

VILLAGE OF NORRIDGE, ILLINOIS
GENERAL PURPOSE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED APRIL 30, 2021

VILLAGE OF NORRIDGE
GENERAL PURPOSE FINANCIAL REPORT
FISCAL YEAR ENDED APRIL 30, 2021

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INDEPENDENT AUDITORS' REPORT

President and Board of Trustees
of the Village of Norridge
4000 North Olcott Avenue
Norridge, IL 60706

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 Norridge, Illinois, as of and for the year ended April 30, 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

Other Matters

Required Supplementary Information

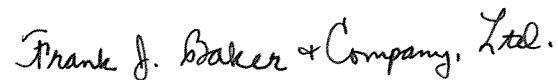
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 3-7), the budgetary comparison schedule (pages 43-44), the Illinois Municipal Retirement Fund, the Police Pension Fund data, the other postemployment benefits data, and investment returns (pages 45-50), be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit for the year ended April 30, 2021 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Norridge, Illinois' basic financial statements. The other schedules listed in the table of contents in the introductory section, the supplementary financial information and other supplemental information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2021, on our consideration of the Village of Norridge, Illinois' 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 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 of Norridge, Illinois' internal control over financial reporting and compliance.

Respectfully submitted,



Frank J. Baker & Company, Ltd.

Certified Public Accountants

December 29, 2021
Des Plaines, Illinois

VILLAGE OF NORRIDGE
MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis is intended to be an easily readable analysis of the Village of Norridge (Village) financial activities based on currently known facts, decisions or conditions. This analysis focuses on current year activities and should be read in conjunction with the financial statements that follow.

Report Layout

Besides the Management's Discussion and Analysis (MD&A), the report consists of government-wide statements, fund financial statements, notes to the financial statements, and supplementary information. The first several statements are highly condensed and present a government-wide view of the Village's finances. Within this view, all Village operations are categorized and reported as either governmental or business-type activities. Governmental activities include basic services such as police, inspection, public works, and general government administration. These government-wide statements are designed to be more corporate-like in that all activities are consolidated into a total for the Village.

Basic Financial Statements

The Statement of Net Assets focuses on resources available for future operations. In simple terms, this statement presents a snap-shot view of the assets the community owns, the liabilities it owes and the net difference. The net difference is further separated into amounts restricted for specific purposes and unrestricted amounts.

The Statement of Activities focuses on gross and net costs of Village programs and the extent to which such programs rely upon general tax and other revenues. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.

Fund financial statements focus separately on major governmental funds and proprietary funds. Governmental fund statements follow the more traditional presentation of financial statements. The Village's major governmental funds are presented in their own columns. Budgetary comparisons are presented for the General Fund and each major special revenue fund. Statements for the Village's proprietary fund follow the governmental funds and include net assets, revenue, expenses and changes in net assets, and cash flow. The last set of statements is the Fiduciary Funds which include the Police Pension Fund.

The notes to the financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the Village's financial condition.

VILLAGE OF NORRIDGE
MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Financial Statements

Statement of Net Position (Deficit)

A condensed version of the Statement of Net Position at April 30, 2021 and 2020 follows:

VILLAGE OF NORRIDGE
STATEMENT OF NET POSITION

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Assets						
Current and other assets	\$ 6,825,579	\$ 5,098,889	\$ 2,565,093	\$ 1,761,471	\$ 9,390,672	\$ 6,860,360
Capital assets	12,394,738	12,766,834	4,714,939	4,998,156	17,109,677	17,764,990
Deferred outflows	<u>7,010,147</u>	<u>9,696,443</u>	<u>-</u>	<u>-</u>	<u>7,010,147</u>	<u>9,696,443</u>
Total Assets	<u>\$ 26,230,464</u>	<u>\$ 27,562,166</u>	<u>\$ 7,280,032</u>	<u>\$ 6,759,627</u>	<u>\$ 33,510,496</u>	<u>\$ 34,321,793</u>
Liabilities						
Current liabilities	\$ 386,029	\$ 531,527	\$ 207,624	\$ 141,539	\$ 593,653	\$ 673,066
Non-current liabilities	25,867,388	36,750,276	187,635	183,290	26,055,023	36,933,566
Current debt	133,921	-	82,331	80,811	216,252	80,811
Non-current debt	1,174,175	-	1,518,106	1,600,438	2,692,281	1,600,438
Deferred inflows	<u>11,613,585</u>	<u>5,638,826</u>	<u>-</u>	<u>-</u>	<u>11,613,585</u>	<u>5,638,826</u>
Total Liabilities	<u>\$ 39,175,098</u>	<u>\$ 42,920,629</u>	<u>\$ 1,995,696</u>	<u>\$ 2,006,078</u>	<u>\$ 41,170,794</u>	<u>\$ 44,926,707</u>
Net Position:						
Invested in capital assets, net of related debt	\$ 12,394,738	\$ 12,766,834	\$ 3,114,501	\$ 3,316,907	\$ 15,509,239	\$ 16,083,741
Restricted	1,168,523	566,239	-	-	1,168,523	566,239
Unrestricted	<u>(26,507,895)</u>	<u>(28,691,536)</u>	<u>2,169,835</u>	<u>1,436,642</u>	<u>(24,338,060)</u>	<u>(27,254,894)</u>
Total Net Position	<u>(\$ 12,944,634)</u>	<u>(\$ 15,358,463)</u>	<u>\$ 5,284,336</u>	<u>\$ 4,753,549</u>	<u>(\$ 7,660,298)</u>	<u>(\$ 10,604,914)</u>

The Village's combined net position for the primary government increased from (\$10,604,914) to (\$7,660,298). The net increase of \$2,944,616 is attributable to an increase of \$2,413,829 in Governmental Activities and an increase of \$530,787 in Business-Type Activities.

