/deferred inflows by \$25,168,770.

	Net Position	
	2021	2020
Current/Other Assets	\$ 6,489,570	4,828,862
Capital Assets	20,016,138	20,309,254
Total Assets	26,505,708	25,138,116
Deferred Outflows	706,221	231,802
Total Assets/Deferred Outflows	27,211,929	25,369,918
Long-Term Debt	151,748	303,017
Other Liabilities	284,590	284,138
Total Liabilities	436,338	587,155
Deferred Inflows	1,606,821	724,277
Total Liabilities/Deferred Inflows	2,043,159	1,311,432
Net Position		
Net Investment in Capital Assets	19,933,087	20,146,151
Restricted	777,585	465,198
Unrestricted	4,458,098	3,447,137
Total Net Position	25,168,770	24,058,486

A large portion of the Village's net position, \$19,933,087 or 79.2 percent, reflects its investment in capital assets (for example, land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$777,585 or 3.1 percent, of the Village's net position represents resources that are subject to external restrictions on how they may be used. The remaining 17.7 percent, or \$4,458,098, represents unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.

VILLAGE OF CAMPTON HILLS, ILLINOIS

Management's Discussion and Analysis

April 30, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

	Changes in Net Position	
	2021	2020
Revenues		
Program Revenues		
Charges for Services	\$ 474,486	749,471
Operating Grants/Contributions	1,467,273	438,324
General Revenues		
Road and Bridge Taxes	529,656	515,897
State Shared Revenues	2,207,451	1,726,321
Other General Revenues	79,410	169,623
Total Revenues	<u>4,758,276</u>	<u>3,599,636</u>
Expenses		
General Government	2,414,245	2,270,779
Public Safety	1,227,030	764,737
Interest on Long-Term Debt	6,717	9,522
Total Expenses	<u>3,647,992</u>	<u>3,045,038</u>
Increase (Decrease) in Net Position	1,110,284	554,598
Net Position - Beginning	<u>24,058,486</u>	<u>23,503,888</u>
Net Position-Ending	<u>25,168,770</u>	<u>24,058,486</u>

Net position increased by 4.6 percent (\$25,168,770 in 2021 compared to \$24,058,486 in 2020). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled \$4,458,098 at April 30, 2021.

Governmental Activities

Revenues for governmental activities totaled \$4,758,276, while the cost of all governmental functions totaled \$3,647,992. This results in a surplus of \$1,110,284. In 2020, revenues of \$3,599,636 exceeded expenses of \$3,045,038, resulting in a surplus of \$554,598. The surplus in 2021 was due in large part to the increase in operating grants, contributions, and state shared revenues. A significant portion of operating grants includes a COVID-19 relief grant of \$652,774.

VILLAGE OF CAMPTON HILLS, ILLINOIS

Management's Discussion and Analysis

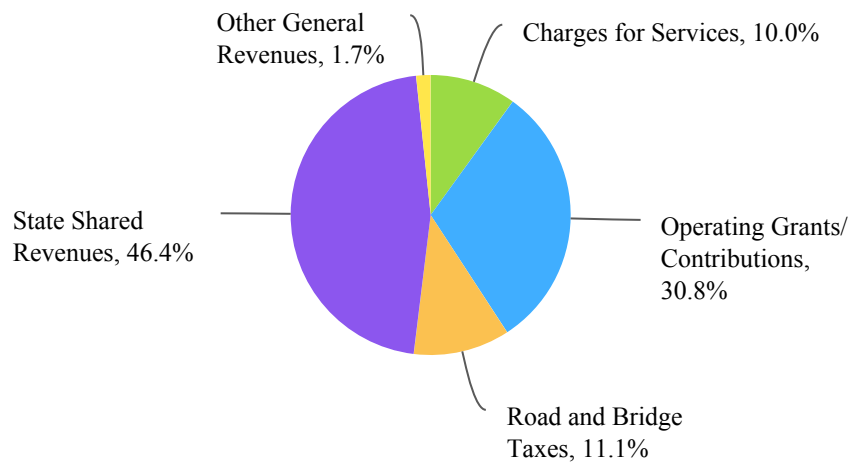
April 30, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Governmental Activities - Continued

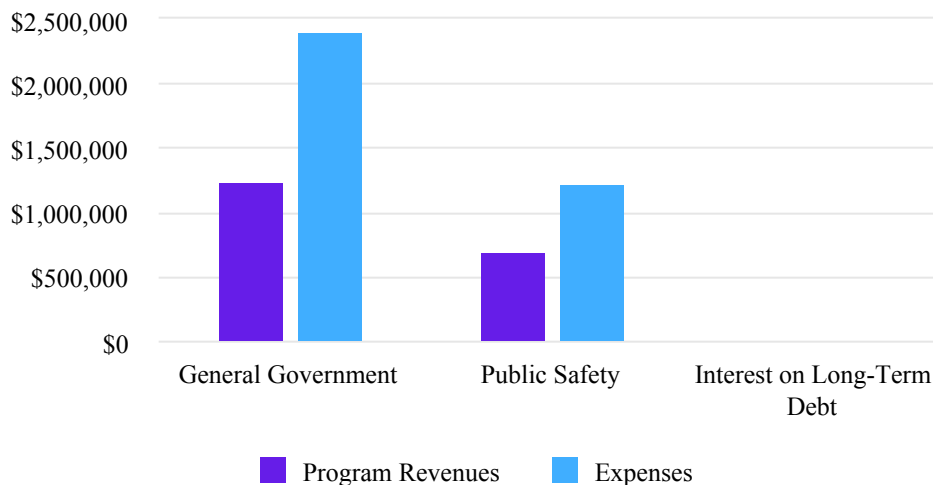
The following table graphically depicts the major revenue sources of the Village. It depicts very clearly the reliance of state shared revenues to fund governmental activities. It also clearly identifies the less significant percentage the Village receives from road and bridge taxes.

Revenues by Source - Governmental Activities



The 'Expenses and Program Revenues' Table identifies those governmental functions where program expenses greatly exceed revenues.

Expenses and Program Revenues - Governmental Activities



VILLAGE OF CAMPTON HILLS, ILLINOIS

Management's Discussion and Analysis

April 30, 2021

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The Village's governmental funds reported combining ending fund balances of \$5,384,864, which is an increase of \$1,268,985, or 30.8 percent, from last year's total of \$4,115,879. Of the \$5,384,864 total, \$2,071,526, or approximately 38.5 percent, of the fund balance constitutes unassigned fund balance.

The General Fund is the chief operating fund of the Village. At April 30, 2021, unassigned fund balance in the General Fund was \$2,071,526, which represents 55.3 percent of the total fund balance of the General Fund. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance in the General Fund represents approximately 92.0% of total General Fund expenditures.

The General Fund reported an increase in fund balance for the year of \$757,753, an increase of 25.3%. This was due in large part due to increased income tax and grant revenue.

The Motor Fuel Tax Fund reported an increase of \$312,782, or 107.1 percent, in the current year. This increase was due to state revenues being higher than the expenditures spent in the current year.

The Road and Bridge Fund reported a decrease in the current year of \$395, or 0.2 percent. This decrease was due primarily to County Tax revenues being lower than the expenditures spent in the current year.

The Capital Projects Fund reported an increase of \$198,845, or 30.1 percent in the current year, due to a transfer from the General Fund, which will be used in future years related to capital purchases.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Village Board made one budget amendment to the General Fund during the year. General Fund actual revenues for the year totaled \$3,413,842, compared to budgeted revenues of \$3,540,254. All General Fund revenues came in under budget.

