

# VILLAGE OF MIDLOTHIAN, ILLINOIS

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## ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED  
APRIL 30, 2022

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## **FINANCIAL SECTION**

## **INDEPENDENT AUDITORS' REPORT**



## **INDEPENDENT AUDITOR'S REPORT**

August 9, 2023

The Honorable Village President  
Members of the Board of Trustees  
Village of Midlothian, Illinois

### **Report on the Audit of the Financial Statements**

#### *Opinion*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Midlothian, Illinois, as of and for the year ended April 30, 2022, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and the aggregate remaining fund information of the Village, as of April 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Police Pension Fund as of April 30, 2022, and the respective changes in financial position. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Police Pension Fund, is based solely on the report of the other auditors.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



### **Required Supplementary Information**

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

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Midlothian, Illinois' basic financial statements. The other supplementary information and supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, other supplementary information and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated August 9, 2023, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

*Lauterbach & Amen, LLP*  
LAUTERBACH & AMEN, LLP

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## VILLAGE OF MIDLOTHIAN, ILLINOIS

### Management's Discussion and Analysis April 30, 2022

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Our discussion and analysis of the Village of Midlothian's (the Village) financial performance provides an overview of the Village's financial activities for the fiscal year ended April 30, 2022. Please read it and the Village's financial statements, which can be found in the basic financial statements section of this report.

#### FINANCIAL HIGHLIGHTS

- The Village's overall net position increased as a result of this year's operations. Net position of business-type activities increased by \$598,009, or 8.5 percent, and net position of the governmental activities increased by \$3,745,766, or 10.9 percent.
- During the year, government-wide revenues for the primary government totaled \$23,504,323, while expenses totaled \$19,160,548, resulting in an increase to net position of \$4,343,775.
- The Village's net position totaled (\$22,855,314) on April 30, 2022, which includes \$3,855,159 net investment in capital assets, \$8,242,146 subject to external restrictions, and (\$34,952,619) 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 \$2,910,491, resulting in an ending fund balance of \$20,572,489.

#### 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 as a whole and present a longer-term view of the Village's finances. For governmental activities, these statements tell how these 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.

The government-wide financial statements provide readers with a broad overview of the Village's finances, in a matter similar to a private-sector business. The government-wide financial statements can be found in the financial section of this report.

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.

## VILLAGE OF MIDLOTHIAN, ILLINOIS

### Management's Discussion and Analysis April 30, 2022

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#### USING THIS ANNUAL REPORT – Continued

##### Government-Wide Financial Statements

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 governmental activities of the Village include general government, public safety, and public works. The business-type activities of the Village include water, sewer, and parking lot operations.

##### 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, 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 three categories: governmental funds, proprietary funds, and fiduciary funds.

##### Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, 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.

# **VILLAGE OF MIDLOTHIAN, ILLINOIS**

## **Management's Discussion and Analysis April 30, 2022**

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### **USING THIS ANNUAL REPORT – Continued**

#### **Fund Financial Statements – Continued**

##### **Governmental Funds – Continued**

The Village maintains five 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, which is considered a major fund. Data from the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Village adopts an annual appropriated budget for all funds, except the Foreign Fire Insurance Fund. A budgetary comparison schedule for these funds has been provided to demonstrate compliance with this budget.

##### **Proprietary Funds**

The Village maintains one proprietary fund type: enterprise. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village utilizes enterprise funds to account for its water, sewer, and parking lot operations.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Fund and Sewer Fund, which are considered to be major funds of the Village. Data from the other two proprietary funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor proprietary funds is provided in the form of combining statements elsewhere in this report.

##### **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. The accounting use for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found in the financial section of this report.

##### **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.

# VILLAGE OF MIDLOTHIAN, ILLINOIS

## Management's Discussion and Analysis April 30, 2022

### USING THIS ANNUAL REPORT – Continued

#### 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., police and fire employee pension obligations, and retiree benefits plan, and budgetary comparison schedule for the General Fund. The combining statements referred to earlier in connection with non-major governmental funds and non-major proprietary funds are presented immediately following the required supplementary information on pensions.

#### 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, assets/deferred outflows fell short of liabilities/deferred inflows by \$22,855,314.

	Net Position					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
Current and Other Assets	\$ 31,685,127	26,267,338	5,331,816	5,382,308	37,016,943	31,649,646
Capital Assets	4,191,941	4,105,627	9,371,175	9,473,136	13,563,116	13,578,763
Total Assets	35,877,068	30,372,965	14,702,991	14,855,444	50,580,059	45,228,409
Deferred Outflows	19,261,470	17,550,398	352,207	490,403	19,613,677	18,040,801
Total Assets/Deferred Outflows	55,138,538	47,923,363	15,055,198	15,345,847	70,193,736	63,269,210
Long-Term Debt	47,164,970	51,841,618	6,183,208	7,350,642	53,348,178	59,192,260
Other Liabilities	3,079,141	1,837,837	756,852	928,049	3,835,993	2,765,886
Total Liabilities	50,244,111	53,679,455	6,940,060	8,278,691	57,184,171	61,958,146
Deferred Inflows	35,395,052	28,490,299	469,827	19,854	35,864,879	28,510,153
Total Liabilities/Deferred Inflows	85,639,163	82,169,754	7,409,887	8,298,545	93,049,050	90,468,299
Net Position						
Net Investment in Capital Assets	(452,933)	(1,467,105)	4,308,092	4,028,885	3,855,159	2,561,780
Restricted	7,655,582	6,665,500	586,564	453,740	8,242,146	7,119,240
Unrestricted (Deficit)	(37,703,274)	(39,444,786)	2,750,655	2,564,677	(34,952,619)	(36,880,109)
Total Net Position	(30,500,625)	(34,246,391)	7,645,311	7,047,302	(22,855,314)	(27,199,089)

A portion of the Village's net position, \$3,855,159, reflects its investment in capital assets (for example, land, construction in progress, land improvements/development, buildings, water infrastructure, sewer system, machinery, and equipment, infrastructure), 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.

# VILLAGE OF MIDLOTHIAN, ILLINOIS

## Management's Discussion and Analysis April 30, 2022

### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

An additional portion, \$8,242,146, of the Village's net position represents resources that are subject to external restrictions on how they may be used. The remaining (\$34,952,619), represents unrestricted (deficit) net position and may be used to meet the government's ongoing obligations to citizens and creditors.

	Change in Net Position					
	Governmental Activities		Business-Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues						
Charges for Services	\$ 3,863,393	3,520,949	4,262,934	3,964,269	8,126,327	7,485,218
Operating Grants and Contributions	1,252,059	1,345,582	-	-	1,252,059	1,345,582
General Revenues						
Property Taxes	6,193,658	5,613,240	-	-	6,193,658	5,613,240
Sales Taxes	3,302,127	2,625,122	-	-	3,302,127	2,625,122
State Income Taxes	2,102,800	1,698,810	-	-	2,102,800	1,698,810
Other Taxes	2,176,097	871,456	-	-	2,176,097	871,456
Other General Revenues	322,009	1,849,405	29,246	24,652	351,255	1,874,057
Total Revenues	19,212,143	17,524,564	4,292,180	3,988,921	23,504,323	21,513,485
Expenses						
General Government	2,204,250	1,625,445	-	-	2,204,250	1,625,445
Public Safety	9,032,152	10,030,227	-	-	9,032,152	10,030,227
Public Works	3,754,848	3,363,293	-	-	3,754,848	3,363,293
Interest on Long-Term Debt	475,127	508,523	-	-	475,127	508,523
Water	-	-	3,093,513	3,142,848	3,093,513	3,142,848
Sewer	-	-	464,967	607,020	464,967	607,020
West Commuter Parking Lot	-	-	43,614	15,490	43,614	15,490
Commuter Parking Lot	-	-	92,077	70,973	92,077	70,973
Total Expenses	15,466,377	15,527,488	3,694,171	3,836,331	19,160,548	19,363,819
Change in Net Position	3,745,766	1,997,076	598,009	152,590	4,343,775	2,149,666
Net Position - Beginning	(34,246,391)	(36,243,467)	7,047,302	6,894,712	(27,199,089)	(29,348,755)
Net Position - Ending	(30,500,625)	(34,246,391)	7,645,311	7,047,302	(22,855,314)	(27,199,089)

Net position of the Village's governmental activities increased by 10.9 percent (\$3,745,766 increase in 2022 compared to an increase of \$1,997,076 in 2021). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled a deficit of \$37,703,274 at April 30, 2022.

Net position of business-type activities increased by 8.5 percent (\$598,009 in 2022 compared to \$152,590 in 2021).

# VILLAGE OF MIDLOTHIAN, ILLINOIS

## Management's Discussion and Analysis April 30, 2022

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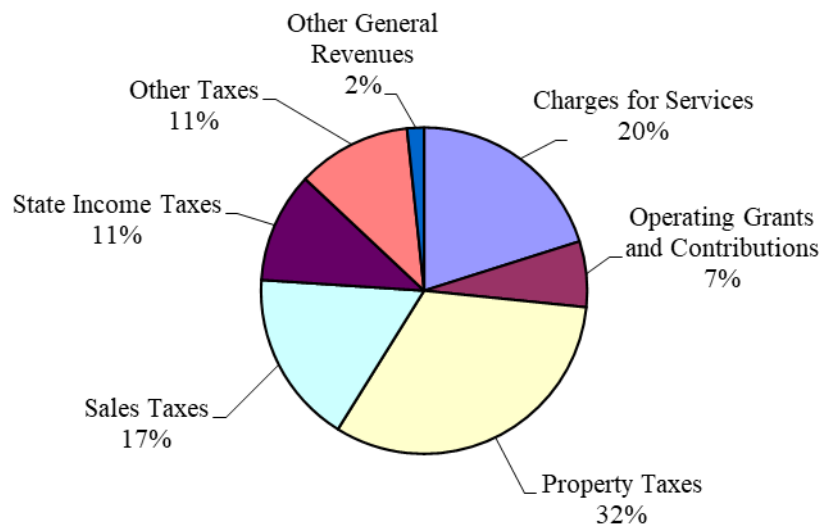
### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

#### Governmental Activities

Revenues for governmental activities totaled \$19,212,143, while the cost of all governmental functions totaled \$15,466,377. This results in a surplus of \$3,745,766. In 2021, revenues of \$17,524,564 exceeded expenses of \$15,527,488 resulting in a surplus of \$1,997,076. The surplus in 2022 was due in large part to the decrease of the net pension liabilities for the Village's IMRF and firefighters' pension funds and the Village's total OPEB liability.

The following table graphically depicts the major revenue sources of the Village. It depicts very clearly the reliance of property taxes, utility taxes and use taxes to fund governmental activities. It also clearly identifies the less significant percentage the Village receives from income taxes.

**Revenues by Source - Governmental Activities**





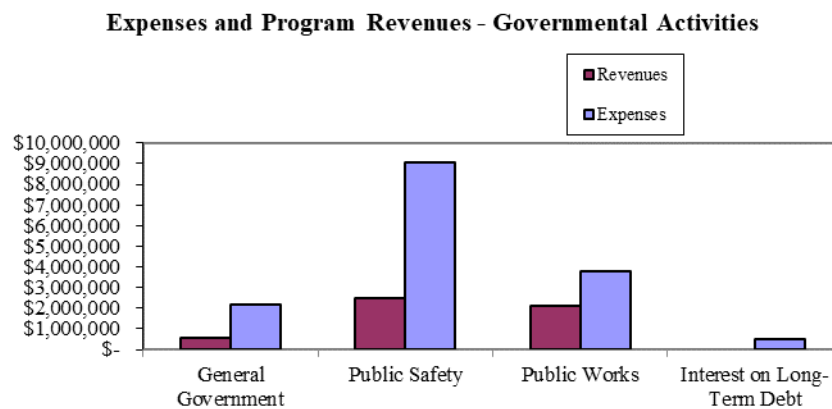
# VILLAGE OF MIDLOTHIAN, ILLINOIS

## Management's Discussion and Analysis April 30, 2022

### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

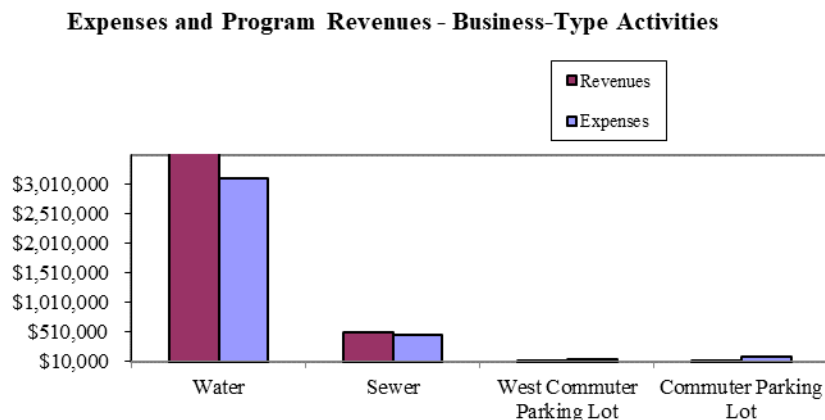
#### Governmental Activities – Continued

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



#### Business-Type Activities

Business-Type activities posted total revenues of \$4,292,180, while the cost of all business-type activities totaled \$3,694,171. This results in a surplus of \$598,009. In 2021, revenues of \$3,988,921 exceeded expenses of \$3,836,331 resulting in a surplus of \$152,590. The surplus in the current year is due to a decrease in expenses associated with cost control measures taken by the Village in addition to an increase in water and sewer charges.



The above graph compares program revenues to expenses for utility operations.

## VILLAGE OF MIDLOTHIAN, ILLINOIS

### Management's Discussion and Analysis April 30, 2022

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#### FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Village 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 \$22,842,465, which is \$2,885,294 higher than last year's total of \$19,957,171. Of the \$22,842,465 total, \$15,019,899 of the fund balance constitutes unassigned fund balance and \$7,822,566 is restricted fund balance.

The General Fund reported a positive change in fund balance for the year of \$2,910,491. This surplus in the current year is due to the increase in intergovernmental revenues in the current fiscal year.

The General Fund is the chief operating fund of the Village. At April 30, 2022, unassigned fund balance in the General Fund was \$15,023,120. 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 101.1 percent of the total General Fund expenditures.

##### Proprietary Funds

The Village's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Village reports both the Water Fund and the Sewer Fund as major proprietary funds. Water is purchased from MidMark at rate of \$4.63 per thousand gallons. Sewage is treated by the Metropolitan Water Reclamation District. Water is sold to all municipal customers at a rate of \$9.00 per thousand gallons for water and a rate of \$.74 per thousand gallons for sewer, in addition to a monthly charge of \$4.76. The spread between purchase and sale rates is intended to finance the operations of the utility system, including labor costs, supplies, and infrastructure maintenance.

The Village intends to run the fund at a breakeven rate. Periodically, there will be an annual surplus or draw down due to timing of capital projects. The surplus in the Water Fund during the current fiscal year was \$628,430 and the Sewer Fund also reported a surplus of \$46,505. The previous fiscal year the Water Fund reported a surplus of \$301,466 and the Sewer Fund reported a deficit of \$98,697. Unrestricted net position in the Water Fund and the Sewer Fund was \$2,125,838 and \$37,511, respectively, at April 30, 2022.

## VILLAGE OF MIDLOTHIAN, ILLINOIS

### Management's Discussion and Analysis April 30, 2022

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#### FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS – Continued

##### GENERAL FUND BUDGETARY HIGHLIGHTS

The Village made no budget amendments to the General Fund during the year. General Fund actual revenues for the year totaled \$17,769,336, compared to budgeted revenues of \$14,969,482. The revenues for taxes, licenses, permits, and fees, charges for services, intergovernmental, fines and forfeitures, and miscellaneous were \$2,041,760, \$159,526, \$308,313, \$1,215,729, \$178,594, and \$19,082 higher than what was originally budgeted for, respectively.

The General Fund actual expenditures for the year were \$3,412,904 lower than budgeted (\$14,858,845 actual compared to \$18,271,749 budgeted). The public safety function's actual expenditures were higher than budgeted expenditures by \$884,622, while all other functions came in under budget. General government, public works, capital outlay, and debt service functions expenditures for the year were lower than budgeted by \$553,240, \$785,829, \$2,781,828, and \$176,629, respectively.

##### CAPITAL ASSETS AND DEBT ADMINISTRATION

###### Capital Assets

The Village's investment in capital assets for its governmental and business type activities as of April 30, 2022 was \$13,563,116 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements/development, building, water infrastructure, sewer system, machinery and equipment, and infrastructure.

	Capital Assets - Net of Accumulated Depreciation					
	Governmental		Business-Type		Totals	
	2022	2021	2022	2021	2022	2021
Land	\$ 1,051,139	1,051,139	88,900	88,900	1,140,039	1,140,039
Construction in Progress	692,600	323,130	-	-	692,600	323,130
Land Improvements/Development	103,907	110,209	1,560	1,950	105,467	112,159
Building	466,933	463,294	-	-	466,933	463,294
Water Infrastructure	-	-	7,440,141	7,603,879	7,440,141	7,603,879
Sewer System	-	-	1,369,425	1,226,155	1,369,425	1,226,155
Machinery and Equipment	1,255,060	1,510,153	471,149	552,252	1,726,209	2,062,405
Infrastructure	622,302	647,702	-	-	622,302	647,702
Totals	4,191,941	4,105,627	9,371,175	9,473,136	13,563,116	13,578,763

## VILLAGE OF MIDLOTHIAN, ILLINOIS

### Management's Discussion and Analysis April 30, 2022

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#### CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

##### Capital Assets – Continued

This year's major additions included:

Construction in Progress	\$ 369,470
Buildings	20,140
Machinery and Equipment	153,687
Water Infrastructure	28,968
Sewer System	205,904
	<hr/>
	778,169
	<hr/>

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

##### Debt Administration

At year-end, the Village had total outstanding debt of \$18,976,438 as compared to \$20,303,109 the previous year, a decrease of 6.5 percent. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental Activities		Business-Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
General Obligation Bonds	\$ 13,449,945	14,109,863	4,750,055	5,105,137	18,200,000	19,215,000
Tax Increment Financing Note Payable	264,913	416,003	-	-	264,913	416,003
Installment Contracts	511,525	672,106	-	-	511,525	672,106
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Totals	14,226,383	15,197,972	4,750,055	5,105,137	18,976,438	20,303,109
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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

## **VILLAGE OF MIDLOTHIAN, ILLINOIS**

### **Management's Discussion and Analysis April 30, 2022**

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#### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The financial condition of the Federal and State governments has had a dramatic effect on the Village of Midlothian during 2022 and is expected to continue into future years. Grant assistance is extremely competitive and previously reliable state shared revenues (especially the income tax and use tax) have been materially reduced. The Village will need to look internally and consider increasing other revenue sources and/or reduce expenditures until these larger governments get their finances in order.