Governmental activities net position increased \$2,413,829 while the business-type activities net position increased by \$530,787. The governmental activities total assets decreased by \$1,331,702 and the governmental activities total liabilities/deferred inflows decreased by \$3,745,531. The total assets decrease is due primarily to the increase in deferred outflows for pensions of \$2,686,296.

The decrease in total liabilities of \$3,745,531 for the governmental activities was due to the decrease in the net pension liability of the Illinois Municipal Retirement Fund (IMRF) and the Police Pension Fund. Both Funds experienced better than expected investment income returns which lowered the amounts of the liabilities. The decrease in the net pension liability for IMRF was \$2,115,521 and the decrease for the Police Pension Fund was \$7,902,560. Other Postemployment Benefit obligations increased \$386,149.

Business-type activities increased by \$530,787. The increase is due to an increase in cash of \$803,622 which was offset by a \$283,217 decrease in capital assets. The decrease in capital assets is due to depreciation expense recognized in the current fiscal year. The business-type activities liabilities decreased by \$10,382. This decrease was comprised mainly of the latest principal payments on debt of \$80,812 which was offset by an increase in the amount of current liabilities of \$66,085.

VILLAGE OF NORRIDGE
MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Financial Statements - Continued

Changes in Net Position

A condensed version of the Statement of Activities at April 30, 2021 and 2020 follows:

		VILLAGE OF NORRIDGE CHANGES IN NET POSITION					
		Governmental Activities		Business-Type Activities		Total	
		2021	2020	2021	2020	2021	2020
Revenues							
Program Revenues:							
Charges for services	\$	963,171	\$ 743,951	\$ 3,753,689	\$ 3,599,565	\$ 4,716,860	\$ 4,343,516
Fines and forfeitures		292,479	389,064	-	-	292,479	389,064
Operating grants/contributions		786,507	26,549	-	-	786,507	26,549
General Revenues:							
Home Rule sales tax		4,200,714	4,691,355	-	-	4,200,714	4,691,355
State sales tax		4,291,117	4,434,624	-	-	4,291,117	4,434,624
State income tax		1,892,924	1,433,281	-	-	1,892,924	1,433,281
Real estate taxes		2,239,394	1,849,979	-	-	2,239,394	1,849,979
Sale of land		-	996,017	-	-	-	996,017
Telecommunications tax		203,762	228,553	-	-	203,762	228,553
Motor fuel tax		997,127	526,767	-	-	997,127	526,767
Other intergovernmental revenue		108,733	127,548	-	-	108,733	127,548
Gasoline tax		223,468	232,430	-	-	223,468	232,430
Amusement tax		20,107	419,503	-	-	20,107	419,503
Franchise fees		168,540	173,478	-	-	168,540	173,478
Video Gaming tax		277,657	271,205	-	-	277,657	271,205
Investment income		13,109	48,114	-	-	13,109	48,114
Other		68,600	41,558	-	-	68,600	41,558
Total Revenues		<u>\$16,747,409</u>	<u>\$16,633,976</u>	<u>\$ 3,753,689</u>	<u>\$ 3,599,565</u>	<u>\$ 20,501,098</u>	<u>\$ 20,233,541</u>
Expenses							
General government	\$	1,533,761	\$ 2,060,280	\$ -	\$ -	\$ 1,533,761	\$ 2,060,280
Public safety		8,243,433	10,599,034	-	-	8,243,433	10,599,034
Public works							
Street		1,807,000	2,622,188	-	-	1,807,000	2,622,188
Sanitation		1,305,822	1,249,117	-	-	1,305,822	1,249,117
Village properties		1,393,691	1,938,626	-	-	1,393,691	1,938,626
Water		-	-	3,193,191	3,073,459	3,193,191	3,073,459
Debt service - interest		49,873	26,833	29,711	31,611	79,584	58,444
Total Expenses		<u>\$14,333,580</u>	<u>\$18,496,078</u>	<u>\$ 3,222,902</u>	<u>\$ 3,105,070</u>	<u>\$ 17,556,482</u>	<u>\$ 21,601,148</u>
Change in net assets		<u>\$ 2,413,829</u>	<u>(\$ 1,862,102)</u>	<u>\$ 530,787</u>	<u>\$ 494,495</u>	<u>\$ 2,944,616</u>	<u>(\$ 1,367,607)</u>

The Village's combined change in net position for the primary government was an increase of \$2,944,616 versus a decrease of \$1,367,607 for the prior year. Activities for the governmental activities saw an increase in net position of \$2,413,829 for 2021, while activities for the business-type funds saw an increase in net position of \$530,787 for 2021.

Governmental Activities

Revenue:

Total revenues for the Village's Governmental Activities for the year ended April 30, 2021 were \$16,749,409 and were slightly higher than the previous year by \$113,433.

Sales taxes are the largest revenue source for governmental activities accounting for \$8,491,831 or 50.70% of total revenues. The sales tax consists of a 1.00% state portion and 1.50% local home-rule portion. Real estate tax revenue is the next largest revenue source at \$2,239,394 or 13.37% of total revenues. The real estate tax revenue is levied for the Police Pension Fund and is directly remitted to the Pension Fund by Cook County.

VILLAGE OF NORRIDGE
MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Financial Statements - Continued

Governmental Activities (Continued)

The real estate tax revenue represents the Village's contribution to the police pension plan. The levy is based on the actuarially determined amount necessary to fund the plan.