The General Fund actual expenditures for the year were \$884,165 under budget (\$2,251,089 actual compared to \$3,135,254 budgeted). The general government function and public safety function actual expenditures were lower than budgeted expenditures by \$235,166 and \$648,999, respectively.

VILLAGE OF CAMPTON HILLS, ILLINOIS

Management's Discussion and Analysis

April 30, 2021

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Village's investment in capital assets as of April 30, 2021 was \$20,016,138 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings, vehicles, equipment, and infrastructure.

	Capital Assets - Net of	
	2021	2020
Land	\$ 10,531,129	10,531,129
Construction in Progress	—	3,070
Infrastructure	8,644,050	9,037,333
Buildings	611,556	632,890
Land Improvements	9,696	7,230
Vehicles	175,026	94,866
Equipment	44,681	2,736
Total	<u>20,016,138</u>	<u>20,309,254</u>

This year's current major additions to capital assets in the current year were as follows:

Land Improvements	\$ 3,112
Vehicles	137,753
Equipment	<u>55,851</u>
	<u>196,716</u>

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

Debt Administration

At year-end, the Village of Campton Hills had total outstanding debt of \$85,000 as compared to \$167,000 the previous year, a decrease of 49.1 percent. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding	
	2021	2020
Debt Certificates	<u>\$ 85,000</u>	<u>167,000</u>

State statutes limit the amount of general obligation debt a non-home rule governmental entity may issue to 8.625 percent of its total assessed valuation. The current debt limit for the Village is \$42,348,094.

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

VILLAGE OF CAMPTON HILLS, ILLINOIS

Management's Discussion and Analysis

April 30, 2021

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Village's elected and appointed officials considered many factors when setting the fiscal-year 2022 budget, including tax rates, and fees that will be charged for its various activities. One of those factors is the economy. The Village is faced with a similar economic environment as many of the other local municipalities are faced with, including inflation and unemployment rates.

The extent of the impact of COVID-19 on the Village's operations and financial position cannot be determined.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Village of Campton Hills' finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to Ron Searl, Village Administrator, Village of Campton Hills, Illinois at (630)584-5700.

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements

Governmental Funds

Fiduciary Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

VILLAGE OF CAMPTON HILLS, ILLINOIS

Statement of Net Position

April 30, 2021

See Following Page

VILLAGE OF CAMPTON HILLS, ILLINOIS

Statement of Net Position

April 30, 2021

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 4,987,982
Receivables - Net of Allowances	1,040,482
Prepays	74,615
Total Current Assets	<u>6,103,079</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable Capital Assets	10,531,129
Depreciable Capital Assets	21,207,238
Accumulated Depreciation	<u>(11,722,229)</u>
Total Capital Assets	20,016,138
Other Assets	
Net Pension Liability - Police Pension	<u>386,491</u>
Total Noncurrent Assets	<u>20,402,629</u>
Total Assets	<u>26,505,708</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Items - IMRF	14,532
Deferred Items - Police Pension	<u>691,689</u>
Total Deferred Outflows of Resources	<u>706,221</u>
Total Assets and Deferred Outflows of Resources	<u>27,211,929</u>

The notes to the financial statements are an integral part of this statement.

	<u>Governmental Activities</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 156,710
Accrued Payroll	18,618
Accrued Interest Payable	1,116
Current Portion of Long-Term Debt	108,146
Total Current Liabilities	<u>284,590</u>
Noncurrent Liabilities	
Compensated Absences Payable	100,381
Net Pension Liability - IMRF	51,367
Total Noncurrent Liabilities	<u>151,748</u>
Total Liabilities	<u>436,338</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Items - IMRF	26,317
Deferred Items - Police Pension	1,037,617
Property Taxes	542,887
Total Deferred Inflows of Resources	<u>1,606,821</u>
Total Liabilities and Deferred Inflows of Resources	<u>2,043,159</u>
NET POSITION	
Net Investment in Capital Assets	19,933,087
Restricted	
Motor Fuel Taxes	604,904
Road and Bridge	172,681
Unrestricted	<u>4,458,098</u>
Total Net Position	<u><u>25,168,770</u></u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF CAMPTON HILLS, ILLINOIS

Statement of Activities

For the Fiscal Year Ended April 30, 2021

	Expenses	Program Revenues			Net (Expenses)/ Revenues and Change in Net Position
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions	
Governmental Activities					
General Government	\$ 2,414,245	429,060	812,499	—	(1,172,686)
Public Safety	1,227,030	45,426	654,774	—	(526,830)
Interest on Long-Term Debt	6,717	—	—	—	(6,717)
Total Primary Government	<u>3,647,992</u>	<u>474,486</u>	<u>1,467,273</u>	<u>—</u>	<u>(1,706,233)</u>

General Revenues	
Taxes	
Road and Bridge Taxes	529,656
Intergovernmental	
Income Taxes	1,445,934
Local Use Taxes	511,674
Video Gaming Taxes	240,211
Sales Taxes	9,632
Investment Income	2,279
Miscellaneous	77,131
	<u>2,816,517</u>
Change in Net Position	1,110,284
Net Position - Beginning	<u>24,058,486</u>
Net Position - Ending	<u><u>25,168,770</u></u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF CAMPTON HILLS, ILLINOIS

Balance Sheet - Governmental Funds

April 30, 2021

See Following Page

VILLAGE OF CAMPTON HILLS, ILLINOIS

Balance Sheet - Governmental Funds

April 30, 2021

	<u>General</u>
ASSETS	
Cash and Investments	\$ 3,300,557
Receivables - Net of Allowances	
Property Taxes	—
Other	3,386
Due from Other Governments	462,405
Prepays	<u>74,615</u>
Total Assets	<u><u>3,840,963</u></u>
LIABILITIES	
Accounts Payable	74,727
Accrued Payroll	<u>18,618</u>
Total Liabilities	93,345
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	—
Total Liabilities and Deferred Inflows of Resources	<u><u>93,345</u></u>
FUND BALANCES	
Nonspendable	74,615
Restricted	—
Committed	1,601,477
Unassigned	<u>2,071,526</u>
Total Fund Balances	<u><u>3,747,618</u></u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u>3,840,963</u></u>

The notes to the financial statements are an integral part of this statement.

Special Revenue				
Motor Fuel Tax	Road and Bridge	Capital Projects		Totals
608,311	173,351	905,763		4,987,982
31,804	542,887	—		574,691
—	—	—		3,386
—	—	—		462,405
—	—	—		74,615
<u>640,115</u>	<u>716,238</u>	<u>905,763</u>		<u>6,103,079</u>
35,211	670	46,102		156,710
—	—	—		18,618
<u>35,211</u>	<u>670</u>	<u>46,102</u>		<u>175,328</u>
—	542,887	—		542,887
<u>35,211</u>	<u>543,557</u>	<u>46,102</u>		<u>718,215</u>
—	—	—		74,615
604,904	172,681	—		777,585
—	—	859,661		2,461,138
—	—	—		2,071,526
<u>604,904</u>	<u>172,681</u>	<u>859,661</u>		<u>5,384,864</u>
<u>640,115</u>	<u>716,238</u>	<u>905,763</u>		<u>6,103,079</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF CAMPTON HILLS, ILLINOIS

Reconciliation of the Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities

April 30, 2021

Total Governmental Fund Balances	\$ 5,384,864
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	20,016,138
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	
Deferred Items - IMRF	(11,785)
Deferred Items - Police Pension	(345,928)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(125,476)
Net Pension Liability - IMRF	(51,367)
Net Pension Liability - Police Pension	386,491
Debt Certificates Payable - Net	(83,051)
Accrued Interest Payable	<u>(1,116)</u>
Net Position of Governmental Activities	<u><u>25,168,770</u></u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF CAMPTON HILLS, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended April 30, 2021**

See Following Page

VILLAGE OF CAMPTON HILLS, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended April 30, 2021

	<u>General</u>
Revenues	
Taxes	\$ —
Intergovernmental	2,862,225
Licenses and Permits	429,060
Fines and Forfeits	45,426
Investment Income	—
Miscellaneous	77,131
Total Revenues	<u>3,413,842</u>
Expenditures	
Current	
General Government	856,035
Public Safety	1,307,209
Capital Outlay	—
Debt Service	
Principal Retirement	82,000
Interest and Fiscal Charges	5,845
Total Expenditures	<u>2,251,089</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,162,753</u>
Other Financing Sources (Uses)	
Disposal of Capital Assets	—
Transfers In	—
Transfers Out	(405,000)
	<u>(405,000)</u>
Net Change in Fund Balances	757,753
Fund Balances - Beginning	<u>2,989,865</u>
Fund Balances - Ending	<u><u>3,747,618</u></u>

The notes to the financial statements are an integral part of this statement.