The Village passed a referendum in April 2009, which enabled the Village to increase the property tax levy starting with the 2010 levy. This home rule referendum enabled the Village to increase property tax revenue and decrease deficit spending in future years. Property tax revenue from the increased levy began funding deficit operations in fiscal year 2011.

#### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Village's 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 Office of the Mayor, Village of Midlothian, 14801 Pulaski, Midlothian, Illinois 60445.

## **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

Proprietary 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 MIDLOTHIAN, ILLINOIS**

**Statement of Net Position**

**April 30, 2022**

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**See Following Page**

# VILLAGE OF MIDLOTHIAN, ILLINOIS

## Statement of Net Position

April 30, 2022

	Governmental Activities	Business-Type Activities	Totals
<b>ASSETS</b>			
Current Assets			
Cash and Cash Equivalents	\$ 26,400,532	4,515,080	30,915,612
Receivables - Net of Allowances			
Property Taxes	2,996,623	-	2,996,623
Accounts	267,896	816,736	1,084,632
Other	59,536	-	59,536
Due from Other Governments	814,295	-	814,295
Total Current Assets	30,538,882	5,331,816	35,870,698
Noncurrent Assets			
Capital Assets			
Nondepreciable	1,743,739	88,900	1,832,639
Depreciable	45,317,526	16,997,806	62,315,332
Accumulated Depreciation	(42,869,324)	(7,715,531)	(50,584,855)
Total Capital Assets	4,191,941	9,371,175	13,563,116
Other Assets			
Net Pension Asset - IMRF	1,146,245	-	1,146,245
Total Noncurrent Assets	5,338,186	9,371,175	14,709,361
Total Assets	35,877,068	14,702,991	50,580,059
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Items - IMRF	136,949	-	136,949
Deferred Items - Police Pension	12,110,917	-	12,110,917
Deferred Items - Firefighters' Pension	4,739,148	-	4,739,148
Deferred Items - RBP	2,274,456	274,076	2,548,532
Deferred Items - ARO	-	78,131	78,131
Total Deferred Outflows of Resources	19,261,470	352,207	19,613,677
Total Assets and Deferred Outflows of Resources	55,138,538	15,055,198	70,193,736

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



	Governmental Activities	Business-Type Activities	Totals
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	\$ 656,053	3,136	659,189
Accrued Payroll	21,845	25,282	47,127
Deposits Payable	293,475	367,601	661,076
Accrued Interest Payable	166,984	56,412	223,396
Other Payables	979,747	-	979,747
Current Portion of Long-Term Debt	961,037	304,421	1,265,458
Total Current Liabilities	3,079,141	756,852	3,835,993
Noncurrent Liabilities			
Compensated Absences Payable	368,853	51,249	420,102
Net Pension Liability - Police Pension	9,768,630	-	9,768,630
Net Pension Liability - Firefighters' Pension	12,105,533	-	12,105,533
Total OPEB Liability - RBP	10,377,297	1,250,485	11,627,782
General Obligation Bonds Payable - Net	13,933,652	4,771,474	18,705,126
Tax Increment Financing Notes Payable	264,913	-	264,913
Installment Contract	346,092	-	346,092
Asset Retirement Obligation	-	110,000	110,000
Total Noncurrent Liabilities	47,164,970	6,183,208	53,348,178
Total Liabilities	50,244,111	6,940,060	57,184,171
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Items - IMRF	1,758,571	-	1,758,571
Deferred Items - Police Pension	15,532,133	-	15,532,133
Deferred Items - Firefighters' Pension	8,460,135	-	8,460,135
Deferred Items - RBP	3,898,916	469,827	4,368,743
Property Taxes	5,745,297	-	5,745,297
Total Deferred Inflows of Resources	35,395,052	469,827	35,864,879
Total Liabilities and Deferred Inflows of Resources	85,639,163	7,409,887	93,049,050
<b>NET POSITION</b>			
Net Investment in Capital Assets	(452,933)	4,308,092	3,855,159
Restricted			
Debt Service	1,314,749	586,564	1,901,313
Police	979,091	-	979,091
Fire	401,311	-	401,311
Cicero Avenue TIF	2,687,234	-	2,687,234
Illinois Municipal Retirement	572,458	-	572,458
Motor Fuel Tax	1,687,370	-	1,687,370
Foreign Fire Insurance	13,369	-	13,369
Unrestricted (Deficit)	(37,703,274)	2,750,655	(34,952,619)
Total Net Position	(30,500,625)	7,645,311	(22,855,314)

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

# VILLAGE OF MIDLOTHIAN, ILLINOIS

## Statement of Activities

For the Fiscal Year Ended April 30, 2022

		Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
	Expenses			
Governmental Activities				
General Government	\$ 2,204,250	225,212	335,761	-
Public Safety	9,032,152	2,456,522	-	-
Public Works	3,754,848	1,181,659	916,298	-
Interest on Long-Term Debt	475,127	-	-	-
Total Governmental Activities	15,466,377	3,863,393	1,252,059	-
Business-Type Activities				
Water	3,093,513	3,693,244	-	-
Sewer	464,967	511,472	-	-
West Commuter Parking Lot	43,614	21,835	-	-
Commuter Parking Lot	92,077	36,383	-	-
Total Business-Type Activities	3,694,171	4,262,934	-	-
Total Primary Government	19,160,548	8,126,327	1,252,059	-

### General Revenues

#### Taxes

Property

Other

#### Intergovernmental - Unrestricted

Sales Tax

State Income Tax

Replacement Taxes

Local Use Tax

Municipal Gas Tax

Investment Income

Miscellaneous

Change in Net Position

Net Position - Beginning

Net Position - Ending

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

Net (Expenses)/Revenues		
Primary Government		
Governmental Activities	Business-Type Activities	Totals
(1,643,277)	-	(1,643,277)
(6,575,630)	-	(6,575,630)
(1,656,891)	-	(1,656,891)
(475,127)	-	(475,127)
(10,350,925)	-	(10,350,925)
-	599,731	599,731
-	46,505	46,505
-	(21,779)	(21,779)
-	(55,694)	(55,694)
-	568,763	568,763
(10,350,925)	568,763	(9,782,162)
6,193,658	-	6,193,658
1,371,295	-	1,371,295
3,302,127	-	3,302,127
2,102,800	-	2,102,800
41,565	-	41,565
563,931	-	563,931
199,306	-	199,306
49,127	10,685	59,812
272,882	18,561	291,443
14,096,691	29,246	14,125,937
3,745,766	598,009	4,343,775
(34,246,391)	7,047,302	(27,199,089)
(30,500,625)	7,645,311	(22,855,314)

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

# VILLAGE OF MIDLOTHIAN, ILLINOIS

## Balance Sheet - Governmental Funds April 30, 2022

	General	Nonmajor	Totals
<b>ASSETS</b>			
Cash and Investments	\$ 23,914,342	2,486,190	26,400,532
Receivables - Net of Allowances			
Property Taxes	2,666,581	330,042	2,996,623
Accounts	267,896	-	267,896
Other	59,536	-	59,536
Due from Other Governments	764,568	49,727	814,295
Total Assets	27,672,923	2,865,959	30,538,882
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	656,053	-	656,053
Accrued Payroll	21,845	-	21,845
Deposits Payable	293,475	-	293,475
Other Payables	979,747	-	979,747
Total Liabilities	1,951,120	-	1,951,120
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	5,149,314	595,983	5,745,297
Total Liabilities and Deferred Inflows of Resources	7,100,434	595,983	7,696,417
<b>FUND BALANCES</b>			
Restricted	5,549,369	2,273,197	7,822,566
Unassigned	15,023,120	(3,221)	15,019,899
Total Fund Balances	20,572,489	2,269,976	22,842,465
Total Liabilities, Deferred Inflows of Resources and Fund Balances	27,672,923	2,865,959	30,538,882

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

## VILLAGE OF MIDLOTHIAN, ILLINOIS

### Reconciliation of Total Governmental Fund Balance to Net Position - Governmental Activities

April 30, 2022

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<b>Total Governmental Fund Balances</b>	<b>\$ 22,842,465</b>
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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.	4,191,941
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Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Deferred Items - IMRF	(1,621,622)
Deferred Items - Police Pension	(3,421,216)
Deferred Items - Firefighters' Pension	(3,720,987)
Deferred Items - RBP	(1,624,460)

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(461,066)
Net Pension Liability/(Asset) - IMRF	1,146,245
Net Pension Liability - Police Pension	(9,768,630)
Net Pension Liability - Firefighters' Pension	(12,105,533)
Total OPEB Liability - RBP	(10,377,297)
General Obligation Bonds Payable - Net	(14,637,043)
Tax Increment Financing Note Payable	(264,913)
Installment Contracts	(511,525)
Accrued Interest Payable	(166,984)

<b>Net Position of Governmental Activities</b>	<b><u>(30,500,625)</u></b>
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The notes to the financial statements are an integral part of this statement.

# VILLAGE OF MIDLOTHIAN, ILLINOIS

## Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds For the Fiscal Year Ended April 30, 2022

	General	Nonmajor	Totals
Revenues			
Taxes	\$ 7,038,482	526,471	7,564,953
Licenses, Permits and Fees	932,736	-	932,736
Charges for Services	2,202,863	-	2,202,863
Intergovernmental	6,209,729	916,298	7,126,027
Grant Reimbursement	335,761	-	335,761
Fines and Forfeitures	727,794	-	727,794
Investment Income	49,089	38	49,127
Miscellaneous	272,882	-	272,882
Total Revenues	17,769,336	1,442,807	19,212,143
Expenditures			
General Government	1,805,799	487,609	2,293,408
Public Safety	8,238,976	-	8,238,976
Public Works	2,622,881	980,395	3,603,276
Capital Outlay	636,006	-	636,006
Debt Service			
Principal Retirement	971,589	-	971,589
Interest and Fiscal Charges	583,594	-	583,594
Total Expenditures	14,858,845	1,468,004	16,326,849
Net Change in Fund Balances	2,910,491	(25,197)	2,885,294
Fund Balances - Beginning	17,661,998	2,295,173	19,957,171
Fund Balances - Ending	20,572,489	2,269,976	22,842,465

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

## VILLAGE OF MIDLOTHIAN, ILLINOIS

### Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities - Governmental Activities

For the Fiscal Year Ended April 30, 2022

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<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ 2,885,294</b>
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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	505,963
Depreciation Expense	(419,649)

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

Change in Deferred Items - IMRF	(807,636)
Change in Deferred Items - Police Pension	6,832,881
Change in Deferred Items - Firefighters' Pension	(7,069,068)
Change in Deferred Items - RBP	(3,970,567)

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	(81,754)
Change in Net Pension Liability/(Asset) - IMRF	1,399,543
Change in Net Pension Liability - Police Pension	(6,646,453)
Change in Net Pension Liability - Firefighters' Pension	6,746,282
Change in Total OPEB Liability - RBP	3,290,874
Retirement of Debt	971,589
Amortization of Debt Related Items	78,136

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

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30,331

**Changes in Net Position of Governmental Activities**

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**3,745,766**

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

# VILLAGE OF MIDLOTHIAN, ILLINOIS

## Statement of Net Position - Proprietary Funds April 30, 2022

	Business-Type Activities - Enterprise			
	Water	Sewer	Nonmajor	Totals
<b>ASSETS</b>				
Current Assets				
Cash and Investments	\$ 3,605,836	320,960	588,284	4,515,080
Receivables - Net of Allowances				
Accounts	715,141	101,595	-	816,736
Total Current Assets	4,320,977	422,555	588,284	5,331,816
Noncurrent Assets				
Capital Assets				
Nondepreciable	18,466	-	70,434	88,900
Depreciable	12,884,856	3,500,478	612,472	16,997,806
Accumulated Depreciation	(5,103,933)	(2,023,785)	(587,813)	(7,715,531)
Total Noncurrent Assets	7,799,389	1,476,693	95,093	9,371,175
Total Assets	12,120,366	1,899,248	683,377	14,702,991
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Items - RBP	210,827	63,249	-	274,076
Deferred Items - ARO	78,131	-	-	78,131
Total Deferred Outflows	288,958	63,249	-	352,207
Total Assets and Deferred Outflows	12,409,324	1,962,497	683,377	15,055,198

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



	Business-Type Activities - Enterprise			
	Water	Sewer	Nonmajor	Totals
<b>LIABILITIES</b>				
Current Liabilities				
Accounts Payable	-	2,158	978	3,136
Accrued Payroll	15,313	9,969	-	25,282
Deposits Payable	367,601	-	-	367,601
Accrued Interest	56,412	-	-	56,412
Current Portion of Long-Term Debt	296,588	7,833	-	304,421
Total Current Liabilities	735,914	19,960	978	756,852
Noncurrent Liabilities				
Compensated Absences Payable	19,917	31,332	-	51,249
Total OPEB Liability - RBP	961,907	288,578	-	1,250,485
General Obligation Bonds Payable - Net	4,771,474	-	-	4,771,474
Asset Retirement Obligation	110,000	-	-	110,000
Total Noncurrent Liabilities	5,863,298	319,910	-	6,183,208
Total Liabilities	6,599,212	339,870	978	6,940,060
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Items - RBP	361,404	108,423	-	469,827
Total Liabilities/Deferred Inflows	6,960,616	448,293	978	7,409,887
<b>NET POSITION</b>				
Net Investment in Capital Assets	2,736,306	1,476,693	95,093	4,308,092
Restricted - Debt Service	586,564	-	-	586,564
Unrestricted	2,125,838	37,511	587,306	2,750,655
Total Net Position	5,448,708	1,514,204	682,399	7,645,311

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

# VILLAGE OF MIDLOTHIAN, ILLINOIS

## Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds For the Fiscal Year Ended April 30, 2022

	Business-Type Activities - Enterprise			
	Water	Sewer	Nonmajor	Totals
Operating Revenues				
Charges for Services	\$ 2,945,632	511,472	58,218	3,515,322
Administration Fees	166,444	-	-	166,444
Debt Surcharge	581,168	-	-	581,168
Miscellaneous	18,561	-	-	18,561
Total Operating Revenues	3,711,805	511,472	58,218	4,281,495
Operating Expenses				
Operations	2,613,247	372,972	109,738	3,095,957
Capital Outlay	15,149	1,179	21,363	37,691
Depreciation and Amortization	310,630	90,816	4,590	406,036
Total Operating Expenses	2,939,026	464,967	135,691	3,539,684
Operating Income (Loss)	772,779	46,505	(77,473)	741,811
Nonoperating Revenues (Expenses)				
Investment Income	10,138	-	547	10,685
Interest Expense	(154,487)	-	-	(154,487)
	(144,349)	-	547	(143,802)
Change in Net Position	628,430	46,505	(76,926)	598,009
Net Position - Beginning	4,820,278	1,467,699	759,325	7,047,302
Net Position - Ending	5,448,708	1,514,204	682,399	7,645,311

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

# VILLAGE OF MIDLOTHIAN, ILLINOIS

## Statement of Cash Flows - Proprietary Funds For the Fiscal Year Ended April 30, 2022

	Business-Type Activities - Enterprise Funds			
	Water	Sewer	Nonmajor	Totals
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 3,792,051	543,036	58,218	4,393,305
Payments to Suppliers	(2,906,774)	(253,275)	(130,123)	(3,290,172)
Payments to Employees	(142,010)	(208,956)	-	(350,966)
	743,267	80,805	(71,905)	752,167
Cash Flows from Capital and Related Financing Activities				
Purchase of Capital Assets	(47,635)	(224,571)	-	(272,206)
Payment of Debt Principal	(381,168)	-	-	(381,168)
Interest and Fiscal Charges	(154,487)	-	-	(154,487)
	(583,290)	(224,571)	-	(807,861)
Cash Flows from Investing Activities				
Interest Received	10,138	-	547	10,685
Net Change in Cash and Cash Equivalents	170,115	(143,766)	(71,358)	(45,009)
Cash and Cash Equivalents - Beginning	3,435,721	464,726	659,642	4,560,089
Cash and Cash Equivalents - Ending	3,605,836	320,960	588,284	4,515,080
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	772,779	46,505	(77,473)	741,811
Adjustments to Reconcile Operating Income Income to Net Cash Provided by (Used in) Operating Activities:				
Depreciation and Amortization	310,630	90,816	4,590	406,036
(Increase) Decrease in Current Assets	80,246	31,564	-	111,810
Increase (Decrease) in Current Liabilities	(420,388)	(88,080)	978	(507,490)
Net Cash Provided (Used) by Operating Activities	743,267	80,805	(71,905)	752,167

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

# VILLAGE OF MIDLOTHIAN, ILLINOIS

## Trust Funds

### Statement of Fiduciary Net Position April 30, 2022

	Pension Trust
<hr/>	
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 2,657,503
Investments	
Illinois Firefighters' Pension Investment Fund	6,824,933
Insurance Contracts	6,213,948
Equity Securities	3,464,459
Equity Mutual Funds	8,805,146
Receivables - Net of Allowances	
Accrued Interest	2,381
Prepays	4,765
	<hr/>
Total Assets	27,973,135
<b>LIABILITIES</b>	
Accounts Payable	7,497
	<hr/>
<b>NET POSITION</b>	
Net Position Restricted for Pension	27,965,638
	<hr/> <hr/>

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

## VILLAGE OF MIDLOTHIAN, ILLINOIS

### Trust Funds

#### Statement of Changes in Fiduciary Net Position For the Fiscal Year Ended April 30, 2022

	Pension Trust
Additions	
Contributions - Employer	\$ 1,499,221
Contributions - Plan Members	401,300
Total Contributions	1,900,521
Investment Income	
Interest Earned	722,985
Net Change in Fair Value	(1,308,419)
	(585,434)
Less Investment Expenses	(78,998)
Net Investment Income	(664,432)
Total Additions	1,236,089
Deductions	
Administration	83,162
Benefits and Refunds	2,426,661
Total Deductions	2,509,823
Change in Fiduciary Net Position	(1,273,734)
Net Position - Beginning	29,239,372
Net Position - Ending	27,965,638

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

## VILLAGE OF MIDLOTHIAN, ILLINOIS

### Notes to the Financial Statements April 30, 2022

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#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Midlothian (Village), Illinois was first incorporated under the provisions of the constitution and general statutes of the State of Illinois. The Village operates under a board administrator form of government. The Village board consists of seven elected members that exercise all powers of the Village but are accountable to their constituents for all their actions. The Village provides the following services as authorized by its charter: public safety (police, fire, civil defense and emergency medical), highways and streets, public improvements, planning and zoning, and general administrative services.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). 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 following:

Primary Government:	Village of Midlothian
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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 the Village's contribution levels. Although it is legally separate from the Village, the PPERS is reported as if it were part of the primary Village because its sole purpose is to provide retirement benefits for the Village's police employees. The PPERS is reported as a pension trust fund.