The Village received \$362,533 of CARES Act funding during the year and also received the final disbursement of a DCEO grant of \$375,000 that was used for a prior street lighting project.

Expenses:

Total expenses for the Village's Governmental Activities for the year ended April 30, 2021 were \$14,333,580, a decrease of \$4,162,498 from the prior year. Public Safety accounts for the largest portion of governmental expenses. Total Public Safety expenses in 2021 were \$8,243,433, compared to \$10,599,034 for the prior year, a decrease of \$2,355,601. The change in the Police pension expense accounted \$2,060,280 for the decrease in Public Safety expense. The expenses for general government were \$1,533,761, a decrease of \$526,519 from the prior year. Public works - Streets expenses were \$1,807,000, a decrease of \$815,188 from the prior year.

Business-type Activities

Revenue:

Total revenues for the Village's Water Fund were \$3,753,689 for the fiscal year ended April 30, 2021, an increase of \$154,124 over the prior year.

Expenses:

Total expenses for the Water Fund were \$3,222,902 for the fiscal year, an increase of \$117,832 or 3.79 % over the prior year. Water purchases account for the majority of the expenses and were comparable to the prior year. The Village purchases its water from the City of Chicago and there have been annual increases in rates from the City of Chicago. The latest increase from Chicago was 2.45% effective June 1, 2020.

Net assets increased by \$530,787 during the fiscal year ended April 30, 2021.

Financial Analysis of the Village's General Fund

The General Fund is the Village's primary operating fund. It supports a majority of the day-to-day services delivered to residents and businesses.

General Fund revenues were less than the budget by \$48,127. There were a number of revenue items that were higher than the amounts budgeted including State Sales tax, State Income tax, State Use tax, and Licenses and permits. Other revenues received were lower than the budgeted amounts including amusement taxes. The majority of revenue items were near the budgeted amounts.

Expenditures in all areas of general government came in below budget for the year.

Capital Assets

At April 30, 2021 the Village had \$17,109,677 invested in capital assets, net of accumulated depreciation including police equipment, buildings, roads, and water and sewer lines.

Capital Assets at Year-end

	Governmental Activities	Business-type Activities	Totals
Land	\$ 2,785,487	\$ -	\$ 2,785,487
Buildings	6,969,065	-	6,969,065
Equipment	4,595,726	2,779,816	7,375,542
Infrastructure	12,412,469	8,506,631	20,919,100
Subtotal	\$ 26,762,747	\$ 11,286,447	\$ 38,049,194
Accumulated depreciation	14,368,009	6,571,508	20,939,517
Capital assets, net	<u>\$ 12,394,738</u>	<u>\$ 4,714,939</u>	<u>\$ 17,109,677</u>

VILLAGE OF NORRIDGE
MANAGEMENT'S DISCUSSION AND ANALYSIS

Infrastructure Assets

The Village's largest group of assets consists of infrastructure assets and water and sewer systems. These assets are valued and reported in both the governmental activities and business-type activities of the government-wide statements. The Village is depreciating those assets over their estimated useful lives. If a project is considered maintenance, a recurring cost that does not extend the asset's original useful life or expand its capacity, the cost of the project will be expensed.

More detailed information on the Village's capital assets is presented in the notes to the financial statements.

Debt Outstanding

At year-end, the Village had \$2,908,533 in bonds and loans outstanding versus \$3,118,545 in the prior year, a decrease of \$210,012.

Debt Outstanding at Year-end

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Totals</u>
Note Payable	\$ 1,308,096	\$ -	\$ 1,308,096
Illinois EPA loans	-	1,600,437	1,600,437
Totals	<u>\$ 1,308,096</u>	<u>\$ 1,600,437</u>	<u>\$ 2,908,533</u>

More detailed information on the Village's long-term debt is presented in the notes to the financial statements.

Economic Factors and Next Year's Budget

The Village's elected and appointed officials considered many factors when setting the fiscal year ending April 30, 2022 budget, tax rates, and fees that will be charged for its governmental and business-type activities. One of those factors is the economy. In March 2020, the World Health Organization declared the COVID-19 virus a public health emergency. The extent of the impact of COVID-19 on the Village's operations cannot be determined nor the duration and severity of any impact on operations. Sensitive revenue sources have been affected by the continuing effects of the pandemic on the economy.

Continuing challenges in fiscal year ending April 30, 2021 and years to come include, reductions in revenue due to state budgetary issues, rising personnel related costs (wages, insurance, etc.) and the funding of the police pension fund. As a result, the Village budgeted for little or no growth in various revenues. The goals remain to minimize the financial burden on Norridge taxpayers, to continue identifying cost cutting strategies and opportunities, responsibly utilize Village reserves when necessary, and proactively structure the Village in a way that will maximize the level of services that can be provided with the current level of resources.

Financial Contact

The Village's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the Village's finances and to demonstrate the Village's accountability. If you have questions about the report or need additional financial information, please contact the Village's Administrator at 4000 N. Olcott Avenue, Norridge, Illinois 60706.