Special Revenue			
Motor Fuel Tax	Road and Bridge	Capital Projects	Totals
—	529,656	—	529,656
809,099	—	3,400	3,674,724
—	—	—	429,060
—	—	—	45,426
903	365	1,011	2,279
—	—	—	77,131
810,002	530,021	4,411	4,758,276
338,087	530,416	—	1,724,538
—	—	—	1,307,209
159,133	—	211,166	370,299
—	—	—	82,000
—	—	—	5,845
497,220	530,416	211,166	3,489,891
312,782	(395)	(206,755)	1,268,385
—	—	600	600
—	—	405,000	405,000
—	—	—	(405,000)
—	—	405,600	600
312,782	(395)	198,845	1,268,985
292,122	173,076	660,816	4,115,879
604,904	172,681	859,661	5,384,864

The notes to the financial statements are an integral part of this statement.

VILLAGE OF CAMPTON HILLS, ILLINOIS

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

Net Change in Fund Balances - Total Governmental Funds \$ 1,268,985

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

Governmental funds report capital outlays as expenditures. however, in the
Statement of Activities the cost of those assets is allocated over their estimated
useful lives and reported as depreciation expense.

Capital Outlays	196,716
Depreciation Expense	(489,832)
Disposals - Cost	(57,295)
Disposals - Accumulated Depreciation	57,295

The net effect of deferred outflows (inflows) of resources related
to the pensions not reported in the funds.

Change in Deferred Items - IMRF	(24,826)
Change in Deferred Items - Police Pension	(371,575)

The issuance of long-term debt provides current financial resources to
governmental funds, while the repayment of the principal on long-term
debt consumes the current financial resources of the governmental funds.

Change in Compensated Absences Payable	(34,847)
Change in Net Pension Liability - IMRF	32,781
Change in Net Pension Liability/(Asset) - Police Pension	451,754
Retirement of Debt	82,000
Amortization of Bond Discount	(1,948)

Change to accrued interest on long-term debt in the Statement of Activities
does not require the use of current financial resources and, therefore, are not
reported as expenditures in the governmental funds.

1,076

Changes in Net Position of Governmental Activities

1,110,284

VILLAGE OF CAMPTON HILLS, ILLINOIS

Statement of Fiduciary Net Position

April 30, 2021

	<u>Pension Trust</u>
	<u>Police Pension</u>
ASSETS	
Cash and Cash Equivalents	\$ 155,995
Investments	
U.S. Treasury Obligations	1,409,687
U.S. Agency Obligations	30,483
Corporate Bonds	533,144
Mutual Funds	1,731,673
Illinois Funds	104,552
Accrued Interest	<u>11,354</u>
NET POSITION	
Net Position Restricted for Pensions	<u><u>3,976,888</u></u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF CAMPTON HILLS, ILLINOIS

Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended April 30, 2021

	Pension Trust
	Police Pension
Additions	
Contributions - Employer	\$ 225,538
Contributions - Plan Members	47,523
Total Contributions	<u>273,061</u>
Investment Income	
Interest Earned	203,526
Net Change in Fair Value	358,432
	<u>561,958</u>
Less Investment Expenses	(15,946)
Net Investment Income	<u>546,012</u>
Total Additions	<u>819,073</u>
Deductions	
Administration	2,996
Benefits	89,779
	<u>92,775</u>
Total Deductions	<u>92,775</u>
Change in Fiduciary Net Position	726,298
Net Position Restricted for Pensions	
Beginning	<u>3,250,590</u>
Ending	<u><u>3,976,888</u></u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF CAMPTON HILLS, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Campton Hills (Village), Illinois, is a municipal corporation governed by an elected president and six-member Board of Trustees. The Village's major operations include police protection, planning and zoning, economic development, and general administrative services.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP), except as described in the Basis of Presentation below. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the Village's accounting policies established in GAAP and used by the Village are described below.

REPORTING ENTITY

The Village's financial reporting entity comprises the primary government, the Village of Campton Hills.

In determining the financial reporting entity, the Village complies with the provisions of GASB Statement No. 61, "The Financial Reporting Omnibus - an Amendment of GASB Statements No. 14 and No. 34," and includes all component units that have a significant operational or financial relationship with the Village. Based upon the criteria set forth in the GASB Statement No. 61, there are no component units included in the reporting entity.

Police Pension Employees Retirement System

The Village's sworn 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 appointed by the Village's President, one elected pension beneficiary and two elected police employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels.

Although it is legally separate from the Village, the PPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the Village's police employees. The PPERS is reported as a fiduciary fund, and specifically a pension trust fund, due to the fiduciary responsibility exercised over the PPERS.

BASIS OF PRESENTATION

Government-Wide Statements

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Village only reports governmental activities, which include public safety services and general administrative services.

In the government-wide Statement of Net Position, the governmental activities columns are: (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations.

VILLAGE OF CAMPTON HILLS, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Government-Wide Statements - Continued

The Village's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The Village first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions (general government, public safety, etc.). The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) changes to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

The net costs (by function) are normally covered by general revenue (property tax, sales tax, interest income, etc.). The Village allocates indirect costs to the proprietary funds for personnel who perform administrative services for those funds, along with other indirect costs deemed necessary for their operations, but are paid through the General Fund. This government-wide focus concentrates on the sustainability of the Village as an entity and the change in the Village's net position resulting from the current year's activities.

Fund Financial Statements

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. Funds are organized into two major categories: governmental and fiduciary. The emphasis in fund financial statements is on the major funds in the governmental or activities category. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The Village electively added funds, as major funds, which either had debt outstanding or specific community focus. The nonmajor funds are combined in a column in the fund financial statements.

A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type; and

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and funds combined.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the Village:

VILLAGE OF CAMPTON HILLS, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Fund Financial Statements - Continued

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Village:

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

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Village maintains two major special revenue funds. The Motor Fuel Tax Fund, a major fund, is used to account for the maintenance and construction of streets and roads as approved by the Illinois Department of Transportation. The Road and Bridge Fund, also a major fund, is used to account for the revenues and expenditures associated with the maintenance of local roads. Revenue is provided through a tax levy.

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The Capital Projects Fund, a major fund, is used to account for monies used to fund large Village capital projects.

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Village programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

Pension Trust Funds are used to account for assets held in a trustee capacity for pension benefit payments. The Police Pension Fund is used to account for the accumulation of resources to be used for retirement annuity payments to employees on the police force at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by law and by the Village at amounts determined by an annual actuarial study.

The Village's pension trust fund is presented in the fiduciary fund financial statements. Since by definition these assets are being held for the benefit of a third party (pension participants), and cannot be used to address activities or obligations of the Village, these funds are not incorporated into the government-wide statements.