## VILLAGE OF MIDLOTHIAN, ILLINOIS

### Notes to the Financial Statements April 30, 2022

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#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

##### REPORTING ENTITY – Continued

##### Firefighters' Pension Employees Retirement System

The Village's sworn full-time firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of these employees and is governed by a five-member pension board, with two members appointed by the Village's President, two elected from active participants of the Fund, and one elected from the retired members of the Fund. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining FPERS 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 the Village's contribution levels. Although it is legally separate from the Village, the FPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the Village's sworn full-time firefighters. The FPERS is reported as a pension trust fund.

##### 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's police and fire safety, highway and street maintenance and reconstruction, building code enforcement, public improvements, economic development, planning and zoning, and general administrative services are classified as governmental activities. The Village's water, sewer, west commuter parking lot and commuter parking lot activities are classified as business-type activities.

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

# VILLAGE OF MIDLOTHIAN, ILLINOIS

## Notes to the Financial Statements April 30, 2022

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### BASIS OF PRESENTATION – Continued

##### Government-Wide Statements – Continued

The net costs (by function or business-type activity) are normally covered by general revenue (property, sales and use taxes, certain intergovernmental revenues, permits and charges for services, etc.).

This government-wide focus is more 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 comprise its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories.

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 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 or enterprise 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 enterprise funds combined.

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

##### 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:



## VILLAGE OF MIDLOTHIAN, ILLINOIS

### Notes to the Financial Statements April 30, 2022

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#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

##### BASIS OF PRESENTATION – Continued

##### Governmental Funds – Continued

*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 four nonmajor special revenue funds.

##### Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the Village:

*Enterprise funds* are required to account for operations for which a fee is charged to external users for goods or services and the activity is (a) financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges, or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The Village maintains four enterprise funds. The Water Fund, a major fund, is used to account for the costs related to the operation of the Village's water system. Funding is provided by user fees. The Sewer Fund, also a major fund, is used to account for the costs related to the operation of the Village's sewer system. Funding is provided by user fees.

##### Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or custodial capacity by the Village 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 by the Village for pension benefit payments. The Police Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the Village's police force. The Firefighters' Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the Village's Fire Department.

## VILLAGE OF MIDLOTHIAN, ILLINOIS

### Notes to the Financial Statements April 30, 2022

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#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

##### BASIS OF PRESENTATION – Continued

##### Fiduciary Funds – Continued

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

##### 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, both governmental and business-type 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 proprietary and pension trust 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. Proprietary, private purpose trust and pension trust fund equity is classified as net position.

##### Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type 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.

## VILLAGE OF MIDLOTHIAN, ILLINOIS

### Notes to the Financial Statements April 30, 2022

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#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

##### MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

###### Basis of Accounting – Continued

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, sales and use taxes, grants, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

All proprietary and 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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the Village’s enterprise funds are charges to customers for sales and services. The Village also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

##### 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, and cash with fiscal agent. For the purpose of the proprietary funds “Statement of Cash Flows.” cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

## VILLAGE OF MIDLOTHIAN, ILLINOIS

### Notes to the Financial Statements April 30, 2022

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#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

##### Cash and Investments – Continued

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.

##### Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes, sales and use taxes, income taxes, utility taxes and grants. Business-type activities report utility charges as their major receivables.

##### 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 are 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.

##### Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents a consumption/acquisition of net assets 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.

##### Capital Assets

Capital assets purchased or acquired with an original cost of \$10,000 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.

**VILLAGE OF MIDLOTHIAN, ILLINOIS**

**Notes to the Financial Statements**  
**April 30, 2022**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

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

**Capital Assets – Continued**

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, storm sewers and bridges are capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are capitalized at acquisition value on the date donated.

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

Land Improvements/Development	20 Years
Buildings	45 - 50 Years
Water Infrastructure	5 - 50 Years
Sewer System	5 - 50 Years
Machinery and Equipment	5 - 50 Years
Infrastructure	15 - 40 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 and proprietary fund 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, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type 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.

## VILLAGE OF MIDLOTHIAN, ILLINOIS

### Notes to the Financial Statements April 30, 2022

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#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

##### Long-Term Obligations – Continued

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.

##### 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 balances 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, except that depreciation and amortization are not budgeted to proprietary funds.

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

1. The Village Finance Chairman submits to the Village Board a proposed operating budget for the fiscal year. With the help of the budget the Village prepares an Appropriation Ordinance.

## VILLAGE OF MIDLOTHIAN, ILLINOIS

### Notes to the Financial Statements April 30, 2022

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#### NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued

##### BUDGETARY INFORMATION – Continued

2. A public hearing is conducted to obtain taxpayer comments on the appropriation ordinance. Within the first quarter of the fiscal year the Appropriation Ordinance is legally enacted by board action.
3. Appropriation Ordinances for the General Fund, certain Special Revenue Funds, and all Enterprise Funds are adopted on a basis consistent with generally accepted accounting principles.
4. Budgets/Appropriation authority lapses at year-end.
5. State law requires that expenditures may not exceed appropriations. Transfers may be made between line items, departments and funds. The level of legal control is at the fund level.
6. Budgeted amounts are originally adopted, or as amended. During fiscal year 2022, no supplemental budgetary appropriations were made.

The Village did not budget for the Foreign Fire Insurance Fund for the year ended April 30, 2022.

##### EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

The following funds had an excess of actual expenditures over budget as of the date of this report:

Fund	Excess
West Commuter Parking Lot	\$ 17,214
Police Pension	143,749
Firefighters' Pension	2,813

##### DEFICIT FUND BALANCE

The following fund had deficit fund balance as of the date of this report:

Fund	Deficit
Social Security	\$ 3,221

#### 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 except the pension trust 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. The Village's investment policy authorizes the Village to invest in all investments allowed by Illinois Compiles Statutes.

## VILLAGE OF MIDLOTHIAN, ILLINOIS

### Notes to the Financial Statements April 30, 2022

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#### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

##### DEPOSITS AND INVESTMENTS – Continued

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 Illinois Funds.

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. 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.

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. 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.



## VILLAGE OF MIDLOTHIAN, ILLINOIS

### Notes to the Financial Statements April 30, 2022

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#### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

##### DEPOSITS AND INVESTMENTS – Continued

###### Village

*Deposits.* At year-end, the carrying amount of the Village's deposits for governmental and business-type activities totaled \$22,076,485 and the bank balances totaled \$22,451,151. In addition, the Village has \$8,839,127 invested in the Illinois Funds at year-end.

*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 policy states that the objective is to obtain a rate of return throughout the budgetary and economic cycle commensurate with the investment risk constraints and the cash flow needs. The 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 limits its exposure to credit risk by limiting investments of public funds to U.S. Treasury Bonds, Notes and Bills, other securities that are guaranteed by the full faith and credit of the United States of America, U.S. Government Securities, including U.S. Agencies and Instrumentalities, that are rated "AA" or higher, interest-bearing savings and money market accounts, and certificate of deposit and time deposits. At year-end, the Village's investment in the Illinois Funds has a rating of 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 policy requires that funds on deposit in excess of FDIC limits be insured by some form of collateral or separate insurance, witnessed by a written agreement and held by an independent third-party institution in the name of the Village. Furthermore, the amount of collateral provided shall not be less than 110 percent of the bank balance of deposits. At year-end, the entire amount of the bank balance of the deposits was 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 has no specific investment policy on custodial credit risk for investments. At year-end, the Village's investment in 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 mitigates its exposure to concentration risk by diversifying its portfolio and imposing the following limits: (1) with the exception of U.S. Treasury securities, no more than 50% of the Village's total investment portfolio shall be invested in a single security type or with a single financial institution, and (2) monies deposited at a financial institution shall not exceed 25% of the capital stock and surplus of that institution. 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 MIDLOTHIAN, ILLINOIS

### Notes to the Financial Statements April 30, 2022

#### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### DEPOSITS AND INVESTMENTS – Continued

##### Police Pension Fund

*Deposits.* At year-end, the carrying amount of the Pension Fund's deposits totaled \$1,978,409 and the bank balances totaled \$1,982,602.

*Investments.* The Fund has the following investment fair values and maturities:

The Fund has the following recurring fair value measurements as of April 30, 2022:

		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)
Investments by Fair Value Level	Total			
Equity Securities				
Insurance Contracts	\$ 4,245,291	4,245,291	-	-
Equity Securities	3,464,459	3,464,459	-	-
Mutual Funds	8,805,146	8,805,146	-	-
Total Investments by Fair Value Level	16,514,896	16,514,896	-	-

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.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the investment policy, the Pension Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investment maturities to projected fund liabilities.

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

# VILLAGE OF MIDLOTHIAN, ILLINOIS

## Notes to the Financial Statements April 30, 2022

### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### DEPOSITS AND INVESTMENTS – Continued

##### Police Pension Fund - Continued

*Custodial Credit Risk – Deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the Pension Fund's deposits may not be returned to it. At year-end, the entire amount of the bank balance of the deposits was not covered by federal depository or equivalent insurance. The Fund's investment policy requires pledging of collateral with a fair value of 110% of all bank balances in excess of federal depository insurance. The Fund's investment policy requires that all deposits in excess of FDIC insurable limits be secured by collateral in order to protect deposits from default.

*Custodial Credit Risk – Investments.* For an investment, this is the risk that, in the event of the failure of the counterparty, the Fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Money market mutual funds and equity mutual funds are not subject to custodial credit risk. In accordance with the investment policy, the 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.

*Concentration of Credit Risk.* This is the risk of loss attributed to the magnitude of the Pension Fund's investment in a single issuer. In accordance with the investment policy, the Pension Fund diversifies investments to avoid incurring unreasonable risks from the practice of concentrating investments in specific security types and/or individual financial institutions. At year-end, the Fund is in compliance with the guideline outlined above. At year-end, the Fund has over 5 percent of net plan assets 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) invested in Protective Life Insurance Contracts of \$3,878,472

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
Fixed Income	30.00%	2.70% - 3.00%
U.S. Large Cap Equities	45.00%	6.61%
U.S. Mid Cap Equities	10.00%	6.84%
International Equities	10.00%	6.72%
Cash and Cash Equivalents	5.00%	2.10%

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.

## VILLAGE OF MIDLOTHIAN, ILLINOIS

### Notes to the Financial Statements April 30, 2022

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#### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

##### DEPOSITS AND INVESTMENTS – Continued

##### Police Pension Fund – Continued

*Concentration of Credit Risk – Continued.* The long-term expected rate of return on the Fund's investments was determined using an asset allocation study by Raymond James, the Fund's investment management consultant, in 2022, 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 weighing 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, 2022 are listed in the table on the previous page. The Pension Fund has diversified its insurance contract and equity mutual fund holdings as follows:

Insurance Contracts	Fair Value
Protective Life Insurance Contract	\$ 3,878,472
Brighthouse Life Insurance Contract	366,819
Total Insurance Contracts	<u>4,245,291</u>
Equity Mutual Funds	Fair Value
Vanguard 500 Index Admiral Fund	\$ 3,683,211
Fidelity Select Software & IT Services Portfolio	1,230,436
American Funds Growth Fund of America F-2 Class Fund	1,682,766
American Funds AMCAP Fund	518,205
American Funds New Perspective Fund	494,787
American Funds Capital Income Builder Fund	416,748
American Funds American Balanced Fund	403,722
iShares Russell 1000 Value ETF Fund	267,495
Energy Select Sector SPDR ETF Fund	65,756
Templeton Global Bond Fund	42,020
Total Equity Mutual Funds	<u>8,805,146</u>

##### Rate of Return

For the year ended April 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (0.87%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

## VILLAGE OF MIDLOTHIAN, ILLINOIS

### Notes to the Financial Statements April 30, 2022

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#### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

##### DEPOSITS AND INVESTMENTS – Continued

##### **Firefighters' Pension Fund**

The Illinois Firefighters' Pension Investment Fund (IFPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate firefighter pension funds. IFPIF was created by Public Act 101-0610, and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds. Participation in IFPIF by Illinois suburban and downstate firefighter pension funds is mandatory. Investments of the Pension Fund are combined in a commingled external investment pool and held by IFPIF. A schedule of investment expenses is included in IFPIF's annual report. For additional information on IFPIF's investments, please refer to their annual report, which can be obtained from IFPIF at 1919 South Highland Avenue, Building A, Suite 237, Lombard, IL 60148 or at [www.ifpif.org](http://www.ifpif.org). The Pension Fund transferred all eligible assets to the IFPIF in October 2021.

*Deposits.* The Pension Fund retains all its available cash with one financial institution. Available cash is determined to be that amount which is required for the current expenditures of the Pension Fund. The excess of available cash is required to be transferred to IFPIF for purposes of the long-term investment for the Pension Fund. At year-end, the carrying amount of the Pension Fund's cash on hand totaled \$679,094 and the bank balances totaled \$679,094.

*Custodial Credit Risk.* In the case of deposits, this is the risk that in the event of a bank failure, the Pension Fund's deposits may not be returned to it. The Pension Fund's investment policy does not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the Pension Fund's deposits with financial institutions.

*Investments.* At year-end the Pension Fund has \$6,824,933 invested in IFPIF, which is measured at the Net Asset Value (NAV) per share as determined by the pool. The pooled investments consist of the investments as noted in the target allocation table available at [www.ifpif.org](http://www.ifpif.org). In addition, the Pension Fund has \$1,968,657 invested in insurance contracts, which are measured at the Net Asset Value (NAV) per share as determined by the plans and exceeds 5 percent of net plan assets 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).

*Investment Policy.* IFPIF's current investment policy was adopted by the Board of Trustees on June 17, 2022. IFPIF is authorized to invest in all investments allowed by Illinois Compiled Statutes (ILCS). The IFPIF shall not be subject to any of the limitations applicable to investments of pension fund assets currently held by the transferor pension funds under Sections 1-113.1 through 1-113.12 or Article 4 of the Illinois Pension Code.

##### **Rate of Return**

For the year ended April 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (2.75%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

## VILLAGE OF MIDLOTHIAN, ILLINOIS

### Notes to the Financial Statements April 30, 2022

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#### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

##### PROPERTY TAXES

Property taxes for 2021 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 Cook County and are payable in two installments, on or about March 1, and September 1. The County collects such taxes and remits them periodically.

##### CAPITAL ASSETS

###### Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 1,051,139	-	-	1,051,139
Constuction in Progress	323,130	369,470	-	692,600
	<u>1,374,269</u>	<u>369,470</u>	<u>-</u>	<u>1,743,739</u>
Depreciable Capital Assets				
Land Improvements	189,944	-	-	189,944
Buildings	1,252,939	20,140	-	1,273,079
Machinery and Equipment	5,348,020	116,353	-	5,464,373
Infrastructure	38,390,130	-	-	38,390,130
	<u>45,181,033</u>	<u>136,493</u>	<u>-</u>	<u>45,317,526</u>
Less Accumulated Depreciation				
Land Improvements	79,735	6,302	-	86,037
Buildings	789,645	16,501	-	806,146
Machinery and Equipment	3,837,867	371,446	-	4,209,313
Infrastructure	37,742,428	25,400	-	37,767,828
	<u>42,449,675</u>	<u>419,649</u>	<u>-</u>	<u>42,869,324</u>
Total Net Depreciable Capital Assets	<u>2,731,358</u>	<u>(283,156)</u>	<u>-</u>	<u>2,448,202</u>
Total Net Capital Assets	<u>4,105,627</u>	<u>86,314</u>	<u>-</u>	<u>4,191,941</u>

# VILLAGE OF MIDLOTHIAN, ILLINOIS

## Notes to the Financial Statements April 30, 2022

### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### CAPITAL ASSETS – Continued

##### Governmental Activities – Continued

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 19,765
Public Safety	263,234
Public Works	<u>136,650</u>
	<u>419,649</u>

##### Business-Type Activities

Business-type capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 88,900	-	-	88,900
Depreciable Capital Assets				
Land Development	357,058	-	-	357,058
Buildings	35,000	-	-	35,000
Water Infrastructure	11,559,618	28,968	-	11,588,586
Sewer System	2,786,321	205,904	-	2,992,225
Machinery and Equipment	1,987,603	37,334	-	2,024,937
	<u>16,725,600</u>	<u>272,206</u>	<u>-</u>	<u>16,997,806</u>
Less Accumulated Depreciation				
Land Development	355,108	390	-	355,498
Buildings	35,000	-	-	35,000
Water Infrastructure	3,955,739	192,706	-	4,148,445
Sewer System	1,560,166	62,634	-	1,622,800
Machinery and Equipment	1,435,351	118,437	-	1,553,788
	<u>7,341,364</u>	<u>374,167</u>	<u>-</u>	<u>7,715,531</u>
Total Net Depreciable Capital Assets	<u>9,384,236</u>	<u>(101,961)</u>	<u>-</u>	<u>9,282,275</u>
Total Net Capital Assets	<u>9,473,136</u>	<u>(101,961)</u>	<u>-</u>	<u>9,371,175</u>

## VILLAGE OF MIDLOTHIAN, ILLINOIS

### Notes to the Financial Statements April 30, 2022

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#### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

##### CAPITAL ASSETS – Continued

##### Business-Type Activities – Continued

Depreciation expense was charged to business-type activities as follows:

Water	\$ 278,761
Sewer	90,816
Commuter Parking Lot	<u>4,590</u>
	<u>374,167</u>

#### LONG-TERM DEBT

##### General Obligation Bonds/Alternate Revenue Source Bonds

The Village issues bonds where the Village pledges income derived from specific revenue sources to pay debt service. Alternate revenue source bonds have been issued for proprietary purposes, they are direct obligations that are backed by the full faith and credit of the Village.