VILLAGE OF NORRIDGE
STATEMENT OF NET POSITION
AS OF APRIL 30, 2021

	Primary Government		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 3,528,756	\$ 2,383,848	\$ 5,912,604
Investments	1,007,353	-	1,007,353
Taxes receivable	2,063,366	-	2,063,366
Accounts receivable	53,504	176,437	229,941
Inventories	-	4,808	4,808
Restricted Assets:			
Cash and cash equivalents	172,600	-	172,600
Capital assets not being depreciated	2,785,487	-	2,785,487
Capital assets being depreciated (net of accumulated depreciation)	9,609,251	4,714,939	14,324,190
TOTAL ASSETS	<u>\$ 19,220,317</u>	<u>\$ 7,280,032</u>	<u>\$ 26,500,349</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related amounts	\$ 7,010,147	\$ -	\$ 7,010,147
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 26,230,464</u>	<u>\$ 7,280,032</u>	<u>\$ 33,510,496</u>
LIABILITIES			
Accounts Payable	\$ 66,417	\$ 207,624	\$ 274,041
Notes payable, current	133,921	82,331	216,252
Liabilities payable from restricted assets	172,600	-	172,600
Compensated absences payable, current	147,012	-	147,012
Compensated absences payable, noncurrent	789,248	-	789,248
Other postemployment benefit obligation	4,118,731	-	4,118,731
Net pension liability	20,959,409	-	20,959,409
Customer deposits	-	187,635	187,635
Notes payable, non-current	1,174,175	1,518,106	2,692,281
Total Liabilities	<u>\$ 27,561,513</u>	<u>\$ 1,995,696</u>	<u>\$ 29,557,209</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related amounts	\$ 11,613,585	\$ -	\$ 11,613,585
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>\$ 39,175,098</u>	<u>\$ 1,995,696</u>	<u>\$ 41,170,794</u>
NET POSITION			
Invested in capital assets, net of related debt	\$ 12,394,738	\$ 3,114,501	\$ 15,509,239
Restricted - Highways and Streets	1,168,523	-	1,168,523
Unrestricted	(26,507,895)	2,169,835	(24,338,060)
TOTAL NET POSITION	<u>(\$ 12,944,634)</u>	<u>\$ 5,284,336</u>	<u>(\$ 7,660,298)</u>

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

VILLAGE OF NORRIDGE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2021

	Program Revenues				Net Expense/Revenue		
	Expenses	Charges for Services	Fines and Forfeitures	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General government	\$ 1,533,761	\$ 954,171	\$ 9,075	\$ 411,507	(\$ 159,008)	\$ -	(\$ 159,008)
Public safety	8,243,433	9,000	283,404	-	(7,951,029)	-	(7,951,029)
Public works							
Street Department	1,807,000	-	-	375,000	(1,432,000)	-	(1,432,000)
Sanitation	1,305,822	-	-	-	(1,305,822)	-	(1,305,822)
Village Properties	1,393,691	-	-	-	(1,393,691)	-	(1,393,691)
Interest	49,873	-	-	-	(49,873)	-	(49,873)
Total Governmental Activities	<u>\$ 14,333,580</u>	<u>\$ 963,171</u>	<u>\$ 292,479</u>	<u>\$ 786,507</u>	<u>(\$ 12,291,423)</u>	<u>\$ -</u>	<u>(\$ 12,291,423)</u>
Business-Type Activities							
Water and Sewer	\$ 3,222,902	\$ 3,753,689	\$ -	\$ -	\$ -	\$ 530,787	\$ 530,787
	<u>\$ 17,556,482</u>	<u>\$ 4,716,860</u>	<u>\$ 292,479</u>	<u>\$ 786,507</u>	<u>(\$ 12,291,423)</u>	<u>\$ 530,787</u>	<u>(\$ 11,760,636)</u>

General Revenues:

Taxes:				
Home Rule Sales tax		\$ 4,200,714	\$ -	\$ 4,200,714
State Sales tax		4,291,117	-	4,291,117
State Income tax		1,892,924	-	1,892,924
Real Estate tax		2,239,394	-	2,239,394
Telecommunications tax		203,762	-	203,762
Intergovernmental revenue		1,105,860	-	1,105,860
Gasoline tax		223,468	-	223,468
Amusement tax		20,107	-	20,107
Franchise fees		168,540	-	168,540
Video Gaming tax		277,657	-	277,657
Storage tax		27,639	-	27,639
Investment income		13,109	-	13,109
Miscellaneous		40,961	-	40,961
Total General Revenues		<u>\$ 14,705,252</u>	<u>\$ -</u>	<u>\$ 14,705,252</u>
Change in net position		\$ 2,413,829	\$ 530,787	\$ 2,944,616
Net Position at Beginning of Year		(\$ 15,358,463)	\$ 4,753,549	(\$ 10,604,914)
Net Position at End of Year		<u>(\$ 12,944,634)</u>	<u>\$ 5,284,336</u>	<u>(\$ 7,660,298)</u>

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

VILLAGE OF NORRIDGE
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF APRIL 30, 2021

	<u>General</u>	<u>Special Revenue Fund Motor Fuel Tax</u>	<u>Totals</u>
ASSETS			
Cash and cash equivalents	\$ 2,617,202	\$ 911,554	\$ 3,528,756
Investments	750,384	256,969	1,007,353
Taxes receivable	2,063,366	-	2,063,366
Accounts receivable	53,504	-	53,504
Restricted assets	172,600	-	172,600
TOTAL ASSETS	<u>\$ 5,657,056</u>	<u>\$ 1,168,523</u>	<u>\$ 6,825,579</u>
LIABILITIES			
Accounts payable	\$ 66,417	\$ -	\$ 66,417
Liabilities payable from restricted assets	172,600	-	172,600
TOTAL LIABILITIES	<u>\$ 239,017</u>	<u>\$ -</u>	<u>\$ 239,017</u>
FUND BALANCES			
Unrestricted			
Assigned			
Special revenue funds	\$ -	\$ 1,168,523	\$ 1,168,523
Unassigned	5,418,039	-	5,418,039
TOTAL FUND BALANCES	<u>\$ 5,418,039</u>	<u>\$ 1,168,523</u>	<u>\$ 6,586,562</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,657,056</u>	<u>\$ 1,168,523</u>	<u>\$ 6,825,579</u>