VILLAGE OF CAMPTON HILLS, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, governmental and activities are presented using the economic resources measurement focus as defined below. In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate.

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

All fiduciary funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows and liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Pension trust fund equity is classified as net position.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The Village recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty-day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, income taxes, and sales and user taxes. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

All pension trust funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

VILLAGE OF CAMPTON HILLS, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

Cash and Investments

Cash and cash equivalents on the Statement of Net Position are considered to be cash on hand, demand deposits, cash with fiscal agent. Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value.

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

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Prepays

Prepays are valued at cost, which approximates market. The cost of governmental fund-type prepaids are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements.

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents an acquisition/reduction of net position that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

VILLAGE OF CAMPTON HILLS, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more, depending on asset class, are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Village as a whole. Infrastructure, such as streets, traffic signals and signs are capitalized. The valuation basis for general capital assets is historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Infrastructure	50 Years
Buildings	37 Years
Land Improvements	10 Years
Vehicles	5 - 7 Years
Equipment	4 - 30 Years

Compensated Absences

The Village accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as “terminal leave” prior to retirement.

All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the Statement of Net Position. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. 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.

VILLAGE OF CAMPTON HILLS, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

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

Restricted - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.

Unrestricted - All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

Budgets are adopted on a basis consistent with generally accepted accounting principles. All departments of the Village submit requests for budgets so that a budget may be prepared. The budget is prepared by fund, function, and activity, and includes information on the past year, current year estimates, and requested budgets for the next fiscal year.

The proposed budget is presented to the Village Board for review. The Village Board holds public hearings and may add to, subtract from, or change budgeted amounts, but may not change the form of the budget. The budget prepared by the Finance Committee and approved by the Village Board shall be the financial plan for conducting the affairs of the Village for the fiscal year but shall not replace the Annual Appropriation Ordinance which shall be the official document authorizing expenditures, pursuant to law. The figures presented in this document reflect the Village’s budgeted expenditures.

The Finance Director is authorized to transfer budgeted amounts within any fund; however, the Board of Trustees must approve any revisions that alter the total expenditures of any fund. State statues establish that expenditures may not legally exceed budgeted appropriations at the fund level. Appropriations lapse at the end of the fiscal year. During the year, one supplemental appropriation was necessary.

VILLAGE OF CAMPTON HILLS, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

The Village maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments." In addition, investments are separately held by several of the Village's funds. The deposits and investments of the pension trust funds are held separately from those of other funds.

Permitted Deposits and Investments - Statutes authorize the Village to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds.

The Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office which allows governments within the State to pool their funds for investment purposes. The Illinois Funds is not registered with the SEC as an investment company. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

The deposits and investments of the Pension Fund are held separately from those of other Village funds. Statutes authorize the 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 Market Fund (Formerly known as IPTIP, Illinois Public Treasurer's Investment Pool), or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois; 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 plan net position; and corporate bonds managed through an investment advisor, rated as investment grade by one of the two largest rating services at the time of purchase.

VILLAGE OF CAMPTON HILLS, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Pension Funds with plan net position of \$2.5 million or more may invest up to forty-five percent of plan net position in separate accounts of life insurance companies and mutual funds. Pension Funds with plan net position of at least \$5 million that have appointed an investment advisor, may through that investment advisor invest up to forty-five percent of the plan net position in common and preferred stocks that meet specific restrictions. In addition, Pension Funds with plan net position of at least \$10 million that have appointed an investment advisor, may invest up to fifty percent of its net position in common and preferred stocks and mutual funds that meet specific restrictions effective July 1, 2011 and up to fifty-five percent effective July 1, 2012.

Village Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of the Village's deposits for governmental activities totaled \$896,209 and the bank balances totaled \$918,858. The Village also has \$4,091,773 invested in the Illinois Funds, which is measured at the net asset value per share as determined by the pool.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village's investment policy does not address interest rate risk. The Village's investment in the Illinois Funds has an average maturity of less than one year.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Village's investment policy does not address credit risk. The Village's investment in the Illinois Funds was rated AAAM by Standard & Poor's.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village's investment policy requires pledging of collateral of bank balances in excess of federal depository insurance with the collateral held by a third party in the Village's name. At year-end, the entire bank balance of the deposits not covered by federal depository or equivalent insurance.

For an investment, this is the risk that in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Village's investment policy does not mitigate custodial credit risk for investments. The Village's investment in the Illinois Funds is not subject to custodial credit risk.

Concentration Risk. This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village's investment policy states that investments shall be diversified to the best of the Village's ability based on the type of funds invested and the cash flow needs of those funds. At year-end, the Village does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

VILLAGE OF CAMPTON HILLS, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of the Fund's deposits totaled \$155,995 and the bank balances totaled \$155,995.

Investments. The Fund has the following investments at year-end:

Investment Type	Fair Value	Investment Maturities (in Years)		
		Less Than 1	1-5	6-10
U.S. Treasury Obligations	\$ 1,409,687	186,397	977,309	245,981
U.S. Agency Obligations	30,483	30,483	—	—
Corporate Bonds	533,144	90,428	284,588	158,128
Illinois Funds	104,552	104,552	—	—
	<u>2,077,866</u>	<u>411,860</u>	<u>1,261,897</u>	<u>404,109</u>

The Fund has the following recurring fair value measurements as of April 30, 2021:

Investments by Fair Value Level	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
U.S. Treasury Obligations	\$ 1,409,687	1,409,687	—	—
U.S. Agency Obligations	30,483	—	30,483	—
Corporate Bonds	533,144	—	533,144	—
Equity Securities				
Mutual Funds	1,731,673	1,731,673	—	—
Total Investments Measured at Fair Value	<u>3,704,987</u>	<u>3,141,360</u>	<u>563,627</u>	<u>—</u>
Investments Measured at the Net Asset Value (NAV)				
Illinois Funds	<u>104,552</u>			
Total Investments Measured at Fair Value	<u>3,809,539</u>			

VILLAGE OF CAMPTON HILLS, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Police Pension Fund - Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk - Continued

Investments - Continued. Debt Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Interest Rate Risk. The Fund's investment policy states assets shall be sufficiently liquid (those securities that can be converted to cash within three days), defined as securities that can be transacted quickly and efficiently for the Fund, with minimal market impact.

Custodial Credit Risk - Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the 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.

Custodial Credit Risk - Investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the 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. At April 30, 2021, the U.S. Government Agencies and the corporate bonds are held by the counterparty in the trust department. The Pension Fund limits its exposure to custodial credit risk by utilizing an independent third-party institution, selected by the Pension Fund, to act as custodian for its securities and collateral. The Fund's investment in the Illinois Funds is not subject to custodial credit risk.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The 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 Pension Fund's investment policy establishes criteria for allowable investments; those criteria follow the requirements of the Illinois Pension Code. The investments in the securities of U.S. Agency Obligations were rated AA+ by Standard & Poor's, Corporate Bonds were rated BBB+ to A+ by Standard & Poor's and the Illinois Funds was rated AAAM by Standard & Poor's.

Concentration Risk. The Fund's investment policy states that investments shall be undertaken in a manner that seeks to ensure the preservation of capital. Agency investments represent a large portion of the portfolio; however, the investments are diversified by maturity date and as mentioned earlier are backed by the issuing organization. Additionally, at year-end the Fund had \$1,731,673 invested in mutual funds. 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 year-end, the Fund has no investments over 5 percent of net plan position available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments) in any one organization that represent 5 percent or more of net position available for benefits.