The Village also issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities and for working capital. General obligation bonds are direct obligations and pledge the full faith and credit of the Village. General obligation bonds/alternate revenue source bonds currently outstanding are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation (Alternate Revenue Source) Bonds of 2007, due in annual installments of \$35,000 to \$170,000 plus interest at 4.00% through January 1, 2032.	General	\$ 105,000	-	105,000	-
General Obligation Bonds of 2010A, due in annual installments of \$300,000 to \$615,000 plus interest at 1.75% to 5.25% through February 1, 2034.	General	75,563	-	75,563	-
	Water	334,437	-	334,437	-



# VILLAGE OF MIDLOTHIAN, ILLINOIS

## Notes to the Financial Statements April 30, 2022

### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### LONG-TERM DEBT – Continued

#### General Obligation Bonds/Alternate Revenue Source Bonds – Continued

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Refunding Bonds of 2013, due in annual installments of \$210,000 to \$325,000 plus interest at 2.00% to 3.75% through February 1, 2023.	General	\$ 635,000	-	310,000	325,000
General Obligation Bonds of 2019, due in annual installments of \$160,000 to \$265,000 plus interest at 4.00% through January 1, 2038.	General	2,910,000	-	-	2,910,000
General Obligation Refunding Bonds of 2019A, due in annual installments of \$240,000 to \$825,000 plus interest at 4.00% through January 1, 2034.	General	2,920,200	-	19,355	2,900,845
	Water	3,114,800	-	20,645	3,094,155
Taxable General Obligation Refunding Bonds of 2019B, due in annual installments of \$235,000 to \$310,000 plus interest at 2.43% to 3.03% through January 1, 2030.	General	374,100	-	-	374,100
	Water	1,655,900	-	-	1,655,900
General Obligation Bonds of 2020, due in annual installments of \$105,000 to \$640,000 plus interest at 3.00% to 4.00% through January 1, 2039.	General	7,090,000	-	150,000	6,940,000
		19,215,000	-	1,015,000	18,200,000

## VILLAGE OF MIDLOTHIAN, ILLINOIS

### Notes to the Financial Statements April 30, 2022

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#### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

##### LONG-TERM DEBT – Continued

##### Tax Increment Financing Notes Payable

On September 11, 2013, the Village signed a note for 23 years with 147<sup>th</sup> & Cierco, LLC in the amount of \$500,000 at an interest rate of 4.00% per annum. These notes will only be paid if there are incremental real estate taxes (paid from the General Fund) from which to pay it. Tax increment financing notes currently outstanding are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
Tax Increment Financing Note Payable of 2013 - Due from incremental real estate taxes, when available, with an interest rate of 3.945%.	General	\$ 416,003	-	151,090	264,913

##### Installment Contracts

The Village also issues installment contracts payable to provide funds for the purchase of capital assets. Installment contracts currently outstanding are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
\$469,589 Installment Contract (Fire Engine) of 2016 - due in annual installments of \$45,028 to \$59,945 plus interest at 3.64% through August 25, 2024.	General	\$ 227,440	-	53,847	173,593
\$180,039 Installment Contract (Motorola Radios) of 2019 - due in annual installments of \$33,405 to \$38,709 plus interest at 3.69% through October 15, 2024.	General	146,634	-	34,658	111,976

## VILLAGE OF MIDLOTHIAN, ILLINOIS

### Notes to the Financial Statements April 30, 2022

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#### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

##### LONG-TERM DEBT – Continued

##### Installment Contracts – Continued

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
\$277,724 Installment Contract (Streetsweeper) of 2020 - due in annual installments of \$52,363 to \$58,820 plus interest at 2.95% through March 1, 2025.	General	\$ 225,361	-	53,908	171,453
\$90,839 Installment Contract (Cardiac Monitors) of 2021 - due in annual installments of \$18,168 to \$18,168 non-interest bearing through December 12, 2024.	General	72,671	-	18,168	54,503
		672,106	-	160,581	511,525

##### Asset Retirement Obligation

The Village has recognized an asset retirement obligation (ARO) and related deferred outflow of resources in connection with its obligation to seal and abandon various water reservoirs and demolition of the Village's water tower and standpipe at the end of their estimated useful lives in accordance with federal, state, and/or local requirements. The ARO was measured using actual historical costs for similar abandonments, adjusted for inflation through the end of the year. The estimated remaining useful lives of the two water reservoirs are 1 year and 48 years. The estimated remaining useful life of the water tower is 46 years.

# VILLAGE OF MIDLOTHIAN, ILLINOIS

## Notes to the Financial Statements April 30, 2022

### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### LONG-TERM DEBT – Continued

##### 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
<b>Governmental Activities</b>					
Compensated Absences	\$ 379,312	163,508	81,754	461,066	92,213
Net Pension Liability/(Asset) - IMRF	253,298	-	1,399,543	(1,146,245)	-
Net Pension Liability - Police	3,122,177	6,646,453	-	9,768,630	-
Net Pension Liability - Firefighters'	18,851,815	-	6,746,282	12,105,533	-
Total OPEB Liability - RBP	13,668,171	-	3,290,874	10,377,297	-
General Obligation Bonds	14,109,863	-	659,918	13,449,945	703,391
Plus: Unamortized Premium	1,265,234	-	78,136	1,187,098	-
Tax Increment Financing Note Payable	416,003	-	151,090	264,913	-
Installment Contracts	672,106	-	160,581	511,525	165,433
	<u>52,737,979</u>	<u>6,809,961</u>	<u>12,568,178</u>	<u>46,979,762</u>	<u>961,037</u>
<b>Business-Type Activities</b>					
Compensated Absences	63,695	732	366	64,061	12,812
Total OPEB Liability - RBP	2,100,517	-	850,032	1,250,485	-
General Obligation Bonds	5,105,137	-	355,082	4,750,055	291,609
Plus: Unamortized Premium	339,114	-	26,086	313,028	-
Asset Retirement Obligation	110,000	-	-	110,000	-
	<u>7,718,463</u>	<u>732</u>	<u>1,231,566</u>	<u>6,487,629</u>	<u>304,421</u>

For governmental-type activities, payments on the compensated absences, the net pension liabilities/(asset), the total OPEB liability, the general obligation bonds, the tax increment financing note payable, and the installment contracts are made by the General Fund.

For the business-type activities, the compensated absences and the total OPEB liability are being liquidated by the Water Fund and Sewer Fund. The general obligation bonds and the asset retirement obligation are liquidated by the Water Fund.

## VILLAGE OF MIDLOTHIAN, ILLINOIS

### Notes to the Financial Statements April 30, 2022

#### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

##### LONG-TERM DEBT – Continued

##### Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year	Governmental Activities				Business-Type Activities	
	General Obligation Bonds Payable		Installment Contracts		General Obligation Bonds Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 703,391	481,996	165,433	15,582	291,609	169,236
2024	657,496	454,672	170,451	10,564	377,504	157,572
2025	650,932	429,052	175,641	5,373	424,068	145,482
2026	671,051	403,747	-	-	438,949	131,755
2027	686,651	377,623	-	-	463,349	117,383
2028	721,687	350,897	-	-	473,313	102,111
2029	754,845	322,687	-	-	485,155	86,089
2030	779,200	293,103	-	-	505,800	69,391
2031	904,199	265,388	-	-	425,801	51,611
2032	1,008,391	232,270	-	-	371,609	34,580
2033	1,107,907	196,434	-	-	307,093	19,716
2034	1,019,195	158,118	-	-	185,805	7,432
2035	875,000	123,550	-	-	-	-
2036	905,000	94,950	-	-	-	-
2037	930,000	65,350	-	-	-	-
2038	965,000	34,900	-	-	-	-
2039	110,000	3,300	-	-	-	-
Totals	13,449,945	4,288,037	511,525	31,519	4,750,055	1,092,358

##### Legal Debt Margin

Article VII, Section 6(k) of the 1970 Illinois Constitution governs the computation of legal debt margin. "The General Assembly may limit by law the amount and require referendum approval of debt to the incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property...(2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent: indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum...shall not be included in the foregoing percentage amounts."

To date the Illinois General Assembly has set no limits for home rule municipalities. The Village is a home rule municipality.

## VILLAGE OF MIDLOTHIAN, ILLINOIS

### Notes to the Financial Statements April 30, 2022

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#### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### NET POSITION CLASSIFICATIONS

Net investment in capital assets, was comprised of the following as of April 30, 2022:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 4,191,941
Plus: Unspent Bond Proceeds	10,503,694
Less Capital Related Debt:	
General Obligation Refunding Bonds of 2013	(325,000)
General Obligation Bonds of 2019	(2,910,000)
General Obligation Refunding Bonds of 2019A	(2,900,845)
Taxable General Obligation Refunding Bonds of 2019B	(374,100)
General Obligation Bonds of 2020	(6,940,000)
Unamortized Premium	(1,187,098)
Installment Contract of 2016	(173,593)
Installment Contract of 2019	(111,976)
Installment Contract of 2020	(171,453)
Installment Contract of 2021	<u>(54,503)</u>
Net Investment in Capital Assets	<u><u>(452,933)</u></u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	9,371,175
Less Capital Related Debt:	
General Obligation Refunding Bonds of 2019A	(3,094,155)
Taxable General Obligation Refunding Bonds of 2019B	(1,655,900)
Unamortized Premium	<u>(313,028)</u>
Net Investment in Capital Assets	<u><u>4,308,092</u></u>

#### 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.

## VILLAGE OF MIDLOTHIAN, ILLINOIS

### Notes to the Financial Statements April 30, 2022

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#### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

##### FUND BALANCE CLASSIFICATIONS – Continued

*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 Village's policy fund balance policy states that the General Fund should maintain a minimum unassigned fund balance equal to 8.5% of actual operating expenditures, less capital outlay expenditures.

	General	Nonmajor	Totals
Restricted			
Debt Service	\$ 1,481,733	-	1,481,733
Police	979,091	-	979,091
Fire	401,311	-	401,311
Cicero Avenue TIF	2,687,234	-	2,687,234
Illinois Municipal Retirement	-	572,458	572,458
Motor Fuel Tax	-	1,687,370	1,687,370
Foreign Fire Insurance	-	13,369	13,369
	<u>5,549,369</u>	<u>2,273,197</u>	<u>7,822,566</u>
Unassigned	<u>15,023,120</u>	<u>(3,221)</u>	<u>15,019,899</u>
Total Fund Balances	<u>20,572,489</u>	<u>2,269,976</u>	<u>22,842,465</u>

## **VILLAGE OF MIDLOTHIAN, ILLINOIS**

### **Notes to the Financial Statements April 30, 2022**

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#### **NOTE 4 – OTHER INFORMATION**

##### **RISK MANAGEMENT – ILLINOIS COUNTIES RISK MANAGEMENT TRUST**

The Village is exposed to various risks of loss related to torts, theft of, damage to, and destruction to assets; errors and omissions; injuries to employees; and natural disasters. The Village participates in the Illinois Counties Risk Management Trust (ICRMT), which is an organization of municipalities and special Villages throughout the state of Illinois, which have formed an association under the Illinois Intergovernmental Cooperation's Statute to pool its risk management needs. The Village pays annual premiums to ICRMT for its workers' compensation, general liability, property coverage and other coverage deemed necessary by the Village.

The Village assumes the first \$2,500 for the general liability and \$5,000 for every occurrence, and ICRMT has a mix of self-insurance and commercial insurance at various amounts above that level.

The Village contracts with a commercial insurance company for its health insurance, life insurance and dental coverage. To date, health insurance claims have not exceeded coverage.

Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

##### **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.

##### **COMMITMENTS**

###### **Economic Incentive Agreement**

In July of 2014, the Village entered into an agreement with a local grocer to make three annual contributions equal to 75 percent of the sum of sales tax and home rule sales tax generated by the grocer's sales at the property. The agreement shall end fifteen years following the commencement date. Through April 30, 2022, the Village has reimbursed \$832,136, including \$127,456 in the current year. All payments have been recorded as an expenditure of the General Fund.



## VILLAGE OF MIDLOTHIAN, ILLINOIS

### Notes to the Financial Statements April 30, 2022

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#### NOTE 4 – OTHER INFORMATION – Continued

##### COMMITMENTS – Continued

##### Economic Incentive Agreement – Continued

In February of 2017, the Village entered into an agreement with a local hardware company to make three annual contributions equal to 50 percent of the sum of sales tax and home rule sales tax generated by the hardware company's sales at the property. Through April 30, 2022 the Village has reimbursed \$43,526, including \$6,323 in the current year. All payments have been recorded as an expenditure of the General Fund. This agreement expired in the current fiscal year.

In June of 2015, the Village entered into an agreement with a Developer to reimburse eligible redevelopment project costs in the form of a Tax Increment Revenue Note. In addition, the Village will rebate one-half or one percent, whichever is lower, of any home rule retailers' occupation tax service or home rule service occupation tax which is collected on the retail sale of motor fuel on the property. As of April 30, 2022, \$242,011 of gas tax has been rebated to the Developer, of which \$113,501 was paid in the current year. All payments have been recorded as an expenditure of the General Fund. Refer to Note 3 – Long Term Debt for additional details on the Tax Increment Revenue Note.

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system, the Police Pension Plan which is a single-employer pension plan, and the Firefighters' Pension Plan which is a single-employer pension plan. A separate report is issued for the Police and Firefighters' Pension Plans and may be obtained by writing to the Village of Midlothian, 1480 S. Pulaski Road, Midlothian, Illinois 60445.

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 on-line at [www.imrf.org](http://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 amounts recognized for the three pension plans are:

	Net Pension Liabilities/ (Asset)	Deferred Outflows	Deferred Inflows	Pension Expense/ (Revenue)
IMRF	\$ (1,146,245)	136,949	1,758,571	(346,006)
Police Pension	9,768,630	12,110,917	15,532,133	365,051
Firefighters' Pension	12,105,533	4,739,148	8,460,135	1,270,528
	20,727,918	16,987,014	25,750,839	1,289,573

## VILLAGE OF MIDLOTHIAN, ILLINOIS

### Notes to the Financial Statements April 30, 2022

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#### 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 and Firefighters' 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.

*Benefits Provided – Continued.* 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.

# VILLAGE OF MIDLOTHIAN, ILLINOIS

## Notes to the Financial Statements April 30, 2022

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### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

##### Illinois Municipal Retirement Fund (IMRF) – Continued

##### Plan Descriptions – Continued

*Plan Membership.* As of December 31, 2021, the measurement date, the following Village and Library employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	39
Inactive Plan Members Entitled to but not yet Receiving Benefits	36
Active Plan Members	<u>39</u>
Total	<u><u>114</u></u>

*Contributions.* As set by statute, the Village's Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year-ended April 30, 2022, the Village's contribution was 12.27% of covered payroll.

*Net Pension Liability/(Asset).* The Village's net pension liability/(asset) was measured as of December 31, 2021. The total pension liability used to calculate the net pension liability/(asset) 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, 2021, 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	3.25%
Inflation	2.25%

# VILLAGE OF MIDLOTHIAN, ILLINOIS

## Notes to the Financial Statements April 30, 2022

### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

##### Illinois Municipal Retirement Fund (IMRF) – Continued

*Actuarial Assumptions – Continued.* 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:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	25.00%	(0.60%)
Domestic Equities	39.00%	1.90%
International Equities	15.00%	3.15%
Real Estate	10.00%	3.30%
Blended	10.00%	1.70% - 5.50%
Cash and Cash Equivalents	1.00%	(0.90%)

##### 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.

# VILLAGE OF MIDLOTHIAN, ILLINOIS

## Notes to the Financial Statements April 30, 2022

### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

##### Illinois Municipal Retirement Fund (IMRF) – Continued

##### 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 net 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:

		Current	
	1% Decrease	Discount Rate	1% Increase
	(6.25%)	(7.25%)	(8.25%)
Net Pension Liability/(Asset)	\$ 378,426	(1,146,245)	(2,371,670)

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

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability/ (Asset) (A) - (B)
Balances at April 30, 2021	\$ 12,511,695	12,258,397	253,298
Changes for the Year:			
Service Cost	188,904	-	188,904
Interest on the Total Pension Liability	916,931	-	916,931
Changes of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience of the Total Pension Liability	(65,858)	-	(65,858)
Changes of Assumptions	-	-	-
Contributions - Employer	-	269,369	(269,369)
Contributions - Employees	-	92,143	(92,143)
Net Investment Income	-	2,129,778	(2,129,778)
Benefit Payments, including Refunds of Employee Contributions	(634,188)	(634,188)	-
Other (Net Transfer)	-	(51,770)	51,770
Net Changes	405,789	1,805,332	(1,399,543)
Balances at April 30, 2022	12,917,484	14,063,729	(1,146,245)

# VILLAGE OF MIDLOTHIAN, ILLINOIS

## Notes to the Financial Statements April 30, 2022

### 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

For the year ended April 30, 2022, the Village recognized pension revenue of \$346,006. At April 30, 2022, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 57,282	(47,945)	9,337
Change in Assumptions	-	(58,182)	(58,182)
Net Difference Between Projected and Actual			
Earnings on Pension Plan Investments	-	(1,652,444)	(1,652,444)
Total Pension Expense to be			
Recognized in Future Periods	57,282	(1,758,571)	(1,701,289)
Pension Contributions Made Subsequent			
to the Measurement Date	79,667	-	79,667
Total Deferred Amounts Related to IMRF	136,949	(1,758,571)	(1,621,622)

\$79,667 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, 2023. 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
2023	\$ (361,828)
2024	(676,650)
2025	(417,709)
2026	(245,102)
2027	-
Thereafter	-
Total	(1,701,289)

VILLAGE OF MIDLOTHIAN, ILLINOIS

Notes to the Financial Statements  
April 30, 2022

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, 2022, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	20
Inactive Plan Members Entitled to but not yet Receiving Benefits	4
Active Plan Members	<u>29</u>
Total	<u><u>53</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.