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

VILLAGE OF NORRIDGE
RECONCILIATION OF THE FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION
AS OF APRIL 30, 2021

Fund Balances of Governmental Funds		\$ 6,586,562
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets, net of accumulated depreciation used in governmental activities are not financial resources and therefore are not reported in the funds:		
Capital assets	\$ 26,762,747	
Accumulated depreciation	<u>14,368,009</u>	
Total Capital Assets, net		12,394,738
Deferred outflows of resources related to pensions are not a current financial resource, and therefore, are not reported in governmental funds		
		7,010,147
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in governmental funds.		
Compensated Absences Payable	(936,260)	
Net other postemployment benefits obligation	(4,118,731)	
Net pension liability - Illinois Municipal Retirement Fund	1,917,716	
Net pension liability - Police Pension Fund	(22,877,125)	
Note payable - Wintrust Bank	(1,308,096)	
Deferred inflows of resources related to pensions are not a current financial resource, and therefore, are not reported in governmental funds		
		<u>(11,613,585)</u>
NET POSITION (DEFICIT) OF GOVERNMENTAL ACTIVITIES		<u>(\$ 12,944,634)</u>

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

VILLAGE OF NORRIDGE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE YEAR ENDED APRIL 30, 2021

	<u>General</u>	<u>Special Revenue Fund Motor Fuel Tax</u>	<u>Total Governmental Funds</u>
REVENUES			
Taxes	\$ 7,204,651	\$ -	\$ 7,204,651
Licenses and permits	926,316	-	926,316
Intergovernmental	7,067,370	997,127	8,064,497
Charges for services	199,235	-	199,235
Fines and forfeitures	263,928	-	263,928
Miscellaneous	87,346	1,436	88,782
TOTAL REVENUES	<u>\$ 15,748,846</u>	<u>\$ 998,563</u>	<u>\$ 16,747,409</u>
EXPENDITURES			
Current:			
General government	\$ 2,139,134	\$ -	\$ 2,139,134
Public safety	8,409,176	-	8,409,176
Highway and streets	1,341,675	396,279	1,737,954
Sanitation	1,305,822	-	1,305,822
Village properties	1,235,891	-	1,235,891
Debt service			
Principal	129,201	-	129,201
Interest	49,873	-	49,873
TOTAL EXPENDITURES	<u>\$ 14,610,772</u>	<u>\$ 396,279</u>	<u>\$ 15,007,051</u>
Excess of revenues over expenditures	<u>\$ 1,138,074</u>	<u>\$ 602,284</u>	<u>\$ 1,740,358</u>
Net Change in Fund Balances	\$ 1,138,074	\$ 602,284	\$ 1,740,358
FUND BALANCE, BEGINNING OF YEAR	4,279,965	566,239	4,846,204
FUND BALANCE, END OF YEAR	<u>\$ 5,418,039</u>	<u>\$ 1,168,523</u>	<u>\$ 6,586,562</u>

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

VILLAGE OF NORRIDGE
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
TO THE GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2021

Net change in Fund Balances - Total governmental funds \$ 1,740,358

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

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported in the governmental funds

Increase in Compensated Absences	(54,510)
Decrease in Net OPEB Obligation	(386,149)
Pension Expense	1,357,026

Governmental funds report capital outlay as expenditures, while governmental activities report depreciation expense to allocate those expenditures over the life of the assets

Capital outlay	169,880
Depreciation	(541,976)

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

Payment of note payable	129,200
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CHANGE IN NET POSITION (DEFICIT) OF GOVERNMENTAL ACTIVITIES	\$ 2,413,829
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The notes to the financial statements are
an integral part of this statement.

VILLAGE OF NORRIDGE
STATEMENT OF NET POSITION
PROPRIETARY FUND
APRIL 30, 2021

	<u>Water Utilities</u>
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 2,383,848
Accounts receivable	176,437
Inventory	4,808
Total Current Assets	\$ 2,565,093
Non-current Assets:	
Capital assets	
Other capital assets, net of accumulated depreciation	\$ 4,714,939
Total Non-Current Assets	\$ 4,714,939
TOTAL ASSETS	\$ 7,280,032
 LIABILITIES	
Current Liabilities	
Accounts payable	\$ 195,329
Accrued interest payable	12,295
Customer deposits	187,635
Loan payable, current portion	82,331
Total Current Liabilities	\$ 477,590
Non-current Liabilities	
Loans payable, non-current	\$ 1,518,106
TOTAL LIABILITIES	\$ 1,995,696
 NET POSITION	
Invested in capital assets, net of related debt	\$ 3,114,501
Unrestricted	2,169,835
TOTAL NET POSITION	\$ 5,284,336

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

VILLAGE OF NORRIDGE
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED APRIL 30, 2021

	<u>Water Utilities</u>
OPERATING REVENUES	
Charges for services	
Water charges	\$ 2,666,868
Permits and fees	945,939
Total operating revenues	\$ 3,612,807
 OPERATING EXPENSES	
Administration and Maintenance	\$ 2,909,974
Depreciation	283,217
Total operating expenses	\$ 3,193,191
 OPERATING INCOME	\$ 419,616
 NONOPERATING REVENUES (EXPENSES)	
Interest expense on notes and loans payable	(\$ 29,711)
Rental income	140,882
Total nonoperating expenses revenues	\$ 111,171
 Net Income	\$ 530,787
 Net Position, beginning	4,753,549
 Net Position, ending	\$ 5,284,336