VILLAGE OF CAMPTON HILLS, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk - Continued

Concentration Risk - Continued - The Fund's investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Domestic Equities	34.00%	13.32%
International Equities	11.00%	3.28%
Fixed Income	55.00%	3.99% - 6.47%
Cash and Cash Equivalents	0.00%	1.27%

Illinois Compiled Statutes (ILCS) limit the 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 blended asset class is comprised of all other asset classes to allow for rebalancing the portfolio.

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in May 2021 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of April 30, 2021 are listed in the table above.

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 4.11%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

PROPERTY TAXES

Property taxes for 2020 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by County Collector and are payable in two installments, on or about June 1 and September 1. The County collects such taxes and remits them periodically.

VILLAGE OF CAMPTON HILLS, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

INTERFUND TRANSFERS

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
Capital Projects	General	<u>\$ 405,000</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expand them.

CAPITAL ASSETS

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land and Right of Ways	\$ 10,531,129	—	—	10,531,129
Construction in Progress	3,070	—	3,070	—
	<u>10,534,199</u>	<u>—</u>	<u>3,070</u>	<u>10,531,129</u>
Depreciable Capital Assets				
Infrastructure	19,664,271	—	—	19,664,271
Buildings	800,000	—	—	800,000
Land Improvements	267,812	6,182	—	273,994
Vehicles	236,288	137,753	57,295	316,746
Equipment	96,376	55,851	—	152,227
	<u>21,064,747</u>	<u>199,786</u>	<u>57,295</u>	<u>21,207,238</u>
Less Accumulated Depreciation				
Infrastructure	10,626,938	393,283		11,020,221
Buildings	167,110	21,334		188,444
Land Improvements	260,582	3,716		264,298
Vehicles	141,422	57,593	57,295	141,720
Equipment	93,640	13,906		107,546
	<u>11,289,692</u>	<u>489,832</u>	<u>57,295</u>	<u>11,722,229</u>
Total Net Depreciable Capital Assets	<u>9,775,055</u>	<u>(290,046)</u>	<u>—</u>	<u>9,485,009</u>
Total Net Capital Assets	<u>20,309,254</u>	<u>(290,046)</u>	<u>3,070</u>	<u>20,016,138</u>

VILLAGE OF CAMPTON HILLS, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS - Continued

Depreciation expense was charged to governmental activities as follows:

General Government	<u>\$ 489,832</u>
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LONG-TERM DEBT

Debt Certificates

The Village issued debt certificates for the acquisition of the building currently being used as Village Hall and the Police Station. Debt certificates currently outstanding are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirement	Ending Balances
Debt Certificates of 2012 - Due in annual installments of \$66,000 to \$85,000 plus interest of 3.50% through December 15, 2021.	General	\$ 167,000	—	82,000	<u>85,000</u>

Long-Term Liability Activity

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 90,629	69,694	34,847	125,476	25,095
Net Pension Liability/(Asset)					
IMRF	84,148	—	32,781	51,367	—
Police Pension	65,263	—	451,754	(386,491)	—
Debt Certificates Payable	167,000	—	82,000	85,000	85,000
Unamortized Bond Discount	(3,897)	—	(1,948)	(1,949)	(1,949)
	<u>403,143</u>	<u>69,694</u>	<u>599,434</u>	<u>(126,597)</u>	<u>108,146</u>

For governmental activities, payments on the compensated absences, the net pension liabilities and the debt certificates are being made by the General Fund.

VILLAGE OF CAMPTON HILLS, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Debt Service Requirements to Maturity

Fiscal Year	Governmental Activities	
	Debt Certificates	
	Principal	Interest
2022	\$ 85,000	2,974

Legal Debt Margin

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes provides, "...no municipality having a population of less than 500,000 shall become indebted in any manner or for any purpose, to an amount, including existing indebtedness in the aggregate exceeding 8.625% on the value of the taxable property therein, to be ascertained by the last assessment for state and county purposes, previous to the incurring of the indebtedness or, until January 1, 1983, if greater, the sum that is produced by multiplying the municipality's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979."

Assessed Valuation - 2020	<u>\$ 490,992,394</u>
Legal Debt Limit - 8.625% of Assessed Value	42,348,094
Amount of Debt Applicable to Limit	
Debt Certificates	<u>—</u>
Legal Debt Margin	<u>42,348,094</u>

NET POSITION CLASSIFICATIONS

Net investment in capital assets was comprised of the following as of April 30, 2021:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 20,016,138
Less Capital Related Debt:	
Debt Certificates	(85,000)
Unamortized Discount	<u>1,949</u>
Net Investment in Capital Assets	<u>19,933,087</u>

VILLAGE OF CAMPTON HILLS, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

FUND BALANCE CLASSIFICATIONS

In the governmental fund financial statements, the Village considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The Village first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

Restricted Fund Balance. Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Board of Trustees; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned Fund Balance. Consists of amounts that are constrained by the Board of Trustees' intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the Board of Trustees itself or b) a body or official to which the Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. The Village's highest level of decision-making authority is the Board of Trustees, who is authorized to assign amounts to a specific purpose.

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

Minimum Fund Balance Policy. The Villages policy manual states that the General Fund should maintain a minimum fund balance equal 50% of next year's budgeted expenditures.

VILLAGE OF CAMPTON HILLS, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

FUND BALANCE CLASSIFICATIONS - Continued

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	General	Special Revenue		Capital Projects	Totals
		Motor Fuel Tax	Road and Bridge		
Fund Balances					
Nonspendable					
Prepays	\$ 74,615	—	—	—	74,615
Restricted					
Motor Fuel Taxes	—	604,904	—	—	604,904
Road and Bridge	—	—	172,681	—	172,681
	—	604,904	172,681	—	777,585
Committed					
Future Liabilities	87,794	—	—	—	87,794
Stabilization Reserve	1,150,627	—	—	—	1,150,627
Police Pension	154,137	—	—	—	154,137
Compensated Absences	87,975	—	—	—	87,975
Debt Service	120,944	—	—	—	120,944
Capital Projects	—	—	—	859,661	859,661
	1,601,477	—	—	859,661	2,461,138
Unassigned	2,071,526	—	—	—	2,071,526
Total Fund Balances	3,747,618	604,904	172,681	859,661	5,384,864

NOTE 4 - OTHER INFORMATION

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; natural disasters; and injuries to the Village's employees. The Village has purchased insurance from private insurance companies. Risks covered included certain types of liabilities and bonds. Premiums have been displayed as expenditures/expenses in appropriate funds. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

VILLAGE OF CAMPTON HILLS, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

CONTINGENT LIABILITIES

Litigation

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

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.

Financial Impact from COVID-19

In March 2020, the World Health Organization declared the COVID-19 virus a public health emergency. As of the date of this report, the extent of the impact of COVID-19 on the Village's operations and financial position cannot be determined.

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS

The Village contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system, and the Police Pension Plan which is a single-employer pension plan. A separate report is issued for the Police Pension Plan and may be obtained by writing to the Village at 40W270 LaFox Road, Suite B, Campton Hills, IL 60175. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

The aggregate amount recognized for the two pension plans is:

	Net Pension		Pension	
	Liabilities/ (Assets)	Deferred Outflows	Deferred Inflows	Expenses/ (Revenues)
IMRF	\$ 51,367	14,532	26,317	22,109
Police Pension	(386,491)	691,689	1,037,617	145,359
	(335,124)	706,221	1,063,934	167,468

VILLAGE OF CAMPTON HILLS, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF)

Plan Descriptions

Plan Administration. All employees (other than those covered by the Police Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

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

IMRF provides two tiers of pension benefits. 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 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

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

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Plan Membership. As of December 31, 2020, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	4
Inactive Plan Members Entitled to but not yet Receiving Benefits	7
Active Plan Members	<u>3</u>
Total	<u><u>14</u></u>

VILLAGE OF CAMPTON HILLS, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

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. For the year-ended April 30, 2021, the Village's contribution was 11.63% of covered payroll.