VILLAGE OF MIDLOTHIAN, ILLINOIS

Notes to the Financial Statements  
April 30, 2022

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Plan Descriptions – Continued

*Benefits Provided – Continued.* 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 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officer salary for the pension 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 1<sup>st</sup> 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 or ½ of the change in the Consumer Price Index for the proceeding calendar year.

*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, 2022, the Village's contribution was 21.36% of covered payroll.

*Significant Investments.* At year-end, the Pension Plan has over 5 percent of the 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) invested in:

Investment	Amount
Protective Life Insurance Contract	\$ 3,878,472



# VILLAGE OF MIDLOTHIAN, ILLINOIS

## Notes to the Financial Statements April 30, 2022

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### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

##### Police Pension Plan – Continued

##### Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of April 30, 2022, 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	3.50% - 43.69%
Cost of Living Adjustments	3.25%
Inflation	2.25%

Mortality rates are based on PubS-2010(A) study improved fully generationally using MP-2019 improvement rates.

##### Discount Rate

A Single Discount Rate of 6.30% was used to measure the total pension liability and the prior year used a discount rate of 7.25%. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 3.21%, and the resulting single discount rate is 6.30%.

# VILLAGE OF MIDLOTHIAN, ILLINOIS

## Notes to the Financial Statements April 30, 2022

### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

##### Police Pension Plan – Continued

##### 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 net 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 (5.30%)	Current Discount Rate (6.30%)	1% Increase (7.30%)
Net Pension Liability	\$ 14,188,090	9,768,630	6,213,593

##### Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2021	\$ 22,560,721	19,438,544	3,122,177
Changes for the Year:			
Service Cost	406,365	-	406,365
Interest on the Total Pension Liability	1,537,766	-	1,537,766
Changes of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience of the Total Pension Liability	(555,945)	-	(555,945)
Changes of Assumptions	5,737,322	-	5,737,322
Contributions - Employer	-	551,479	(551,479)
Contributions - Employees	-	251,222	(251,222)
Net Investment Income	-	(293,910)	293,910
Benefit Payments, including Refunds of Employee Contributions	(1,422,840)	(1,422,840)	-
Administrative Expense	-	(29,736)	29,736
Net Changes	5,702,668	(943,785)	6,646,453
Balances at April 30, 2022	28,263,389	18,494,759	9,768,630

# VILLAGE OF MIDLOTHIAN, ILLINOIS

## Notes to the Financial Statements April 30, 2022

### 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

For the year ended April 30, 2022, the Village recognized pension expense of \$365,051. At April 30, 2022, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 440,942	(3,455,214)	(3,014,272)
Change in Assumptions	11,669,975	(11,791,385)	(121,410)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(285,534)	(285,534)
Total Deferred Amounts Related to Police Pension	12,110,917	(15,532,133)	(3,421,216)

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
2023	\$ 15,693
2024	(85,569)
2025	(851,573)
2026	(51,576)
2027	(402,991)
Thereafter	(2,045,200)
Total	(3,421,216)

VILLAGE OF MIDLOTHIAN, ILLINOIS

Notes to the Financial Statements  
April 30, 2022

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters’ Pension Fund

Plan Descriptions

*Plan Administration.* The Firefighters’ Pension Plan is a single-employer defined benefit pension plan that covers all sworn firefighter personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-1) 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 fire employees.

*Plan Membership.* At April 30, 2022, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	15
Inactive Plan Members Entitled to but not yet Receiving Benefits	3
Active Plan Members	<u>19</u>
Total	<u><u>37</u></u>

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

The Firefighters’ 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 firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter.

# VILLAGE OF MIDLOTHIAN, ILLINOIS

## Notes to the Financial Statements April 30, 2022

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### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

##### Firefighters' Pension Plan – Continued

##### Plan Descriptions – Continued

*Benefits Provided – Continued.* 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 firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for 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 firefighter shall be increased annually at age 60 on the January 1<sup>st</sup> after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or ½ of the change in the Consumer Price Index for the proceeding calendar year.

*Contributions.* Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to 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, 2022, the Village's contribution was 59.36% of covered payroll.

*Significant Investments.* At year-end, the Pension Plan has over 5 percent of the 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) invested in:

Investment	Amount
Protective Life Insurance Contract	\$ 1,968,657

## VILLAGE OF MIDLOTHIAN, ILLINOIS

### Notes to the Financial Statements April 30, 2022

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#### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

#### Firefighters' Pension Plan – Continued

##### Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of April 30, 2022, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	5-Year Smoothed Fair Value
Actuarial Assumptions	
Interest Rate	6.75%
Salary Increases	3.50% - 24.39%
Cost of Living Adjustments	2.25%
Inflation	2.25%

Mortality rates are based on PubS-2010(A) study improved fully generationally using MP-2019 improvement rates.

##### Discount Rate

A Single Discount Rate of 5.89% was used to measure the total pension liability, and the prior year used a discount rate of 4.31%. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 6.75%, the municipal bond rate is 3.21%, and the resulting single discount rate is 5.89%.

# VILLAGE OF MIDLOTHIAN, ILLINOIS

## Notes to the Financial Statements April 30, 2022

### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

##### Firefighters' Pension Plan – Continued

##### 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 (4.89%)	Current Discount Rate (5.89%)	1% Increase (6.89%)
Net Pension Liability	\$ 15,241,302	12,105,533	9,556,475

##### Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2021	\$ 28,652,643	9,800,828	18,851,815
Changes for the Year:			
Service Cost	764,740	-	764,740
Interest on the Total Pension Liability	1,099,282	-	1,099,282
Changes of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience of the Total Pension Liability	(2,645,125)	-	(2,645,125)
Changes of Assumptions	(5,291,307)	-	(5,291,307)
Contributions - Employer	-	947,742	(947,742)
Contributions - Employees	-	150,078	(150,078)
Net Investment Income	-	(370,522)	370,522
Benefit Payments, including Refunds of Employee Contributions	(1,003,821)	(1,003,821)	-
Administrative Expense	-	(53,426)	53,426
Net Changes	(7,076,231)	(329,949)	(6,746,282)
Balances at April 30, 2022	21,576,412	9,470,879	12,105,533

## VILLAGE OF MIDLOTHIAN, ILLINOIS

### Notes to the Financial Statements April 30, 2022

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#### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

#### Firefighters' Pension Plan – Continued

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

For the year ended April 30, 2022, the Village recognized pension expense of \$1,270,528. At April 30, 2022, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 428,724	(2,298,670)	(1,869,946)
Change in Assumptions	4,077,872	(6,161,465)	(2,083,593)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	232,552	-	232,552
Total Deferred Amounts Related to Firefighters' Pension	4,739,148	(8,460,135)	(3,720,987)

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
2023	\$ 167,385
2024	(216,767)
2025	(699,350)
2026	(464,837)
2027	(775,748)
Thereafter	(1,731,670)
Total	(3,720,987)



## VILLAGE OF MIDLOTHIAN, ILLINOIS

### Notes to the Financial Statements April 30, 2022

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#### NOTE 4 – OTHER INFORMATION – Continued

##### OTHER POST-EMPLOYMENT BENEFITS

###### General Information about the OPEB Plan

*Plan Description.* The Village's defined benefit OPEB plan, Retiree Benefits Plan (RBP), provides OPEB for all permanent full-time general and public safety employees of the Village. RBP is a single-employer defined benefit OPEB plan administered by the Village. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the Village Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

*Benefits Provided.* RBP provides healthcare benefits for retiree and their dependent. The Village will pay the same percentage of the HMO coverage premium as is paid for an active fulltime employee at the time of retirement. The retiree is responsible for any difference in cost of coverage. Once the retiree becomes eligible for Medicare, the retiree can only elect Medicare supplement coverage and the Village will pay 80% of cost of the coverage.

*Plan Membership.* As of April 30, 2022, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	47
Inactive Plan Members Entitled to but not yet Receiving Benefits	-
Active Plan Members	<u>74</u>
Total	<u><u>121</u></u>

###### Total OPEB Liability

The Village's total OPEB liability was measured as of April 30, 2022 and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and Other Inputs.* The total OPEB liability in the April 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

## VILLAGE OF MIDLOTHIAN, ILLINOIS

### Notes to the Financial Statements April 30, 2022

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#### NOTE 4 – OTHER INFORMATION – Continued

#### OTHER POST-EMPLOYMENT BENEFITS – Continued

#### Total OPEB Liability – Continued

##### *Actuarial Assumptions and Other Inputs – Continued.*

Inflation	2.25%
Salary Increases	3.00%
Discount Rate	3.21%
Healthcare Cost Trend Rates	Medical: 5.50% for 2022, decreasing to an ultimate rate of 5.0% for 2026 and later years. Dental: 3.50% for 2022 and later years.
Retirees' Share of Benefit-Related Costs	100% of projected health insurance premiums for retirees

The discount rate was based on a combination of the expected long-term rates of return on plan assets and the municipal bond rate.

For IMRF members, mortality follows PubG-2010(B) Improved Generationally using MP-2020 Improvement Rates, weighted per IMRF Experience Study Report dated December 14, 2020 was used. For Police and Fire members, active mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2017 using MP-2019 Improvement Rates. These rates are then improved generationally using MP-2019 Improvement Rates.

#### Change in the Total OPEB Liability

	Total OPEB Liability
Balance at April 30, 2021	<u>\$ 15,768,688</u>
Changes for the Year:	
Service Cost	615,237
Interest on the Total Pension Liability	353,140
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	(2,794,731)
Changes of Assumptions or Other Inputs	(1,890,838)
Benefit Payments	(423,714)
Net Changes	<u>(4,140,906)</u>
Balance at April 30, 2022	<u><u>11,627,782</u></u>

## VILLAGE OF MIDLOTHIAN, ILLINOIS

### Notes to the Financial Statements April 30, 2022

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#### NOTE 4 – OTHER INFORMATION – Continued

##### OTHER POST-EMPLOYMENT BENEFITS – Continued

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

The discount rate used to measure the total pension liability was 3.21%, while the prior valuation used 2.27%. The following presents the total OPEB liability, calculated using the discount rate, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher:

	1% Decrease (2.21%)	Current Discount Rate (3.21%)	1% Increase (4.21%)
Total OPEB Liability	\$ 13,695,058	11,627,782	10,024,384

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

The following presents the total OPEB liability, calculated using a varying Healthcare Trend Rate, as well as what the total OPEB liability would be if it were calculated using a Healthcare Trend Rate that is one percentage point lower or one percentage point higher:

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Total OPEB Liability	\$ 9,793,306	11,627,782	14,046,013

## VILLAGE OF MIDLOTHIAN, ILLINOIS

### Notes to the Financial Statements April 30, 2022

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#### NOTE 4 – OTHER INFORMATION – Continued

#### OTHER POST-EMPLOYMENT BENEFITS – Continued

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

For the year ended April 30, 2022, the Village recognized OPEB expense of \$809,675. At April 30, 2022, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 1,091,301	(2,533,052)	(1,441,751)
Change in Assumptions	1,457,231	(1,835,691)	(378,460)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	-	-
Total Deferred Amounts Related to OPEB	<u>2,548,532</u>	<u>(4,368,743)</u>	<u>(1,820,211)</u>

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

Fiscal Year	Net Deferred (Inflows) of Resources
2023	\$ (158,702)
2024	(158,702)
2025	(158,702)
2026	(158,702)
2027	(144,855)
Thereafter	<u>(1,040,548)</u>
Total	<u>(1,820,211)</u>

## **VILLAGE OF MIDLOTHIAN, ILLINOIS**

### **Notes to the Financial Statements April 30, 2022**

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#### **NOTE 4 – OTHER INFORMATION – Continued**

##### **SUBSEQUENT EVENT**

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 \$1,952,263 to be received in two installments. On September 2, 2021, the Village received their first installment of \$976,128. On September 14, 2022, the Village received their second installment of \$976,135.

## **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 of Employer Contributions
  - Illinois Municipal Retirement Fund
  - Police Pension Fund
  - Firefighters' Pension Fund
- Schedule of Changes in the Employer's Net Pension Liability/(Asset)
  - Illinois Municipal Retirement Fund
  - Police Pension Fund
  - Firefighters' Pension Fund
- Schedule of Investment Returns
  - Police Pension Fund
  - Firefighters' Pension Fund
- Schedule of Changes in the Employer's Total OPEB Liability
  - Retiree Benefit Plan
- Budgetary Comparison Schedule
  - General Fund

### Notes to the Required Supplementary Information

Budgetary Information – Budgets are adopted on a basis consistent with generally accepted accounting principles.

## VILLAGE OF MIDLOTHIAN, ILLINOIS

### Illinois Municipal Retirement Fund

#### Required Supplementary Information

#### Schedule of Employer Contributions

April 30, 2022

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
2015	\$ 142,634	\$ 159,179	\$ 16,545	\$ 1,264,488	12.59%
2016	166,528	176,273	9,745	1,769,265	9.96%
2017	192,867	192,867	-	1,341,239	14.38%
2018	190,555	190,555	-	1,412,034	13.50%
2019	222,267	225,471	3,204	1,722,418	13.09%
2020	223,039	225,266	2,227	1,991,426	11.31%
2021	273,406	273,406	-	2,126,033	12.86%
2022	245,901	245,901	-	2,004,414	12.27%

#### Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	22 Years
Asset Valuation Method	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 MIDLOTHIAN, ILLINOIS

### Police Pension Fund

#### Required Supplementary Information

#### Schedule of Employer Contributions

April 30, 2022

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
2015	\$ 456,738	\$ 282,275	\$ (174,463)	\$ 1,906,842	14.80%
2016	443,988	249,587	(194,401)	2,069,805	12.06%
2017	444,232	391,087	(53,145)	2,055,763	19.02%
2018	544,259	380,510	(163,749)	2,127,715	17.88%
2019	582,485	463,127	(119,358)	2,063,780	22.44%
2020	671,655	544,608	(127,047)	2,248,025	24.23%
2021	675,687	893,552	217,865	2,477,379	36.07%
2022	846,854	551,479	(295,375)	2,582,100	21.36%

#### Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	100% Funded over 20 years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.25%
Salary Increases	3.50% - 43.69%
Investment Rate of Return	7.25%
Retirement Age	See the Notes to the Financial Statements
Mortality	Pub-2010 Adjusted for Plan Status, Demographics, and Illinois Public Pension Data, as described.

#### Note:

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



# VILLAGE OF MIDLOTHIAN, ILLINOIS

## Firefighters' Pension Fund

### Required Supplementary Information

#### Schedule of Employer Contributions

April 30, 2022

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
2015	\$ 481,927	\$ 263,263	\$ (218,664)	\$ 1,004,569	26.21%
2016	521,814	357,591	(164,223)	1,127,685	31.71%
2017	546,538	144,854	(401,684)	1,173,216	12.35%
2018	658,267	653,927	(4,340)	1,214,279	53.85%
2019	795,166	737,213	(57,953)	1,308,175	56.35%
2020	855,888	735,087	(120,801)	1,340,416	54.84%
2021	914,408	1,021,793	107,385	1,549,241	65.95%
2022	1,112,271	947,742	(164,529)	1,596,529	59.36%

#### Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	20 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.25%
Salary Increases	3.00% - 24.39%
Investment Rate of Return	6.75%
Retirement Age	See the Notes to the Financial Statements
Mortality	Pub-2010 Adjusted for Plan Status, Demographics, and Illinois Public Pension Data, as described.

#### Note:

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

# VILLAGE OF MIDLOTHIAN, ILLINOIS

## Illinois Municipal Retirement Fund

### Required Supplementary Information

#### Schedule of Changes in the Employer's Net Pension Liability/(Asset)

April 30, 2022

	12/31/2014	12/31/2015
Total Pension Liability		
Service Cost	\$ 180,105	139,089
Interest	635,891	723,324
Differences Between Expected and Actual Experience	524,693	158,030
Change of Assumptions	335,837	12,493
Benefit Payments, Including Refunds of Member Contributions	(428,169)	(500,769)
Net Change in Total Pension Liability	1,248,357	532,167
Total Pension Liability - Beginning	8,602,603	9,850,960
Total Pension Liability - Ending	9,850,960	10,383,127
Plan Fiduciary Net Position		
Contributions - Employer	\$ 159,179	176,273
Contributions - Members	65,209	65,976
Net Investment Income	499,465	42,740
Benefit Payments, Including Refunds of Member Contributions	(428,169)	(500,769)
Other (Net Transfers)	91,750	214,071
Net Change in Plan Fiduciary Net Position	387,434	(1,709)
Plan Net Position - Beginning	8,289,852	8,677,286
Plan Net Position - Ending	8,677,286	8,675,577
Employers Net Pension Liability/(Asset)	\$ 1,173,674	1,707,550
Plan Fiduciary Net Position as a		
Percentage of the Total Pension Liability	88.09%	83.55%
Covered Payroll	\$ 1,264,488	1,426,480
Employer's Net Pension Liability/(Asset) as a		
Percentage of Covered Payroll	92.82%	119.70%

#### Note:

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

*Changes of Assumptions.* Change of assumptions related to the discount rate were made in 2014 through 2018 and 2020. Change of assumptions related to the demographics were made in 2014 and 2017.