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

VILLAGE OF NORRIDGE
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED APRIL 30, 2021

	<u>Water Utilities</u>
Cash flows from operating activities	
Receipts from Customers and Users	\$ 3,615,197
Payments to Suppliers	(2,550,571)
Payments to Employees	(292,462)
Net cash provided (used) by operating activities	\$ 772,164
Cash flows from capital and related financing activities	
Principal paid on debt	(\$ 80,811)
Interest paid on debt	(30,567)
Rental income	140,882
Net cash (used) provided by capital and related financing activities	\$ 29,504
Net increase in cash and cash equivalents	\$ 801,668
Cash and cash equivalents at beginning of year	1,582,180
Cash and cash equivalents at end of year	\$ 2,383,848
Reconciliation of Operating Income to Net Cash	
Provided (Used) by Operating Activities	
Operating Income	\$ 419,616
Adjustments to Reconcile Operating Income	
Income to Net Cash Provided by	
(Used in) Operating Activities:	
Depreciation	283,217
(Increase) Decrease in Current Assets	(1,955)
Increase (Decrease) in Current Liabilities	71,286
Net Cash Provided by Operating Activities	\$ 772,164

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

VILLAGE OF NORRIDGE
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
APRIL 30, 2021

	<u>Pension Trust Fund</u>
ASSETS	
Cash and cash equivalents	\$ 973,163
Receivables:	
Interest and dividends	63,628
Total current assets	<u>\$ 1,036,791</u>
Investments	
U.S. Government Obligations	\$ 7,112,311
Corporate Stocks	18,057,162
Mutual Funds	7,527,400
Municipal Bonds	101,641
Corporate Bonds	3,801,166
Cash - interest bearing	1,506,170
Total investments	<u>\$ 38,105,850</u>
Total assets	<u>\$ 39,142,641</u>
LIABILITIES	
Accounts payable	\$ 166,997
Total liabilities	<u>\$ 166,997</u>
NET POSITION RESTRICTED FOR PENSION BENEFITS	<u><u>\$ 38,975,644</u></u>

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

VILLAGE OF NORRIDGE
STATEMENT OF CHANGES
IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED APRIL 30, 2021

	<u>Pension Trust Funds</u>
ADDITIONS:	
Contributions:	
Employer	\$ 2,239,394
Plan members	<u>342,595</u>
Total contributions	<u>\$ 2,581,989</u>
Investment income:	
Net appreciation in fair value of investments	\$ 8,189,461
Interest and dividend income	<u>536,271</u>
Total investment income	\$ 8,725,732
Less investment expenses	<u>101,238</u>
Net investment income	<u>\$ 8,624,494</u>
Total additions	<u>\$ 11,206,483</u>
DEDUCTIONS:	
Benefits	\$ 2,396,858
Administrative expenses	<u>66,264</u>
Total deductions	<u>\$ 2,463,122</u>
Change in net position	\$ 8,743,361
NET POSITION RESTRICTED FOR PENSION BENEFITS	
Beginning of year	<u>30,232,283</u>
End of year	<u><u>\$ 38,975,644</u></u>

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

VILLAGE OF NORRIDGE
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Norridge, Illinois, was incorporated December 4, 1948 and became a home-rule municipality by referendum on May 1, 1973. The Village is a municipal corporation governed by an elected president and six-member Board of Trustees. The Village provides a broad range of services to citizens, including general government, public safety, building code enforcement, engineering, street maintenance, street lighting, water and sewer utilities, 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). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB Pronouncements. Although the Village has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the Village has chosen not to do so. The more significant of the Village's accounting policies established in GAAP and used by the Village are described below.

A. REPORTING ENTITY

The Village's financial reporting entity comprises the following:

Primary Government:	Village of Norridge
Blended Component Units:	Police Pension Employees Retirement System

In determining the financial reporting entity, the Village complies with the provisions of GASB Statement No. 14, "the Financial Reporting Entity," and includes all component units that have a significant operational or financial relationship with the Village.

Blended Component Units - Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the Village Board or the Component unit provides services entirely to the Village. These component unit funds are blended into those of the Village's by appropriate activity type to compose the primary government presentation.

Blended Component Unit

Police Pension Employees Retirement System

The Village's sworn police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's President, one elected pension beneficiary and two elected police employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the Village, the PPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the Village's police employees. The PPERS is reported as a pension trust fund.

VILLAGE OF NORRIDGE
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION

Government-wide and Fund Financial 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, 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 waterworks and sewerage activities are classified as business-type activities.

In the government-wide Statement of Net Assets, 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 and receivables as well as long-term debt and obligations.

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

Invested in capital assets, net of related debt—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 net assets—Consists of net assets 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.

Unassigned net assets—All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

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 (sales and use taxes, income taxes, property taxes, intergovernmental revenue, 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, 2) fines and forfeitures, and 3) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment.

The net costs (by function or business-type activity) are normally covered by general revenue (sales and use taxes, state income tax, property tax, and certain intergovernmental revenues).

This government-wide focus is more on the sustainability of the Village as an entity and the change in the Village's net assets 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, liabilities, reserves, 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.

VILLAGE OF NORRIDGE
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

Non-major funds by category are summarized into a single column. GASB Statement No. 34 set forth minimum criteria (percentage of assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The non-major 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, liabilities, 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, liabilities, revenues, or expenditures/expenses of that individual governmental 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 governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Village:

General Fund

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

Special Revenue Funds

This type of fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Village maintains one major special revenue fund, the Motor Fuel Tax Fund, and one non-major special revenue fund. The Motor Fuel Tax Fund accounts for the motor fuel taxes received from the State of Illinois and expenditures that are legally restricted for specified purposes.