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

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2020, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	2.85% to 13.75%
Cost of Living Adjustments	2.25%
Inflation	2.25%

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

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:

VILLAGE OF CAMPTON HILLS, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Actuarial Assumptions - Continued.

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	28.00%	1.30%
Domestic Equities	37.00%	5.00%
International Equities	18.00%	6.00%
Real Estate	9.00%	6.20%
Blended	7.00%	2.85% - 6.95%
Cash and Cash Equivalents	1.00%	0.70%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents the pension liability/(asset) of the Village calculated using the discount rate as well as what the Village's net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability/(Asset)	\$ 124,009	51,367	(3,634)

VILLAGE OF CAMPTON HILLS, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2019	\$ 378,582	294,434	84,148
Changes for the Year:			
Service Cost	22,513	—	22,513
Interest on the Total Pension Liability	28,015	—	28,015
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	8,647	—	8,647
Changes of Assumptions	(7,391)	—	(7,391)
Contributions - Employer	—	32,137	(32,137)
Contributions - Employees	—	11,671	(11,671)
Net Investment Income	—	40,806	(40,806)
Benefit Payments, Including Refunds of Employee Contributions	(6,845)	(6,845)	—
Other (Net Transfer)	—	(49)	49
Net Changes	44,939	77,720	(32,781)
Balances at December 31, 2020	423,521	372,154	51,367

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 \$22,109. At April 30, 2021, the Village reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

VILLAGE OF CAMPTON HILLS, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

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

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 5,646	—	5,646
Change in Assumptions	—	(4,826)	(4,826)
Net Difference Between Projected and Actual			
Earnings on Pension Plan Investments	—	(21,491)	(21,491)
Total Pension Expense to be			
Recognized in Future Periods	5,646	(26,317)	(20,671)
Pension Contributions Made Subsequent			
to the Measurement Date	8,886	—	8,886
Total Deferred Amounts Related to IMRF	<u>14,532</u>	<u>(26,317)</u>	<u>(11,785)</u>

\$8,886 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended 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:

Fiscal Year	Net Deferred (Inflows) of Resources
2022	\$ (6,052)
2023	(2,430)
2024	(8,564)
2025	(3,625)
2026	—
Thereafter	—
Totals	<u>(20,671)</u>

VILLAGE OF CAMPTON HILLS, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan

Plan Descriptions

Plan Administration. The Police Pension 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 Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the Village President, one member is elected by pension beneficiaries and two members are elected by active police employees.

Plan Membership. At April 30, 2021, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	3
Inactive Plan Members Entitled to but not yet Receiving Benefits	3
Active Plan Members	<u>6</u>
Total	<u><u>12</u></u>

Benefits Provided. The following is a summary of the Police Pension Plan as provided for in Illinois State Statutes.

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before 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 of ½ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. 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 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 48 consecutive months of service within the last 60 months of service in which the total salary was the highest by the number of months of service in that period. Police officer salary for the pension purposes 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. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent of ½ of the change in the Consumer Price Index for the preceding calendar year.

VILLAGE OF CAMPTON HILLS, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan - Continued

Plan Descriptions - Continued

Contributions. Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the 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. For the year-ended April 30, 2021 the Village's contribution was 47.03% of covered payroll.

Concentrations. At year end, the Pension Plan has no investments over 5 percent of plan position available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of April 30, 2021, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	5.75%
Salary Increases	3.75% - 8.92%
Adjustments	2.25%
Inflation	2.25%

Mortality rates are based on the Pub-2010 adjusted for plan status, demographics and Illinois Public Pension data.

VILLAGE OF CAMPTON HILLS, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan - Continued

Discount Rate

The discount rate used to measure the total pension liability was 5.75%, while the prior valuation used a discount rate of 4.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate as well as what the Village's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (4.75%)	Current Discount Rate (5.75%)	1% Increase (6.75%)
Net Pension Liability/(Asset)	\$ 187,760	(386,491)	(848,168)

VILLAGE OF CAMPTON HILLS, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan - Continued

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2020	\$ 3,315,853	3,250,590	65,263
Changes for the Year:			
Service Cost	225,646	—	225,646
Interest on the Total Pension Liability	178,886	—	178,886
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	699,116	—	699,116
Changes of Assumptions	(739,325)	—	(739,325)
Contributions - Employer	—	225,538	(225,538)
Contributions - Employees	—	47,523	(47,523)
Net Investment Income	—	546,012	(546,012)
Benefit Payments, Including Refunds of Employee Contributions	(89,779)	(89,779)	—
Other (Net Transfer)	—	(2,996)	2,996
Net Changes	274,544	726,298	(451,754)
Balances at April 30, 2021	3,590,397	3,976,888	(386,491)

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 \$145,359. At April 30, 2021, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

VILLAGE OF CAMPTON HILLS, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan - Continued

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

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 658,301	(130,437)	527,864
Change in Assumptions	33,388	(625,028)	(591,640)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	(282,152)	(282,152)
Total Deferred Amounts Related to Police Pension	<u>691,689</u>	<u>(1,037,617)</u>	<u>(345,928)</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:

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2022	\$ (75,630)
2023	(92,324)
2024	(92,913)
2025	(98,417)
2026	(14,060)
Thereafter	<u>27,416</u>
Total	<u>(345,928)</u>

VILLAGE OF CAMPTON HILLS, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS

The Village has evaluated its potential other post-employment benefits liability. Former employees who choose to retain their rights to health insurance through the Village are required to pay 100% of the current premium. However, there is minimal participation. As the Village provides no explicit benefit, and there is minimal participation, there is no material implicit subsidy to calculate in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. Therefore, the Village has not recorded a liability as of April 30, 2021.

SUBSEQUENT EVENT

American Rescue Plan Act

On March 11, 2021, the American Rescue Plan Act of 2021 was signed into law. This act provides \$350 billion in funding for local governments. The Village has been allocated \$1,507,757 to be received in two installments. On September 10, 2021 the Village received their first installment of \$753,879.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule Employer Contributions
 - Illinois Municipal Retirement Fund
 - Police Pension Fund
- Schedule of Changes in the Employer's Net Pension Liability
 - Illinois Municipal Retirement Fund
 - Police Pension Fund
- Schedule of Investment Returns
 - Police Pension Fund
- Budgetary Comparison Schedules
 - General Fund
 - Motor Fuel Tax - Special Revenue Fund
 - Road and Bridge - Special Revenue Fund

Notes to the Required Supplementary Information

Budgetary information - Budgets are adopted on a basis consistent with generally accepted accounting principles.

VILLAGE OF CAMPTON HILLS, ILLINOIS

**Illinois Municipal Retirement Fund
Schedule of Employer Contributions
April 30, 2021**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ 17,745	\$ 17,745	\$ —	\$ 200,956	8.83%
2017	18,873	18,873	—	218,442	8.64%
2018	7,824	7,824	—	74,460	10.51%
2019	8,139	8,139	—	69,083	11.78%
2020	27,589	27,589	—	235,409	11.72%
2021	30,064	30,064	—	258,519	11.63%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	23 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Salary Increases	3.35% - 14.25%
Investment Rate of Return	7.25%
Retirement Age	See the Notes to the Financial Statements
Mortality	IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015).