12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021
171,126	158,480	157,701	178,162	203,435	188,904
773,428	775,792	809,155	864,769	915,125	916,931
132,103	(190,690)	30,898	187,883	30,375	(65,858)
(38,390)	(341,631)	316,583	-	(122,160)	-
(555,174)	(550,284)	(555,558)	(612,681)	(609,879)	(634,188)
483,093	(148,333)	758,779	618,133	416,896	405,789
10,383,127	10,866,220	10,717,887	11,476,666	12,094,799	12,511,695
10,866,220	10,717,887	11,476,666	12,094,799	12,511,695	12,917,484
225,837	195,360	244,576	223,040	261,466	269,369
67,751	67,625	73,843	115,307	91,492	92,143
595,895	1,631,499	(576,246)	1,843,975	1,616,628	2,129,778
(555,174)	(550,284)	(555,558)	(612,681)	(609,879)	(634,188)
68,220	(251,440)	165,255	(257,396)	63,709	(51,770)
402,529	1,092,760	(648,130)	1,312,245	1,423,416	1,805,332
8,675,577	9,078,106	10,170,866	9,522,736	10,834,981	12,258,397
9,078,106	10,170,866	9,522,736	10,834,981	12,258,397	14,063,729
1,788,114	547,021	1,953,930	1,259,818	253,298	(1,146,245)
83.54%	94.90%	82.97%	89.58%	97.98%	108.87%
1,505,591	1,502,783	1,640,957	1,991,426	2,033,163	2,047,613
118.76%	36.40%	119.07%	63.26%	12.46%	(55.98%)

# VILLAGE OF MIDLOTHIAN, ILLINOIS

## Police Pension Fund

### Required Supplementary Information

### Schedule of Changes in the Employer's Net Pension Liability

April 30, 2022

	4/30/2015	4/30/2016
Total Pension Liability		
Service Cost	\$ 554,533	500,924
Interest	1,190,417	1,301,076
Differences Between Expected and Actual Experience	-	379,775
Change of Assumptions	-	416,923
Changes of Benefit Terms	-	-
Benefit Payments, Including Refunds of Member Contributions	(1,156,971)	(861,674)
Net Change in Total Pension Liability	587,979	1,737,024
Total Pension Liability - Beginning	21,067,588	21,655,567
Total Pension Liability - Ending	21,655,567	23,392,591
Plan Fiduciary Net Position		
Contributions - Employer	\$ 282,275	249,587
Contributions - Members	409,920	201,370
Net Investment Income	978,576	211,026
Benefit Payments, Including Refunds of Member Contributions	(1,156,971)	(861,674)
Administrative Expense	(33,375)	(39,167)
Net Change in Plan Fiduciary Net Position	480,425	(238,858)
Plan Net Position - Beginning	13,581,190	14,061,615
Plan Net Position - Ending	14,061,615	13,822,757
Employer's Net Pension Liability	\$ 7,593,952	9,569,834
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	64.93%	59.09%
Covered Payroll	\$ 1,906,842	2,069,805
Employer's Net Pension Liability as a Percentage of Covered Payroll	398.25%	462.35%

#### Note:

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

*Change of Assumptions.* Changes of Assumptions related to the discount rate were made in 2021 and 2022 and to the retirement rates in 2022.

4/30/2017	4/30/2018	4/30/2019	4/30/2020	4/30/2021	4/30/2022
814,983	853,369	695,399	755,725	937,545	406,365
1,078,810	1,389,321	1,485,213	1,551,432	1,431,702	1,537,766
498,417	64,930	495,549	(613,190)	(3,222,482)	(555,945)
5,239,681	(3,616,826)	936,000	7,122,410	(13,086,332)	5,737,322
-	-	-	226,164	-	-
(975,833)	(1,102,792)	(1,265,522)	(1,311,319)	(1,214,224)	(1,422,840)
6,656,058	(2,411,998)	2,346,639	7,731,222	(15,153,791)	5,702,668
23,392,591	30,048,649	27,636,651	29,983,290	37,714,512	22,560,721
30,048,649	27,636,651	29,983,290	37,714,512	22,560,721	28,263,389
391,087	380,510	463,127	544,608	893,552	551,479
204,860	207,445	210,132	282,165	259,761	251,222
1,228,524	978,420	999,427	199,306	4,429,821	(293,910)
(975,833)	(1,102,792)	(1,265,522)	(1,311,319)	(1,214,224)	(1,422,840)
(38,681)	(42,428)	(38,741)	(37,099)	(30,319)	(29,736)
809,957	421,155	368,423	(322,339)	4,338,591	(943,785)
13,822,757	14,632,714	15,053,869	15,422,292	15,099,953	19,438,544
14,632,714	15,053,869	15,422,292	15,099,953	19,438,544	18,494,759
15,415,935	12,582,782	14,560,998	22,614,559	3,122,177	9,768,630
48.70%	54.47%	51.44%	40.04%	86.16%	65.44%
2,055,763	2,127,715	2,063,780	2,248,025	2,477,379	2,582,100
749.89%	591.38%	705.55%	1005.97%	126.03%	378.32%

# VILLAGE OF MIDLOTHIAN, ILLINOIS

## Firefighters' Pension Fund

### Required Supplementary Information Schedule of Changes in the Employer's Net Pension Liability April 30, 2022

	4/30/2015	4/30/2016
Total Pension Liability		
Service Cost	\$ 257,166	413,438
Interest	997,257	746,271
Differences Between Expected and Actual Experience	-	173,342
Change of Assumptions	-	5,427,717
Change of Benefit Terms	-	-
Benefit Payments, Including Refunds of Member Contributions	(777,214)	(920,701)
Net Change in Total Pension Liability	477,209	5,840,067
Total Pension Liability - Beginning	14,143,878	14,621,087
Total Pension Liability - Ending	14,621,087	20,461,154
Plan Fiduciary Net Position		
Contributions - Employer	\$ 263,263	357,591
Contributions - Members	104,906	107,917
Net Investment Income	577,612	(26,259)
Benefit Payments, Including Refunds of Member Contributions	(777,214)	(920,701)
Administrative Expense	(51,748)	(46,285)
Net Change in Plan Fiduciary Net Position	116,819	(527,737)
Plan Net Position - Beginning	7,808,083	7,924,902
Plan Net Position - Ending	7,924,902	7,397,165
Employer's Net Pension Liability	\$ 6,696,185	13,063,989
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	54.20%	36.15%
Covered Payroll	\$ 1,004,569	1,127,685
Employer's Net Pension Liability as a Percentage of Covered Payroll	666.57%	1158.48%

#### Note:

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

*Change of Assumptions.* Changes of Assumptions related to the discount rate were made in 2021 and 2022.

4/30/2017	4/30/2018	4/30/2019	4/30/2020	4/30/2021	4/30/2022
488,171	511,457	512,304	550,345	834,812	764,740
953,930	1,060,044	1,099,912	1,138,049	1,144,929	1,099,282
95,481	9,192	303,362	(4,786)	293,498	(2,645,125)
1,607,366	(573,817)	416,755	4,055,824	(1,841,940)	(5,291,307)
-	-	-	333,680	-	-
(925,222)	(915,450)	(1,013,751)	(959,818)	(982,838)	(1,003,821)
2,219,726	91,426	1,318,582	5,113,294	(551,539)	(7,076,231)
20,461,154	22,680,880	22,772,306	24,090,888	29,204,182	28,652,643
22,680,880	22,772,306	24,090,888	29,204,182	28,652,643	21,576,412
144,854	653,927	737,213	735,087	1,021,793	947,742
110,936	146,117	124,940	130,786	151,475	150,078
470,622	484,156	506,866	324,887	1,662,795	(370,522)
(925,222)	(915,450)	(1,013,751)	(959,818)	(982,838)	(1,003,821)
(43,819)	(41,360)	(41,633)	(42,899)	(36,001)	(53,426)
(242,629)	327,390	313,635	188,043	1,817,224	(329,949)
7,397,165	7,154,536	7,481,926	7,795,561	7,983,604	9,800,828
7,154,536	7,481,926	7,795,561	7,983,604	9,800,828	9,470,879
15,526,344	15,290,380	16,295,327	21,220,578	18,851,815	12,105,533
31.54%	32.86%	32.36%	27.34%	34.21%	43.89%
1,173,216	1,214,279	1,308,175	1,340,416	1,549,241	1,596,529
1323.40%	1259.21%	1245.65%	1583.13%	1216.84%	758.24%

## VILLAGE OF MIDLOTHIAN, ILLINOIS

### Police Pension Fund

#### Required Supplementary Information

#### Schedule of Investment Returns

April 30, 2022

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Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense	
2015	6.75%	
2016	1.44%	*
2017	10.03%	*
2018	7.27%	
2019	5.00%	
2020	(0.43%)	
2021	30.90%	
2022	(0.87%)	

Note:

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

\* Restated Rate



## VILLAGE OF MIDLOTHIAN, ILLINOIS

### Firefighters' Pension Fund

#### Required Supplementary Information

#### Schedule of Investment Returns

April 30, 2022

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Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2015	7.79%
2016	(0.23%)
2017	6.85%
2018	7.03%
2019	6.91%
2020	4.21%
2021	25.48%
2022	(2.75%)

Note:

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

## VILLAGE OF MIDLOTHIAN, ILLINOIS

### Retiree Benefits Plan

#### Required Supplementary Information

#### Schedule of Changes in the Employer's Total OPEB Liability

April 30, 2022

	<u>4/30/2018</u>
Total OPEB Liability	
Service Cost	\$ 346,856
Interest	415,982
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	-
Change of Assumptions or Other Inputs	(257,643)
Benefit Payments	<u>(433,763)</u>
Net Change in Total OPEB Liability	71,432
Total OPEB Liability - Beginning	<u>11,106,466</u>
 Total OPEB Liability - Ending	 <u><u>11,177,898</u></u>
 Covered-Employee Payroll	 \$ 4,305,613
 Total OPEB Liability as a Percentage of Covered-Employee Payroll	  259.61%

#### Notes:

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

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

*Changes of Assumptions.* Changes of assumptions related to the discount rate were made in 2018 to 2022.

4/30/2019	4/30/2020	4/30/2021	4/30/2022
345,394	339,561	541,450	615,237
434,909	439,963	365,930	353,140
-	-	-	-
-	1,481,286	-	(2,794,731)
320,044	857,775	776,491	(1,890,838)
(446,013)	(447,406)	(418,594)	(423,714)
654,334	2,671,179	1,265,277	(4,140,906)
11,177,898	11,832,232	14,503,411	15,768,688
11,832,232	14,503,411	15,768,688	11,627,782
4,434,782	5,902,448	6,079,521	6,079,521
266.81%	245.72%	259.37%	191.26%

# VILLAGE OF MIDLOTHIAN, ILLINOIS

## General Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended April 30, 2022

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 4,996,722	4,996,722	7,038,482
Licenses, Permits and Fees	773,210	773,210	932,736
Charges for Services	1,894,550	1,894,550	2,202,863
Intergovernmental	4,994,000	4,994,000	6,209,729
Grant Reimbursement	1,440,000	1,440,000	335,761
Fines and Forfeitures	549,200	549,200	727,794
Investment Income	68,000	68,000	49,089
Miscellaneous	253,800	253,800	272,882
Total Revenues	14,969,482	14,969,482	17,769,336
Expenditures			
General Government	2,359,039	2,359,039	1,805,799
Public Safety	7,354,354	7,354,354	8,238,976
Public Works	3,408,710	3,408,710	2,622,881
Capital Outlay	3,417,834	3,417,834	636,006
Debt Service			
Principal Retirement	971,589	971,589	971,589
Interest and Fiscal Charges	760,223	760,223	583,594
Total Expenditures	18,271,749	18,271,749	14,858,845
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,302,267)	(3,302,267)	2,910,491
Other Financing Sources			
Disposal of Capital Assets	5,000	5,000	-
Net Change in Fund Balance	(3,297,267)	(3,297,267)	2,910,491
Fund Balance - Beginning			17,661,998
Fund Balance - Ending			20,572,489

## **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 Fund
- Combining Statements – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Enterprise Funds
- Combining Statements – Nonmajor Enterprise Funds
- Budgetary Comparison Schedule – Nonmajor Enterprise Funds
- Combining Statements – Pension Trust Funds
- Budgetary Comparison Schedules – Pension Trust Funds
- Consolidated Year-End Financial Report

## **INDIVIDUAL FUND SCHEDULES**

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### **GENERAL FUND**

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

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### **SPECIAL REVENUE FUNDS**

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

#### **Illinois Municipal Retirement Fund**

The Illinois Municipal Retirement Fund (IMRF) is used to account for the Village's participation in the Illinois Municipal Retirement Fund. This fund includes property taxes levied for the Village's contributions to the fund on behalf of its employees.

#### **Social Security Fund**

The Social Security Fund is used to account for property taxes levied for the payment of the Village's portion of Federal Social Security and Medicare taxes.

#### **Motor Fuel Tax Fund**

The Motor Fuel Tax Fund is used to account for the improvements to streets and infrastructure and for the maintenance of streets and infrastructure. Financing is provided by the government's share of state gasoline taxes and any interest earnings. State law requires these gasoline taxes be used to maintain streets and associated infrastructure.

#### **Foreign Fire Insurance**

The Foreign Fire Insurance Fund is used to account for the revenues derived from the Foreign Fire Insurance Tax and disbursement of these funds for the benefit, use and maintenance related to the Fire Department.

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## INDIVIDUAL FUND SCHEDULES

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### ENTERPRISE FUNDS

The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where it has been decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose.

#### Water Fund

The Water Fund is used to account for the costs related to the operation of the Village's water system. Funding is provided by user fees.

#### Sewer Fund

The Sewer Fund is used to account for the costs related to the operation of the Village's sewer system. Funding is provided by user fees.

#### West Commuter Parking Lot Fund

The West Commuter Parking Lot Fund is used to account for revenues received from the public for use of public parking and expenses used to maintain and operate the parking system.

#### Commuter Parking Lot Fund

The Commuter Parking Lot Fund is used to account for revenues received from the public for use of public parking and expenses used to maintain and operate the parking system.

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## INDIVIDUAL FUND SCHEDULES

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### TRUST FUNDS

#### PENSION TRUST FUNDS

##### **Police Pension Fund**

The Police Pension Fund is used to account for the accumulation of resources to be used for retirement pensions for the Village's sworn police personnel. Most rules and regulations of the fund are established by the Pension Division of the Illinois Department of Insurance. Resources are contributed by sworn police personnel at rates fixed by state statutes and by the Village through an annual property tax levy.

##### **Firefighters' Pension Fund**

The Firefighters' Pension Fund is used to account for the accumulation of resources to be used for retirement pensions for the Village's sworn firefighter/paramedic personnel. Most rules and regulations of the fund are established by the Pension Division of the Illinois Department of Insurance. Resources are contributed by sworn firefighter/paramedic personnel at rates fixed by state statutes and by the Village through an annual property tax levy.

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## VILLAGE OF MIDLOTHIAN, ILLINOIS

### General Fund

#### Schedule of Revenues - Budget and Actual For the Fiscal Year Ended April 30, 2022

	Budget		Actual
	Original	Final	
Taxes			
Property Taxes	\$ 3,818,622	3,818,622	5,686,944
Video Gaming and Cannabis Tax	497,000	497,000	595,554
Pull Tabs and Charitable Games	100	100	-
Utility Tax	681,000	681,000	755,984
Total Taxes	4,996,722	4,996,722	7,038,482
Licenses, Permits and Fees			
Vehicle Licenses	217,000	217,000	213,065
Liquor Licenses	42,000	42,000	9,000
Business Licenses	280,000	280,000	353,064
Other Licenses	3,110	3,110	2,843
Permits and Inspections	231,100	231,100	354,764
Total Licenses, Permits and Fees	773,210	773,210	932,736
Charges for Services			
Garbage Collections	1,145,000	1,145,000	1,181,659
Cable Franchise Fees	206,000	206,000	194,379
Rental Income	27,000	27,000	30,833
Gun Range Rental	2,000	2,000	-
PEG Fees	10,000	10,000	9,212
Ambulance Service	485,550	485,550	769,480
Penalties	18,000	18,000	17,300
Fire Plan Reviews	1,000	1,000	-
Total Charges for Services	1,894,550	1,894,550	2,202,863
Intergovernmental			
Sales Tax	2,475,000	2,475,000	3,302,127
State Income Tax	1,725,000	1,725,000	2,102,800
Replacement Taxes	12,000	12,000	41,565
Local Use Tax	580,000	580,000	563,931
Municipal Gas Tax	202,000	202,000	199,306
Total Intergovernmental	4,994,000	4,994,000	6,209,729

## VILLAGE OF MIDLOTHIAN, ILLINOIS

### General Fund

#### Schedule of Revenues - Budget and Actual - Continued For the Fiscal Year Ended April 30, 2022

	Budget		Actual
	Original	Final	
Grant Reimbursement			
Reimbursement - Grant	\$ 1,440,000	1,440,000	335,761
Fines and Forfeitures			
Traffic and Circuit Court Fines	373,000	373,000	408,946
Police Department Fines	170,100	170,100	285,500
Fire Department Fines	6,100	6,100	33,348
Total Fines and Forfeitures	549,200	549,200	727,794
Investment Income	68,000	68,000	49,089
Miscellaneous			
Reimbursements			
Insurance	139,000	139,000	192,552
Property Damage	9,000	9,000	9,226
DOJ Overtime	70,000	70,000	29,868
Other	35,800	35,800	41,236
Total Miscellaneous	253,800	253,800	272,882
Total Revenues	14,969,482	14,969,482	17,769,336

# VILLAGE OF MIDLOTHIAN, ILLINOIS

## General Fund

### Schedule of Expenditures - Budget and Actual For the Fiscal Year Ended April 30, 2022

	Budget		Actual
	Original	Final	
General Government			
Administration			
Personnel	\$ 599,098	599,098	579,295
Contractual Services	409,000	409,000	437,870
Commodities	124,900	124,900	93,981
Miscellaneous	186,000	186,000	247,550
	<u>1,318,998</u>	<u>1,318,998</u>	<u>1,358,696</u>
Commissions			
Commodities	33,800	33,800	5,561
Miscellaneous	1,000	1,000	-
	<u>34,800</u>	<u>34,800</u>	<u>5,561</u>
Health and Welfare			
Personnel	22,660	22,660	24,404
Contractual Services	3,000	3,000	2,466
Commodities	1,050	1,050	-
Miscellaneous	500,000	500,000	-
	<u>526,710</u>	<u>526,710</u>	<u>26,870</u>
Building and Zoning			
Personnel	348,231	348,231	339,257
Contractual Services	27,000	27,000	10,104
Commodities	26,250	26,250	17,632
Miscellaneous	32,250	32,250	17,725
	<u>433,731</u>	<u>433,731</u>	<u>384,718</u>
Historical Society			
Contractual Services	18,000	18,000	12,994
Commodities	5,000	5,000	1,307
	<u>23,000</u>	<u>23,000</u>	<u>14,301</u>
Raday Lodge			
Contractual Services	15,000	15,000	14,619
Commodities	6,800	6,800	1,034
	<u>21,800</u>	<u>21,800</u>	<u>15,653</u>
Total General Government	<u>2,359,039</u>	<u>2,359,039</u>	<u>1,805,799</u>