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, 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

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 one major proprietary fund, the Water Fund, which accounts for the activities of the water and sewer operations. The Village operates the water distribution and sanitary sewer system.

VILLAGE OF NORRIDGE
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

Fiduciary Funds

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

Pension Trust 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.

C. 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 Assets and the Statement of Activities, both governmental and business-like 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 and liabilities 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 assets, financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary and pension trust fund equity is classified as net assets.

Basis of Accounting

In the government-wide Statement of Net Assets and Statement of Activities, both governmental and business-like 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 is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

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. A sixty day availability period is used for revenue recognition for governmental fund revenues. The Village's property taxes are levied for the Police Pension Fund and are deposited directly in the Pension Fund's checking account. The property taxes are not recognized until received. 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.

VILLAGE OF NORRIDGE
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, sales and use taxes, franchise taxes, licenses, 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.

D. ASSETS, LIABILITIES AND EQUITY

1. Deposits and Investments

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

States statutes authorize the Village to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements and the State Treasurer's Investment Pool.

Investments are stated at cost or amortized cost, except for investments, in the Police Pension Trust Fund and the deferred compensation agency fund, which are reported at market value.

2. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

3. Inventories and Prepaid Items

Inventory is valued at the lower of cost (first-in, first-out) or market. Inventory in the Enterprise Fund consists of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are purchased.

VILLAGE OF NORRIDGE
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS, LIABILITIES AND EQUITY (Continued)

4. Restricted Assets

General Fund - Amounts listed as restricted assets under the General Fund represent deposits made by contractors to the Village. These deposits are held by the Village to ensure that the contractors repair any damage done to Village streets.

Enterprise Fund - Amounts listed as restricted assets represent commercial customer deposits made when water service is set up.

5. Capital Assets

Capital assets, which include property, plant equipment, and infrastructure assets (e.g. roads, sidewalks, street lights, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial cost of at least \$20,000 and an estimated useful life in excess of three years. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at estimated fair market value as of the date of the donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation on exhaustible assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Assets. A composite depreciation rate is used for infrastructure assets. Depreciation on the remaining capital assets is provided on the straightline basis over the following estimated useful lives:

Buildings	25-50 years
Improvements other than Buildings	15-50 years
Water Distribution System	40 years
Sewer Collection System	40 years
Machinery and Equipment	3-10 years
Vehicles	3-15 years
Infrastructure	20-50 years

6. Compensated Absences

Vested or accumulated vacation and sick leave are reported as an expenditure and a fund liability of the governmental fund that will pay it once retirement or separation has occurred. Vested or accumulated vacation and sick leave of proprietary funds and governmental activities are recorded as an expense and liability of those funds as the benefits accrue to employees.

VILLAGE OF NORRIDGE
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS, LIABILITIES AND EQUITY (Continued)

7. 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 statements of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest rate method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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 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.

8. Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates that affect amounts reported in the financial statements during the reporting period. Actual results could differ from such estimates.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETS AND BUDGETARY ACCOUNTING

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

1. Prior to July 31, the President submits to the Board of Trustees a proposed operating budget for the fiscal year commencing the prior May 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at the Village Hall to obtain taxpayer comments.
3. Prior to July 31, the budget is legally enacted through passage of an ordinance.
4. Formal budgetary integration is employed as a management control device during the year for the General Fund. Formal budgetary integration is not employed for Debt Service Funds because effective budgetary control is alternatively achieved through general obligation bond indenture provisions.
5. Budgets for the General Fund are adopted and monitored throughout the year on a cash basis.

VILLAGE OF NORRIDGE
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2021

3. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. DEPOSITS AND INVESTMENTS

The cash and investments are classified into deposits, investments, and other, based upon their nature. Within each classification, the balances are further categorized, if required, by the risk element assumed, as described below. The deposits and investments of the pension trust fund are held separately from those of other funds.

1. Cash

The carrying amount of cash, of the Village, excluding the Pension Trust Fund, was \$6,084,604 at April 30, 2021, while the bank balances were \$6,378,328. As of April 30, 2021, the bank balances in excess of Federal Deposit Insurance Corporation (FDIC) insurance limits were collateralized with securities of the U.S. government either held in the Village's name by the pledging financial institution or collateralized with securities held in the name of the pledging financial institution.

2. Certificates of Deposit

Certificates of deposit for the Village, amounted to \$1,007,353 at April 30, 2021. The certificate of deposit balances in excess of Federal Deposit Insurance Corporation (FDIC) insurance limits were collateralized with securities of the U.S. government either held in the Village's name by pledging financial institution or collateralized with securities held in the name of the pledging financial institution.

3. Custodial Credit Risk

For an investment, custodial credit risk 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 is fully collateralized as of April 30, 2021.

4. Concentration of Credit Risk

The Village places no limit on the amount the Village may invest in any one issuer.

B. PROPERTY TAXES

Property taxes are recognized when they are received. The 2020 property taxes attach as an enforceable lien on January 1, 2020. They were levied on November 14, 2020 by passage of a tax levy ordinance. Tax bills are prepared by the county and issued on or about February 1, 2021 and are due in two installments, on March 1, 2021 and on October 1, 2021. The county collects such taxes and remits them periodically.