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

VILLAGE OF CAMPTON HILLS, ILLINOIS

**Police Pension Fund
Schedule of Employer Contributions
April 30, 2021**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ 162,507	\$ 298,228	\$ 135,721	\$ 417,032	71.51%
2017	161,133	263,368	102,235	407,845	64.58%
2018	156,489	234,000	77,511	421,100	55.57%
2019	146,631	234,000	87,369	380,826	61.45%
2020	191,830	260,000	68,170	370,755	70.13%
2021	154,137	225,538	71,401	479,549	47.03%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	20 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.50%
Salary Increases	3.50% - 11.00%
Investment Rate of Return	5.75%
Retirement Age	See the Notes to the Financial Statements
Mortality	RP-2014 Healthy Annuity with Blue Collar Adjustment

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

VILLAGE OF CAMPTON HILLS, ILLINOIS

**Illinois Municipal Retirement Fund
Schedule of Changes in the Employer's Net Pension Liability
April 30, 2021**

See Following Page

VILLAGE OF CAMPTON HILLS, ILLINOIS

**Illinois Municipal Retirement Fund
Schedule of Changes in the Employer's Net Pension Liability
April 30, 2021**

	<u>12/31/2015</u>
Total Pension Liability	
Service Cost	\$ 23,288
Interest	13,799
Changes in Benefit Terms	
Differences Between Expected and Actual Experience	59,832
Change of Assumptions	878
Benefit Payments, Including Refunds of Member Contributions	<u>(4,025)</u>
Net Change in Total Pension Liability	93,772
Total Pension Liability - Beginning	<u>174,357</u>
 Total Pension Liability - Ending	 <u><u>268,129</u></u>
 Plan Fiduciary Net Position	
Contributions - Employer	\$ 17,745
Contributions - Members	13,574
Net Investment Income	807
Benefit Payments, Including Refunds of Member Contributions	(4,025)
Other (Net Transfer)	<u>(9,605)</u>
Net Change in Plan Fiduciary Net Position	18,496
Plan Net Position - Beginning	<u>147,705</u>
 Plan Net Position - Ending	 <u><u>166,201</u></u>
 Employer's Net Pension Liability	 <u><u>\$ 101,928</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 61.99%
 Covered Payroll	 \$ 200,956
 Employer's Net Pension Liability as a Percentage of Covered Payroll	 50.72%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020
23,127	15,436	7,028	7,871	22,513
20,674	20,722	19,534	23,657	28,015
(32,295)	(34,018)	33,992	28,028	8,647
(784)	(6,856)	11,426	—	(7,391)
(6,596)	(7,366)	(6,456)	(6,671)	(6,845)
4,126	(12,082)	65,524	52,885	44,939
268,129	272,255	260,173	325,697	378,582
272,255	260,173	325,697	378,582	423,521
18,873	9,477	7,933	19,457	32,137
9,830	4,248	2,975	7,769	11,671
11,511	33,346	(10,812)	42,284	40,806
(6,596)	(7,366)	(6,456)	(6,671)	(6,845)
(1,860)	(2,809)	4,329	(1,229)	(49)
31,758	36,896	(2,031)	61,610	77,720
166,201	197,959	234,855	232,824	294,434
197,959	234,855	232,824	294,434	372,154
74,296	25,318	92,873	84,148	51,367
72.71%	90.27%	71.48%	77.77%	87.87%
218,442	94,394	66,112	172,650	257,455
34.01%	26.82%	140.48%	48.74%	19.95%

VILLAGE OF CAMPTON HILLS, ILLINOIS

Police Pension Fund

Schedule of Changes in the Employer's Net Pension Liability

April 30, 2021

	<u>4/30/2016</u>
Total Pension Liability	
Service Cost	\$ 203,696
Interest	85,428
Changes in Benefit Terms	—
Differences Between Expected and Actual Experience	—
Change of Assumptions	—
Benefit Payments, Including Refunds of Member Contributions	(5,543)
Net Change in Total Pension Liability	<u>283,581</u>
Total Pension Liability - Beginning	<u>1,901,150</u>
 Total Pension Liability - Ending	 <u><u>2,184,731</u></u>
 Plan Fiduciary Net Position	
Contributions - Employer	\$ 298,228
Contributions - Members	38,610
Net Investment Income	13,682
Benefit Payments, Including Refunds of Member Contributions	(5,543)
Administrative Expenses	(505)
Net Change in Plan Fiduciary Net Position	<u>344,472</u>
Plan Net Position - Beginning	<u>1,131,861</u>
 Plan Net Position - Ending	 <u><u>1,476,333</u></u>
 Employer's Net Pension Liability	 <u><u>\$ 708,398</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 67.58%
 Covered Payroll	 \$ 417,032
 Employer's Net Pension Liability as a Percentage of Covered Payroll	 169.87%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

4/30/2017	4/30/2018	4/30/2019	4/30/2020	4/30/2021
216,238	225,969	231,881	242,321	225,646
98,313	100,801	114,148	128,454	178,886
—	—	—	41,235	—
(242,012)	(3,047)	(6,495)	113,222	699,116
(17,244)	—	49,366	(20,056)	(739,325)
—	—	(54,259)	(87,713)	(89,779)
55,295	323,723	334,641	417,463	274,544
2,184,731	2,240,026	2,563,749	2,898,390	3,315,853
2,240,026	2,563,749	2,898,390	3,315,853	3,590,397
263,368	234,000	234,000	260,000	225,538
37,189	40,036	38,068	618,678	47,523
11,954	3,118	94,654	95,403	546,012
—	—	(54,259)	(87,713)	(89,779)
—	(3,399)	(5,777)	(5,063)	(2,996)
312,511	273,755	306,686	881,305	726,298
1,476,333	1,788,844	2,062,599	2,369,285	3,250,590
1,788,844	2,062,599	2,369,285	3,250,590	3,976,888
451,182	501,150	529,105	65,263	(386,491)
79.86%	80.45%	81.74%	98.03%	110.76%
407,845	421,100	380,826	370,755	479,549
110.63%	119.01%	138.94%	17.60%	(80.59%)

VILLAGE OF CAMPTON HILLS, ILLINOIS

Police Pension Fund

Schedule of Investment Returns

April 30, 2021

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2016	1.16%
2017	2.94%
2018	2.64%
2019	4.26%
2020	6.21%
2021	4.11%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

VILLAGE OF CAMPTON HILLS, ILLINOIS

General Fund

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

For the Fiscal Year Ended April 30, 2021

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Income Taxes	\$ 1,105,317	1,456,317	1,445,934
Local Use Taxes	383,854	519,854	511,674
Video Gaming Taxes	6,000	10,000	9,632
Sales Taxes	204,787	244,787	240,211
Grants	—	655,000	654,774
Licenses and Permits	430,933	458,933	429,060
Fines and Forfeits	64,600	64,600	45,426
Miscellaneous	105,763	130,763	77,131
Total Revenues	<u>2,301,254</u>	<u>3,540,254</u>	<u>3,413,842</u>
Expenditures			
General Government	855,201	1,091,201	856,035
Public Safety	1,353,208	1,956,208	1,307,209
Debt Service			
Principal Retirement	82,000	82,000	82,000
Highways and Streets	5,845	5,845	5,845
Total Expenditures	<u>2,296,254</u>	<u>3,135,254</u>	<u>2,251,089</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,000</u>	<u>405,000</u>	<u>1,162,753</u>
Other Financing (Uses)			
Transfers Out	<u>(5,000)</u>	<u>(405,000)</u>	<u>(405,000)</u>
Net Change in Fund Balance	<u>—</u>	<u>—</u>	<u>757,753</u>
Fund Balance - Beginning			<u>2,989,865</u>
Fund Balance - Ending			<u>3,747,618</u>