# VILLAGE OF MIDLOTHIAN, ILLINOIS

## General Fund

### Schedule of Expenditures - Budget and Actual - Continued For the Fiscal Year Ended April 30, 2022

	Budget		Actual
	Original	Final	
Public Safety			
Gun Range			
Personnel	\$ -	-	62
Commodities	5,000	5,000	2,131
	5,000	5,000	2,193
Police			
Personnel	3,793,249	3,793,249	3,640,201
Contractual Services	307,500	307,500	233,676
Commodities	199,000	199,000	155,314
Miscellaneous	111,000	111,000	60,088
Employer Pension Contributions	-	-	551,479
	4,410,749	4,410,749	4,640,758
Fire			
Personnel	2,372,105	2,372,105	2,247,192
Contractual Services	216,000	216,000	198,173
Commodities	116,000	116,000	71,596
Miscellaneous	139,000	139,000	105,741
Employer Pension Contributions	-	-	947,742
	2,843,105	2,843,105	3,570,444
Dispatch			
Contractual Services	50,000	50,000	-
Parking Ticket Adjudication			
Personnel	7,000	7,000	2,925
Contractual Services	34,000	34,000	19,802
Commodities	4,500	4,500	2,854
	45,500	45,500	25,581
Total Public Safety	7,354,354	7,354,354	8,238,976

# VILLAGE OF MIDLOTHIAN, ILLINOIS

## General Fund

### Schedule of Expenditures - Budget and Actual - Continued For the Fiscal Year Ended April 30, 2022

	Budget		Actual
	Original	Final	
Public Works			
Streets			
Personnel	\$ 712,760	712,760	692,846
Contractual Services	270,500	270,500	113,832
Commodities	398,350	398,350	304,764
Miscellaneous	382,600	382,600	163,678
	1,764,210	1,764,210	1,275,120
Municipal Building			
Contractual Services	46,500	46,500	30,072
Commodities	55,000	55,000	52,333
Miscellaneous	257,000	257,000	74,755
	358,500	358,500	157,160
Garbage			
Contractual Services	1,285,000	1,285,000	1,190,601
Miscellaneous	1,000	1,000	-
	1,286,000	1,286,000	1,190,601
Total Public Works	3,408,710	3,408,710	2,622,881
Capital Outlay			
General Government	106,000	106,000	28,512
Public Safety	3,133,168	3,133,168	573,905
Public Works	178,666	178,666	33,589
Total Capital Outlay	3,417,834	3,417,834	636,006
Debt Service			
Principal Retirement	971,589	971,589	971,589
Interest and Fiscal Charges	760,223	760,223	583,594
Total Debt Service	1,731,812	1,731,812	1,555,183
Total Expenditures	18,271,749	18,271,749	14,858,845

# VILLAGE OF MIDLOTHIAN, ILLINOIS

## Nonmajor Governmental Funds - Special Revenue Funds

### Combining Balance Sheet

April 30, 2022

	Illinois Municipal Retirement
<b>ASSETS</b>	
Cash and Investments	\$ 719,533
Receivables - Net of Allowances	
Property Taxes	182,525
Due from Other Governments	-
Total Assets	902,058
<b>LIABILITIES</b>	
None	-
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Taxes	329,600
Total Liabilities and Deferred Inflows of Resources	329,600
<b>FUND BALANCES</b>	
Restricted	572,458
Unassigned	-
Total Fund Balances	572,458
Total Liabilities and Fund Balances	902,058

Social Security	Motor Fuel Tax	Foreign Fire Insurance	Totals
115,645	1,637,643	13,369	2,486,190
147,517	-	-	330,042
-	49,727	-	49,727
263,162	1,687,370	13,369	2,865,959
-	-	-	-
266,383	-	-	595,983
266,383	-	-	595,983
-	1,687,370	13,369	2,273,197
(3,221)	-	-	(3,221)
(3,221)	1,687,370	13,369	2,269,976
263,162	1,687,370	13,369	2,865,959

## VILLAGE OF MIDLOTHIAN, ILLINOIS

### Nonmajor Governmental Funds - Special Revenue Funds

#### Combining Statement of Revenues, Expenditures and Changes in Fund Balances For the Fiscal Year Ended April 30, 2022

	Illinois Municipal Retirement
Revenues	
Taxes	\$ 267,975
Intergovernmental	-
Investment Income	-
Total Revenues	<u>267,975</u>
Expenditures	
General Government	245,901
Public Works	-
Total Expenditures	<u>245,901</u>
Net Change in Fund Balances	22,074
Fund Balances - Beginning	<u>550,384</u>
Fund Balances - Ending	<u><u>572,458</u></u>



Social Security	Motor Fuel Tax	Foreign Fire Insurance	Totals
238,739	-	19,757	526,471
-	916,298	-	916,298
-	38	-	38
238,739	916,336	19,757	1,442,807
241,708	-	-	487,609
-	955,809	24,586	980,395
241,708	955,809	24,586	1,468,004
(2,969)	(39,473)	(4,829)	(25,197)
(252)	1,726,843	18,198	2,295,173
(3,221)	1,687,370	13,369	2,269,976

## VILLAGE OF MIDLOTHIAN, ILLINOIS

### Illinois Municipal Retirement - Special Revenue Fund

#### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended April 30, 2022

	Budget		Actual
	Original	Final	
Revenues			
Property Taxes	\$ 275,000	275,000	267,975
Miscellaneous	76,000	76,000	-
Total Revenues	351,000	351,000	267,975
Expenditures			
General Government			
Illinois Municipal Retirement Contributions	325,000	325,000	245,901
Net Change in Fund Balance	26,000	26,000	22,074
Fund Balance - Beginning			550,384
Fund Balance - Ending			572,458

## VILLAGE OF MIDLOTHIAN, ILLINOIS

### Social Security - Special Revenue Fund

#### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended April 30, 2022

	Budget		Actual
	Original	Final	
Revenues			
Property Taxes	\$ 245,000	245,000	238,739
Expenditures			
General Government			
Social Security Contributions	258,624	258,624	241,708
Net Change in Fund Balance	(13,624)	(13,624)	(2,969)
Fund Balance - Beginning			(252)
Fund Balance - Ending			(3,221)

## VILLAGE OF MIDLOTHIAN, 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, 2022

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
State Allotments	\$ 565,000	565,000	916,298
Investment Income	50	50	38
Total Revenues	565,050	565,050	916,336
Expenditures			
Public Works			
Contractual	10,000	10,000	-
Commodities	1,100,000	1,100,000	955,809
Total Expenditures	1,110,000	1,110,000	955,809
Net Change in Fund Balance	(544,950)	(544,950)	(39,473)
Fund Balance - Beginning			1,726,843
Fund Balance - Ending			1,687,370

# VILLAGE OF MIDLOTHIAN, ILLINOIS

## Water - Enterprise Fund

### Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual For the Fiscal Year Ended April 30, 2022

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Water Billings	\$ 2,954,000	2,954,000	2,893,915
Penalties	29,000	29,000	51,717
Administration Fees	154,000	154,000	166,444
Debt Surcharge	581,000	581,000	581,168
Miscellaneous	10,050	10,050	18,561
Total Operating Revenues	3,728,050	3,728,050	3,711,805
Operating Expenses			
Operations			
Personnel Services	480,260	480,260	142,010
Contractual Services	2,983,400	2,983,400	2,428,870
Commodities	52,150	52,150	42,367
Miscellaneous	20,000	20,000	-
Capital Outlay	115,466	115,466	15,149
Depreciation and Amortization	-	-	310,630
Total Operating Expenses	3,651,276	3,651,276	2,939,026
Operating Income (Loss)	76,774	76,774	772,779
Nonoperating Revenues (Expenses)			
Investment Income	19,000	19,000	10,138
Interest Expense	(310,467)	(310,467)	(154,487)
	(291,467)	(291,467)	(144,349)
Change in Net Position	(214,693)	(214,693)	628,430
Net Position - Beginning			4,820,278
Net Position - Ending			5,448,708

## VILLAGE OF MIDLOTHIAN, ILLINOIS

### Sewer - Enterprise Fund

#### Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual For the Fiscal Year Ended April 30, 2022

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Sewer Billings	\$ 515,500	515,500	503,833
Penalties	3,000	3,000	7,639
Total Operating Revenues	518,500	518,500	511,472
Operating Expenses			
Operations			
Personnel Services	281,760	281,760	208,956
Contractual Services	642,100	642,100	160,589
Commodities	16,750	16,750	3,427
Capital Outlay	296,666	296,666	1,179
Depreciation	-	-	90,816
Total Operating Expenses	1,237,276	1,237,276	464,967
Change in Net Position	(718,776)	(718,776)	46,505
Net Position - Beginning			1,467,699
Net Position - Ending			1,514,204

# VILLAGE OF MIDLOTHIAN, ILLINOIS

## Nonmajor Enterprise Funds

### Combining Statement of Net Position April 30, 2022

	West Commuter Parking Lot	Commuter Parking Lot	Totals
<b>ASSETS</b>			
Current Assets			
Cash and Investments	\$ 14,102	574,182	588,284
Noncurrent Assets			
Capital Assets			
Nondepreciable	-	70,434	70,434
Depreciable	116,839	495,633	612,472
Accumulated Depreciation	(116,839)	(470,974)	(587,813)
Total Noncurrent Assets	-	95,093	95,093
Total Assets	14,102	669,275	683,377
<b>LIABILITIES</b>			
Accounts Payable	-	978	978
<b>NET POSITION</b>			
Investment in Capital Assets	-	95,093	95,093
Unrestricted	14,102	573,204	587,306
Total Net Position	14,102	668,297	682,399

## VILLAGE OF MIDLOTHIAN, ILLINOIS

### Nonmajor Enterprise Funds

#### Combining Statement of Revenues, Expenses and Changes in Net Position For the Fiscal Year Ended April 30, 2022

	West Commuter Parking Lot	Commuter Parking Lot	Totals
Operating Revenues			
Charges for Services	\$ 21,835	36,383	58,218
Operating Expenses			
Operations	43,614	66,124	109,738
Capital Outlay	-	21,363	21,363
Depreciation	-	4,590	4,590
Total Operating Expenses	43,614	92,077	135,691
Operating (Loss)	(21,779)	(55,694)	(77,473)
Nonoperating Revenues			
Investment Income	-	547	547
Change in Net Position	(21,779)	(55,147)	(76,926)
Net Position - Beginning	35,881	723,444	759,325
Net Position - Ending	14,102	668,297	682,399



# VILLAGE OF MIDLOTHIAN, ILLINOIS

## Nonmajor Enterprise Funds

### Combining Statement of Cash Flows For the Fiscal Year Ended April 30, 2022

	West Commuter Parking Lot	Commuter Parking Lot	Totals
Cash Flows from Operating Activities			
Receipts from Customers and Users	\$ 21,835	36,383	58,218
Payments to Suppliers	(43,614)	(86,509)	(130,123)
	(21,779)	(50,126)	(71,905)
Cash Flows from Investing Activities			
Interest Income	-	547	547
Net Change in Cash and Cash Equivalents	(21,779)	(49,579)	(71,358)
Cash and Cash Equivalents - Beginning	35,881	623,761	659,642
Cash and Cash Equivalents - Ending	14,102	574,182	588,284
Reconciliation of Operating Income to Net Cash			
Provided (Used) by Operating Activities			
Operating Income (Loss)	(21,779)	(55,694)	(77,473)
Adjustments to Reconcile Operating			
Income to Net Income to Net Cash			
Provided by (Used in) Operating Activities			
Depreciation Expense	-	4,590	4,590
Increase (Decrease) in Current Liabilities	-	978	978
Net Cash Provided (Used) by Operating Activities	(21,779)	(50,126)	(71,905)

## VILLAGE OF MIDLOTHIAN, ILLINOIS

### West Commuter Parking Lot - Enterprise Fund

#### Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual For the Fiscal Year Ended April 30, 2022

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Parking Lot Fees	\$ 17,000	17,000	21,835
Operating Expenses			
Operations			
Contractual Services	26,400	26,400	43,614
Change in Net Position	<u>(9,400)</u>	<u>(9,400)</u>	(21,779)
Net Position - Beginning			<u>35,881</u>
Net Position - Ending			<u>14,102</u>

## VILLAGE OF MIDLOTHIAN, ILLINOIS

### Commuter Parking Lot - Enterprise Fund

#### Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual For the Fiscal Year Ended April 30, 2022

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Parking Lot Fees	\$ 18,000	18,000	35,328
Miscellaneous	1,100	1,100	1,055
Total Operating Revenues	19,100	19,100	36,383
Operating Expenses			
Operations			
Contractual Services	129,100	129,100	66,124
Miscellaneous	1,000	1,000	-
Capital Outlay	18,000	18,000	21,363
Depreciation	-	-	4,590
Total Operating Expenses	148,100	148,100	92,077
Operating (Loss)	(129,000)	(129,000)	(55,694)
Nonoperating Revenues			
Investment Income	800	800	547
Change in Net Position	(128,200)	(128,200)	(55,147)
Net Position - Beginning			723,444
Net Position - Ending			668,297

# VILLAGE OF MIDLOTHIAN, ILLINOIS

## Pension Trust Funds

### Combining Statement of Fiduciary Net Position April 30, 2022

	Police Pension	Firefighters' Pension	Totals
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,978,409	679,094	2,657,503
Investments			
Illinois Firefighters' Pension Investment Fund	-	6,824,933	6,824,933
Insurance Contracts	4,245,291	1,968,657	6,213,948
Equity Securities	3,464,459	-	3,464,459
Equity Mutual Funds	8,805,146	-	8,805,146
Receivables - Net of Allowances			
Accrued Interest	2,381	-	2,381
Prepays	3,735	1,030	4,765
Total Assets	18,499,421	9,473,714	27,973,135
<b>LIABILITIES</b>			
Accounts Payable	4,662	2,835	7,497
<b>NET POSITION</b>			
Net Position Restricted for Pensions	18,494,759	9,470,879	27,965,638

# VILLAGE OF MIDLOTHIAN, ILLINOIS

## Pension Trust Funds

### Combining Statement of Changes in Fiduciary Net Position For the Fiscal Year Ended April 30, 2022

	Police Pension	Firefighters' Pension	Totals
Additions			
Contributions - Employer	\$ 551,479	947,742	1,499,221
Contributions - Plan Members	251,222	150,078	401,300
Total Contributions	802,701	1,097,820	1,900,521
Investment Income			
Interest Earned	639,414	83,571	722,985
Net Change in Fair Value	(866,812)	(441,607)	(1,308,419)
	(227,398)	(358,036)	(585,434)
Less Investment Expenses	(66,512)	(12,486)	(78,998)
Net Investment Income	(293,910)	(370,522)	(664,432)
Total Additions	508,791	727,298	1,236,089
Deductions			
Administration	29,736	53,426	83,162
Benefits and Refunds	1,422,840	1,003,821	2,426,661
Total Deductions	1,452,576	1,057,247	2,509,823
Change in Fiduciary Net Position	(943,785)	(329,949)	(1,273,734)
Net Position Restricted for Pensions			
Beginning	19,438,544	9,800,828	29,239,372
Ending	18,494,759	9,470,879	27,965,638

# VILLAGE OF MIDLOTHIAN, ILLINOIS

## Police Pension - Pension Trust Fund

### Schedule of Changes in Fiduciary Net Position - Budget and Actual For the Fiscal Year Ended April 30, 2022

	Budget		
	Original	Final	Actual
Additions			
Contributions - Employer	\$ 895,000	895,000	551,479
Contributions - Plan Members	275,000	275,000	251,222
Total Contributions	1,170,000	1,170,000	802,701
Investment Income			
Interest Earned	1,600,000	1,600,000	639,414
Net Change in Fair Value	-	-	(866,812)
	1,600,000	1,600,000	(227,398)
Less Investment Expenses	(65,000)	(65,000)	(66,512)
Net Investment Income	1,535,000	1,535,000	(293,910)
Total Additions	2,705,000	2,705,000	508,791
Deductions			
Administration	36,300	36,300	29,736
Benefits and Refunds	1,272,527	1,272,527	1,422,840
Total Deductions	1,308,827	1,308,827	1,452,576
Change in Fiduciary Net Position	1,396,173	1,396,173	(943,785)
Net Position Restricted for Pensions			
Beginning			19,438,544
Ending			18,494,759

# VILLAGE OF MIDLOTHIAN, ILLINOIS

## Firefighters' Pension - Pension Trust Fund

### Schedule of Changes in Fiduciary Net Position - Budget and Actual For the Fiscal Year Ended April 30, 2022

	Budget		Actual
	Original	Final	
Additions			
Contributions - Employer	\$ 930,727	930,727	947,742
Contributions - Plan Members	156,019	156,019	150,078
Total Contributions	1,086,746	1,086,746	1,097,820
Investment Income			
Interest Earned	1,200,000	1,200,000	83,571
Net Change in Fair Value	-	-	(441,607)
	1,200,000	1,200,000	(358,036)
Less Investment Expenses	(18,000)	(18,000)	(12,486)
Net Investment Income	1,182,000	1,182,000	(370,522)
Total Additions	2,268,746	2,268,746	727,298
Deductions			
Administration	41,100	41,100	53,426
Benefits and Refunds	1,013,571	1,013,571	1,003,821
Total Deductions	1,054,671	1,054,671	1,057,247
Change in Fiduciary Net Position	1,214,075	1,214,075	(329,949)
Net Position Restricted for Pensions			
Beginning			9,800,828
Ending			9,470,879

## VILLAGE OF MIDLOTHIAN, ILLINOIS

### Consolidated Year-End Financial Report April 30, 2022

CSFA #	Program Name	State	Federal	Other	Totals
494-00-1488	Motor Fuel Tax Program	\$ 955,809	-	-	955,809
494-10-0343	State and Community Highway				
	Safety/National Priority Safety Program	49,002	-	-	49,002
	Other Grant Programs and Activities	-	145,972	263,110	409,082
	All Other Costs Not Allocated	-	-	17,746,655	17,746,655
	Totals	1,004,811	145,972	18,009,765	19,160,548





**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

August 9, 2023

The Honorable Village President  
Members of the Board of Trustees  
Village of Midlothian, 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Midlothian, Illinois, as of and for the year ended April 30, 2022, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated August 9, 2023.

**Report on 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) as a basis for designing 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. According, 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 the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be significant deficiencies.