VILLAGE OF CAMPTON HILLS, ILLINOIS

Motor Fuel Tax - Special Revenue Fund

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

For the Fiscal Year Ended April 30, 2021

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Motor Fuel Taxes	\$ 445,655	473,655	442,311
Grants	—	367,000	366,788
Investment Income	6,622	6,622	903
Total Revenues	<u>452,277</u>	<u>847,277</u>	<u>810,002</u>
Expenditures			
General Government			
Contractual Services	291,467	416,417	338,087
Capital Outlay	130,000	180,000	159,133
Total Expenditures	<u>421,467</u>	<u>596,417</u>	<u>497,220</u>
Net Change in Fund Balance	<u>30,810</u>	<u>250,860</u>	312,782
Fund Balance - Beginning			<u>292,122</u>
Fund Balance - Ending			<u>604,904</u>

VILLAGE OF CAMPTON HILLS, ILLINOIS

Road and Bridge - Special Revenue Fund

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

For the Fiscal Year Ended April 30, 2021

	Budget		Amounts
	Original	Final	
Revenues			
Taxes			
Road and Bridge	\$ 531,163	531,163	529,656
Investment Income	50	50	365
Total Revenues	<u>531,213</u>	<u>531,213</u>	<u>530,021</u>
Expenditures			
General Government			
Contractual Services	<u>574,822</u>	<u>574,822</u>	<u>530,416</u>
Net Change in Fund Balance	<u>(43,609)</u>	<u>(43,609)</u>	(395)
Fund Balance - Beginning			<u>173,076</u>
Fund Balance - Ending			<u><u>172,681</u></u>

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Budgetary Comparison Schedules - Major Governmental Funds
- Budgetary Comparison Schedules - Pension Trust Fund

INDIVIDUAL FUND SCHEDULES

GENERAL FUND

The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

Special Revenue Funds are created to account for the proceeds of specific revenue sources (other than fiduciary funds or capital project funds) that are legally restricted to expenditure for specified purposes.

Motor Fuel Tax Fund

The Motor Fuel Tax Fund is used to account for the maintenance and construction of streets and roads as approved by the Illinois Department of Transportation.

Road and Bridge Fund

The Road and Bridge Fund is used to account for the revenues and expenditures associated with the maintenance of local roads. Revenue is provided through a tax levy.

CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for monies used to fund large Village capital projects.

PENSION TRUST FUND

Police Pension Fund

The Police Pension Fund is used to account for the accumulation of resources to be used for retirement annuity payments to employees on the police force at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by law and by the Village at amounts determined by an annual actuarial study.

VILLAGE OF CAMPTON HILLS, ILLINOIS

General Fund
Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended April 30, 2021

	Budget		Actual
	Original	Final	
General Government			
Administration			
Personnel	\$ 266,711	357,711	354,033
Contractual	313,432	323,432	299,501
Commodities	5,450	5,450	5,485
Other Expenditures	81,500	96,500	3,660
Capital Outlay	—	—	349
Total Administration	667,093	783,093	663,028
Building and Zoning			
Personnel	58,588	58,588	14,712
Contractual	129,070	249,070	178,295
Commodities	150	150	—
Other Expenditures	250	250	—
Capital Outlay	50	50	—
Total Building and Zoning	188,108	308,108	193,007
Total General Government	855,201	1,091,201	856,035
Public Safety			
Police Protection			
Personnel	1,101,302	1,151,302	1,083,142
Contractual	182,106	182,106	161,244
Commodities	24,400	24,400	28,507
Other Expenditures	30,000	583,000	24,121
Capital Outlay	12,900	12,900	9,295
Total Police Protection	1,350,708	1,953,708	1,306,309
Fire and Police Commission			
Contractual	2,500	2,500	900
Total Public Safety	1,353,208	1,956,208	1,307,209
Debt Service			
Principal Retirement	82,000	82,000	82,000
Interest and Fiscal Charges	5,845	5,845	5,845
Total Debt Service	87,845	87,845	87,845
Total Expenditures	2,296,254	3,135,254	2,251,089

VILLAGE OF CAMPTON HILLS, ILLINOIS

Capital Projects Fund

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

For the Fiscal Year Ended April 30, 2021

	Budget		Amounts
	Original	Final	
Revenues			
Intergovernmental	\$ —	3,500	3,400
Grants			
Investment Income	7,500	7,500	1,011
Total Revenues	<u>7,500</u>	<u>11,000</u>	<u>4,411</u>
Expenditures			
Capital Outlay	<u>274,250</u>	<u>409,250</u>	<u>211,166</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(266,750)</u>	<u>(398,250)</u>	<u>(206,755)</u>
Other Financing Sources			
Disposal of Capital Assets	—	1,000	600
Transfers In	5,000	405,000	405,000
	<u>5,000</u>	<u>406,000</u>	<u>405,600</u>
Net Change in Fund Balance	<u>(261,750)</u>	<u>7,750</u>	198,845
Fund Balance - Beginning			<u>660,816</u>
Fund Balance - Ending			<u><u>859,661</u></u>

VILLAGE OF CAMPTON HILLS, ILLINOIS

Police Pension - Pension Trust Fund

Schedule of Changes in Fiduciary Net Position - Budget and Actual

For the Fiscal Year Ended April 30, 2021

	Budget		Actual
	Original	Final	
Additions			
Contributions - Employer	\$ 228,000	228,000	225,538
Contributions - Plan Members	47,882	47,882	47,523
Total Contributions	<u>275,882</u>	<u>275,882</u>	<u>273,061</u>
Investment Earnings			
Interest Earned	30,000	50,000	203,526
Net Change in Fair Value	—	—	358,432
	<u>30,000</u>	<u>50,000</u>	<u>561,958</u>
Less Investment Expenses	—	—	(15,946.00)
Net Investment Income	<u>30,000</u>	<u>50,000</u>	<u>546,012</u>
Total Additions	<u>305,882</u>	<u>325,882</u>	<u>819,073</u>
Deductions			
Administration	17,800	27,800	2,996
Benefits	89,359	94,359	89,779
Total Deductions	<u>107,159</u>	<u>122,159</u>	<u>92,775</u>
Change in Fiduciary Net Position	<u>198,723</u>	<u>203,723</u>	726,298
Net Position Restricted for Pensions			
Beginning			<u>3,250,590</u>
Ending			<u>3,976,888</u>

VILLAGE OF CAMPTON HILLS, ILLINOIS

Consolidated Year-End Financial Report

April 30, 2021

CSFA #	Program Name	State	Federal	Other	Total
494-00-0967	High-Growth Cities Program	\$ 30,169	—	—	30,169
494-00-1488	Motor Fuel Tax Program	467,049	—	—	467,049
569-00-2537	FY21 Law Enforcement Camera Grant	3,400	—	—	3,400
	Other Grant Programs and Activities	—	652,774	2,000	654,774
	All Other Costs Not Allocated	—	—	2,492,600	2,492,600
		500,618	652,774	2,494,600	3,647,992



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENTAL AUDITING STANDARDS**

October 8, 2021

The Honorable Village President
Members of the Board of Trustees
Village of Campton Hills, Illinois

We have audited, in accordance with the 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, each major fund, and the aggregate remaining fund information of the Village of Anywhere, Illinois, 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 October 8, 2021.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

SUPPLEMENTAL SCHEDULE

VILLAGE OF CAMPTON HILLS, ILLINOIS

Long-Term Debt Requirements

Debt Certificates of 2012

April 30, 2021

Date of Issue	June 5, 2012
Date of Maturity	December 15, 2021
Authorized Issue	\$672,000
Denomination of Bonds	\$5,000
Interest Rate	3.50%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15
Payable at	Amalgamated Bank of Chicago, IL

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2022	<u>\$ 85,000</u>	<u>2,974</u>	<u>87,974</u>