## **Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Village's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Village's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Village's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## **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

## VILLAGE OF MIDLOTHIAN, ILLINOIS

### Schedule of Findings and Responses Year Ended April 30, 2022

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#### SIGNIFICANT DEFICIENCY

##### **Finding 2022 – 001: Audit Journal Entries**

Comment: During audit fieldwork, our testing resulted in audit adjustments in order to present materially accurate financial statements.

Recommendation: A vital process of effective internal controls is the review and subsequent adjustment of general ledger balances. This review and adjustment will aid in the appropriate budgeting and management of the City's financial activities and resources.

Management's Response: The Director of Finance, along with staff, will review year-end adjustments as part of the audit preparation process and work to reduce the number of entries proposed by the auditors and prepare fully adjusted financial statements prior to audit fieldwork.

## **SUPPLEMENTAL SCHEDULES**

## VILLAGE OF MIDLOTHIAN, ILLINOIS

### Schedule of Long-Term Debt Requirements

#### General Obligation Refunding Bonds of 2013 April 30, 2022

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Date of Issue	May 13, 2013
Date of Maturity	February 1, 2023
Authorized Issue	\$2,490,000
Denomination of Bonds	\$5,000
Interest Rates	2.00% to 3.75%
Interest Dates	February 1 and August 1
Principal Maturity Date	February 1
Payable at	Amalgamated Bank of Chicago

#### CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Aug. 1	Amount	Feb. 1	Amount
2023	\$ 325,000	12,188	337,188	2022	6,094	2023	6,094

# VILLAGE OF MIDLOTHIAN, ILLINOIS

## Schedule of Long-Term Debt Requirements

### General Obligation Bonds of 2019

April 30, 2022

Date of Issue	December 30, 2019
Date of Maturity	January 1, 2038
Authorized Issue	\$2,910,000
Denomination of Bonds	\$5,000
Interest Rate	4.00%
Interest Dates	January 1 and July 1
Principal Maturity Date	January 1
Payable at	Amalgamated Bank of Chicago

## CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jul. 1	Amount	Jan. 1	Amount
2023	\$ -	116,400	116,400	2022	58,200	2023	58,200
2024	-	116,400	116,400	2023	58,200	2024	58,200
2025	160,000	116,400	276,400	2024	58,200	2025	58,200
2026	165,000	110,000	275,000	2025	55,000	2026	55,000
2027	170,000	103,400	273,400	2026	51,700	2027	51,700
2028	180,000	96,600	276,600	2027	48,300	2028	48,300
2029	185,000	89,400	274,400	2028	44,700	2029	44,700
2030	195,000	82,000	277,000	2029	41,000	2030	41,000
2031	200,000	74,200	274,200	2030	37,100	2031	37,100
2032	210,000	66,200	276,200	2031	33,100	2032	33,100
2033	220,000	57,800	277,800	2032	28,900	2033	28,900
2034	225,000	49,000	274,000	2033	24,500	2034	24,500
2035	235,000	40,000	275,000	2034	20,000	2035	20,000
2036	245,000	30,600	275,600	2035	15,300	2036	15,300
2037	255,000	20,800	275,800	2036	10,400	2037	10,400
2038	265,000	10,600	275,600	2037	5,300	2038	5,300
	<u>2,910,000</u>	<u>1,179,800</u>	<u>4,089,800</u>		<u>589,900</u>		<u>589,900</u>

# VILLAGE OF MIDLOTHIAN, ILLINOIS

## Schedule of Long-Term Debt Requirements

### General Obligation Refunding Bonds of 2019A

April 30, 2022

Date of Issue	December 30, 2019
Date of Maturity	January 1, 2034
Authorized Issue	\$6,035,000
Denomination of Bonds	\$5,000
Interest Rate	4.00%
Interest Dates	January 1 and July 1
Principal Maturity Date	January 1
Payable at	Amalgamated Bank of Chicago

## CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jul. 1	Amount	Jan. 1	Amount
2023	\$ 565,000	239,800	804,800	2022	119,900	2023	119,900
2024	360,000	217,200	577,200	2023	108,600	2024	108,600
2025	395,000	202,800	597,800	2024	101,400	2025	101,400
2026	400,000	187,000	587,000	2025	93,500	2026	93,500
2027	400,000	171,000	571,000	2026	85,500	2027	85,500
2028	435,000	155,000	590,000	2027	77,500	2028	77,500
2029	450,000	137,600	587,600	2028	68,800	2029	68,800
2030	490,000	119,600	609,600	2029	59,800	2030	59,800
2031	825,000	100,000	925,000	2030	50,000	2031	50,000
2032	720,000	67,000	787,000	2031	33,500	2032	33,500
2033	595,000	38,200	633,200	2032	19,100	2033	19,100
2034	360,000	14,400	374,400	2033	7,200	2034	7,200
	<u>5,995,000</u>	<u>1,649,600</u>	<u>7,644,600</u>		<u>824,800</u>		<u>824,800</u>
	2,900,845	Governmental					
	<u>3,094,155</u>	Business-Type					
	<u>5,995,000</u>						

# VILLAGE OF MIDLOTHIAN, ILLINOIS

## Schedule of Long-Term Debt Requirements

### Taxable General Obligation Refunding Bonds of 2019B April 30, 2022

Date of Issue	December 30, 2019
Date of Maturity	January 1, 2030
Authorized Issue	\$2,030,000
Denomination of Bonds	\$5,000
Interest Rates	2.43% to 3.03%
Interest Dates	January 1 and July 1
Principal Maturity Date	January 1
Payable at	Amalgamated Bank of Chicago

### CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jul. 1	Amount	Jan. 1	Amount
2023	\$ -	55,744	55,744	2022	27,872	2023	27,872
2024	235,000	55,744	290,744	2023	27,872	2024	27,872
2025	270,000	50,034	320,034	2024	25,017	2025	25,017
2026	285,000	43,202	328,202	2025	21,601	2026	21,601
2027	315,000	35,706	350,706	2026	17,853	2027	17,853
2028	305,000	27,108	332,108	2027	13,554	2028	13,554
2029	310,000	18,476	328,476	2028	9,238	2029	9,238
2030	310,000	9,394	319,394	2029	4,697	2030	4,697
	<u>2,030,000</u>	<u>295,408</u>	<u>2,325,408</u>		<u>147,704</u>		<u>147,704</u>
	374,100	Governmental					
	<u>1,655,900</u>	Business-Type					
	<u><u>2,030,000</u></u>						



# VILLAGE OF MIDLOTHIAN, ILLINOIS

## Schedule of Long-Term Debt Requirements

### General Obligation Bonds of 2020

April 30, 2022

Date of Issue	March 19, 2020
Date of Maturity	January 1, 2039
Authorized Issue	\$7,090,000
Denomination of Bonds	\$5,000
Interest Rates	3.00% to 4.00%
Interest Dates	January 1 and July 1
Principal Maturity Date	January 1
Payable at	Amalgamated Bank of Chicago

### CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jul. 1	Amount	Jan. 1	Amount
2023	\$ 105,000	227,100	332,100	2022	113,550	2023	113,550
2024	440,000	222,900	662,900	2023	111,450	2024	111,450
2025	250,000	205,300	455,300	2024	102,650	2025	102,650
2026	260,000	195,300	455,300	2025	97,650	2026	97,650
2027	265,000	184,900	449,900	2026	92,450	2027	92,450
2028	275,000	174,300	449,300	2027	87,150	2028	87,150
2029	295,000	163,300	458,300	2028	81,650	2029	81,650
2030	290,000	151,500	441,500	2029	75,750	2030	75,750
2031	305,000	142,800	447,800	2030	71,400	2031	71,400
2032	450,000	133,650	583,650	2031	66,825	2032	66,825
2033	600,000	120,150	720,150	2032	60,075	2033	60,075
2034	620,000	102,150	722,150	2033	51,075	2034	51,075
2035	640,000	83,550	723,550	2034	41,775	2035	41,775
2036	660,000	64,350	724,350	2035	32,175	2036	32,175
2037	675,000	44,550	719,550	2036	22,275	2037	22,275
2038	700,000	24,300	724,300	2037	12,150	2038	12,150
2039	110,000	3,300	113,300	2038	1,650	2039	1,650
	<u>6,940,000</u>	<u>2,243,400</u>	<u>9,183,400</u>		<u>1,121,700</u>		<u>1,121,700</u>

## VILLAGE OF MIDLOTHIAN, ILLINOIS

### Long-Term Debt Requirements

#### Installment Contract (Fire Engine) of 2016

April 30, 2022

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Date of Issue	August 25, 2015
Date of Maturity	August 25, 2024
Authorized Issue	\$469,589
Interest Rate	3.64%
Interest Date	August 25
Principal Maturity Date	August 25
Payable at	Republic First National Corporation

### CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		
	Principal	Interest	Totals
2023	\$ 55,808	6,322	62,130
2024	57,840	4,290	62,130
2025	59,945	2,185	62,130
	173,593	12,797	186,390

## VILLAGE OF MIDLOTHIAN, ILLINOIS

### Long-Term Debt Requirements Installment Contract (Motorola Radios) of 2019

April 30, 2022

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Date of Issue	October 15, 2019
Date of Maturity	October 15, 2024
Authorized Issue	\$180,039
Interest Rate	3.69%
Interest Date	October 15
Principal Maturity Date	October 15
Payable at	Motorola Solutions Credit Company LLC

### CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		
	Principal	Interest	Totals
2023	\$ 35,959	4,202	40,161
2024	37,308	2,853	40,161
2025	38,709	1,452	40,161
	111,976	8,507	120,483

## VILLAGE OF MIDLOTHIAN, ILLINOIS

### Long-Term Debt Requirements

#### Installment Contract (Streetsweeper) of 2020

April 30, 2022

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Date of Issue	March 1, 2020
Date of Maturity	March 1, 2025
Authorized Issue	\$277,724
Interest Rate	2.95%
Interest Date	March 1
Principal Maturity Date	March 1
Payable at	City National Bank of Florida

### CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		
	Principal	Interest	Totals
2023	\$ 55,498	5,058	60,556
2024	57,135	3,421	60,556
2025	58,820	1,736	60,556
	171,453	10,215	181,668

## VILLAGE OF MIDLOTHIAN, ILLINOIS

### Long-Term Debt Requirements

#### Installment Contract (Cardiac Monitors) of 2021

April 30, 2022

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Date of Issue	Janaury 15, 2020
Date of Maturity	December 12, 2024
Authorized Issue	\$90,839
Interest Rate	Non-Interest Bearing
Interest Date	Non-Interest Bearing
Principal Maturity Date	December 12
Payable at	US Bank Equipment Finance

### CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		
	Principal	Interest	Totals
2023	\$ 18,168	-	18,168
2024	18,168	-	18,168
2025	18,167	-	18,167
	54,503	-	54,503

## VILLAGE OF MIDLOTHIAN, ILLINOIS

### General Governmental Revenues by Source - Last Ten Fiscal Years April 30, 2022 (Unaudited)

Source	2013	2014	2015	2016
Taxes	\$ 7,825,393	7,021,650	5,155,351	4,501,939
Licenses, Permits and Fees	516,345	601,892	791,450	837,962
Charges for Services	1,199,969	1,369,998	1,637,171	1,703,686
Intergovernmental	426,145	440,139	4,644,975	4,348,178
Grant Reimbursements	18,322	108,872	124,380	379,921
Fines and Forfeitures	797,841	915,318	883,602	1,121,553
Investment Income	8,250	257	357	4,967
Miscellaneous	293,264	284,863	256,893	71,080
Totals	11,085,529	10,742,989	13,494,179	12,969,286

Data Source: Village Records

2017	2018	2019	2020	2021	2022
5,411,137	5,617,521	5,992,882	6,798,623	6,655,009	7,564,953
901,853	783,111	839,823	766,092	809,845	932,736
1,850,040	1,722,012	1,740,745	1,819,065	1,948,217	2,202,863
4,300,772	5,051,961	4,957,169	5,342,009	6,214,284	7,126,027
210,943	108,324	125,155	456,264	326,686	335,761
966,616	812,965	717,808	831,882	762,887	727,794
20,207	43,169	97,834	133,275	76,913	49,127
46,823	105,784	239,804	205,097	730,723	272,882
13,708,391	14,244,847	14,711,220	16,352,307	17,524,564	19,212,143

## VILLAGE OF MIDLOTHIAN, ILLINOIS

### General Governmental Expenditures by Function - Last Ten Fiscal Years April 30, 2022 (Unaudited)

Function	2013	2014	2015	2016
General Government	\$ 1,727,632	1,478,739	1,389,371	1,543,059
Public Safety	6,776,136	5,956,433	5,993,221	6,210,484
Public Works	2,448,571	2,463,746	2,308,402	2,461,517
Capital Outlay	-	74,652	168,128	886,274
Debt Service				
Principal	1,222,965	506,712	622,930	662,234
Interest and Fiscal Charges	441,061	465,157	403,555	394,111
Totals	12,616,365	10,945,439	10,885,607	12,157,679

Data Source: Village Records



2017	2018	2019	2020	2021	2022
1,731,933	1,668,414	1,743,339	2,063,094	2,154,474	2,293,408
6,303,679	6,698,100	7,218,184	7,746,054	8,549,984	8,238,976
2,234,573	3,089,661	2,683,621	3,759,411	3,180,211	3,603,276
425,967	706,991	365,546	210,143	851,097	636,006
817,363	839,923	837,053	829,242	967,768	971,589
381,713	351,033	317,835	726,397	524,121	583,594
11,895,228	13,354,122	13,165,578	15,334,341	16,227,655	16,326,849

# VILLAGE OF MIDLOTHIAN, ILLINOIS

## Assessed Valuations, Tax Rates, Tax Extensions and Collections - Last Ten Tax Levy Years April 30, 2022 (Unaudited)

	2012	2013	2014	2015
Assessed Valuations				
Village	\$ 204,885,426	191,699,375	180,333,200	172,028,914
Tax Rates - Village				
General:				
Corporate	0.18510	0.19530	0.18010	0.39000
Bond & Interest	-	0.03340	0.41800	0.46240
Street and Bridge	0.17950	0.21170	0.07940	0.08570
Fire Protection	0.28400	0.34980	0.39810	0.42980
Fire Pension	0.18880	0.16610	0.19710	0.12370
Police Protection	0.40870	0.51470	0.58600	0.63270
Police Pension	0.17160	0.16570	0.15410	0.20630
IMRF	0.18100	0.19340	0.20560	0.16170
Social Security	0.13570	0.14510	0.15420	0.11970
	1.73440	1.97520	2.37260	2.61200
Tax Rates - Library				
Corporate	0.55900	-	-	-
Total Tax Rates	2.29340	1.97520	2.37260	2.61200
Tax Extensions - Village				
General:				
Corporate	\$ 379,243	374,389	324,780	670,913
Bond & Interest	-	64,028	753,793	795,462
Street and Bridge	367,769	405,828	143,185	147,429
Fire Protection	581,875	670,564	717,906	739,380
Fire Pension	386,824	318,413	355,437	212,800
Police Protection	837,367	986,677	1,056,753	1,088,427
Police Pension	351,583	317,646	277,893	354,896
IMRF	370,843	370,747	370,765	278,171
Social Security	278,030	278,156	278,074	205,919
	3,553,534	3,786,448	4,278,586	4,493,397
Tax Extensions - Library				
Corporate	1,145,310	-	-	-
Total Tax Extensions	4,698,844	3,786,448	4,278,586	4,493,397
Total Collected	4,164,205	3,535,531	3,530,152	4,374,870
Percent Collected	88.62%	93.37%	82.51%	97.36%

The Library was reported as a component unit for the fiscal years ended April 30, 2013 and prior.

2016	2017	2018	2019	2020	2021
179,392,639	204,138,203	197,865,319	196,157,893	226,327,039	205,411,274
0.22940	0.18120	0.19240	-	0.15380	0.30230
0.44550	0.35940	0.37190	0.39130	0.35920	0.41140
0.08470	0.07660	0.07910	0.07980	0.07050	0.08070
0.42460	0.38430	0.40840	0.41300	0.36410	0.42120
0.28640	0.32960	0.36940	0.49030	0.42360	0.46710
0.62500	0.56570	0.60110	0.61310	0.54250	0.62180
0.21010	0.21480	0.25510	0.41230	0.28200	0.20230
0.15970	0.11360	0.12390	0.13550	0.12520	0.16050
0.11830	0.11010	0.11450	0.12600	0.11150	0.12970
2.58370	2.33530	2.51580	2.66130	2.43240	2.79700
-	-	-	-	-	-
2.58370	2.33530	2.51580	2.66130	2.43240	2.79700
411,527	369,898	380,693	-	348,005	620,889
799,194	733,673	735,861	767,604	813,055	845,040
151,946	156,370	156,511	156,446	159,650	165,830
761,701	784,503	808,082	810,108	824,000	865,200
513,781	672,840	730,914	961,829	958,649	959,504
1,121,204	1,154,810	1,189,368	1,202,644	1,227,760	1,277,200
376,904	438,489	504,754	808,805	638,178	415,647
286,490	231,901	245,155	265,740	283,250	329,600
212,221	224,756	226,556	247,200	252,350	266,383
4,634,968	4,767,240	4,977,894	5,220,376	5,504,897	5,745,293
-	-	-	-	-	-
4,634,968	4,767,240	4,977,894	5,220,376	5,504,897	5,745,293
4,569,889	4,445,924	4,631,714	4,996,251	5,426,117	2,434,112
98.60%	93.26%	93.05%	95.71%	98.57%	42.37%

## VILLAGE OF MIDLOTHIAN, ILLINOIS

### Property Tax Levies and Collections - Last Ten Tax Levy Years April 30, 2022 (Unaudited)

Tax Levy Year	Tax Levy Extensions	Total Collections to Date	
		Amount	Percentage of Levy
2012	\$ 4,698,844	\$ 4,164,205	88.62%
2013	3,786,448	3,535,531	93.37%
2014	4,278,586	3,530,152	82.51%
2015	4,493,397	4,374,870	97.36%
2016	4,634,968	4,569,889	98.60%
2017	4,767,240	4,445,924	93.26%
2018	4,977,894	4,631,714	93.05%
2019	5,220,376	4,996,251	95.71%
2020	5,504,897	5,426,117	98.57%
2021	5,745,293	2,434,112	42.37%

The Library was reported as a component unit for the fiscal years ended April 30, 2013 and prior.