VILLAGE OF NORRIDGE
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2021

3. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

C. CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended April 30, 2021 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Land	\$ 2,785,487	\$ -	\$ -	\$ 2,785,487
Depreciable capital assets:				
Buildings	6,969,065	-	-	6,969,065
Equipment	4,453,389	169,880	27,543	4,595,726
Infrastructure	12,412,469	-	-	12,412,469
Total Capital Assets	<u>\$ 26,620,410</u>	<u>\$ 169,880</u>	<u>\$ 27,543</u>	<u>\$ 26,762,747</u>
Accumulated Depreciation				
Buildings	\$ 2,880,031	\$ 139,381	\$ -	\$ 3,019,412
Equipment	4,074,365	137,664	27,543	4,184,486
Infrastructure	6,899,180	264,931	-	7,164,111
Total accumulated depreciation	<u>\$ 13,853,576</u>	<u>\$ 541,976</u>	<u>\$ 27,543</u>	<u>\$ 14,368,009</u>
Governmental activities capital assets, net	<u>\$ 12,766,834</u>	<u>\$ 372,096</u>	<u>\$ -</u>	<u>\$ 12,394,738</u>

Depreciation expense was charged to the following functions in the Statement of Activities:

General government	\$ 73,694
Public safety	114,032
Public works - Street Department	196,450
Village properties	157,800
Net	<u>\$ 541,976</u>

Capital asset activity for business-type activities for the year ended April 30, 2021 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Combined waterworks and sewerage system	\$ 8,506,631	\$ -	\$ -	\$ 8,506,631
Machinery and equipment	22,375	-	-	22,375
Furniture and fixtures	452,923	-	-	452,923
Water meters	2,304,518	-	-	2,304,518
Total Capital Assets	<u>\$ 11,286,447</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,286,447</u>
Accumulated Depreciation				
Combined waterworks and sewerage system	\$ 3,669,551	\$ 167,992	\$ -	\$ 3,837,543
Machinery and equipment	22,375	-	-	22,375
Furniture and fixtures	452,923	-	-	452,923
Water meters	2,143,442	115,225	-	2,258,667
Total accumulated depreciation	<u>\$ 6,288,291</u>	<u>\$ 283,217</u>	<u>\$ -</u>	<u>\$ 6,571,508</u>
Governmental activities capital assets, net	<u>\$ 4,998,156</u>	<u>(\$ 283,217)</u>	<u>\$ -</u>	<u>\$ 4,714,939</u>

VILLAGE OF NORRIDGE
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2021

3. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

D. LONG-TERM DEBT

Governmental Fund Long-Term Debt

On April 24, 2019, the Village Board authorized the borrowing of funds for the purchase of land in the Village of Norridge. On May 8, 2019, the Village purchased a parcel of vacant land at 7740 Montrose Avenue. The purchase was funded with a \$1,500,000 loan from Wintrust Bank at 3.50% with semi-annual payments and matures on May 7, 2029.

Annual debt service requirements to maturity for the loan are as follows:

<u>Year Ending April 30</u>	<u>Wintrust Bank Note Payable</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2022	\$ 133,921	\$ 45,153	\$ 179,074
2023	139,204	39,870	179,074
2024	144,118	34,956	179,074
2025	149,207	29,867	179,074
2026	154,475	24,599	179,074
2027	159,928	19,146	179,074
2028	165,575	13,499	179,074
2029	171,421	7,653	179,074
2030	90,247	1,570	91,817
	<u>\$ 1,308,096</u>	<u>\$ 216,313</u>	<u>\$ 1,524,409</u>

VILLAGE OF NORRIDGE
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2021

3. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

D. LONG-TERM DEBT

Enterprise Fund Long-Term Debt

On August 22, 2012, the Village Board authorized a loan agreement with the Illinois Environmental Protection Agency through the State's Illinois Public Water Supply Loan Program. The loan proceeds are being used to upgrade the water supply system.

The Village was approved to borrow up to \$526,627 with an annual interest rate of 2.295%. The loan term is 20 years with semiannual payments starting on January 23, 2014. The Village borrowed a total of \$485,197. The State of Illinois forgave \$131,657 of the loan amount pursuant to the principal forgiveness provisions contained in the Loan Rules.

On July 25, 2018, the Village entered into a loan agreement with the Illinois Environmental Protection Agency through the State's Illinois Public Water Supply Loan Program. The loan proceeds were used for the 2018 Water Main Replacement Project.

The Village was approved to borrow up to \$1,609,883 with an annual interest rate of 1.76%. The loan term was 20 years with semiannual payments beginning on May 16, 2019. The Village borrowed a total of \$1,492,223.

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

<u>Year Ending April 30</u>	<u>2012 Illinois EPA Water Supply Loan</u>		<u>2018 Illinois EPA Drinking Water Loan</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 17,278	\$ 5,313	\$ 65,053	\$ 23,733	\$ 82,331	\$ 29,046
2023	17,677	4,914	66,203	22,583	83,880	27,497
2024	18,085	4,506	67,373	21,413	85,458	25,919
2025	18,502	4,089	68,564	20,222	87,066	24,311
2026	18,929	3,662	69,776	19,009	88,705	22,671
2027	19,366	3,224	71,010	17,776	90,376	21,000
2028	19,813	2,778	72,265	16,521	92,078	19,299
2029	20,271	2,320	73,543	15,243	93,814	17,563
2030	20,738	1,852	74,843	13,943	95,581	15,795
2031	21,217	1,374	76,166	12,620	97,383	13,994
2032	21,707	884	77,512	11,274	99,219	12,158
2033	22,208	383	78,882	9,904	101,090	10,287
2034	-	-	80,277	8,509	80,277	8,509
2035	-	-	81,696	7,090	81,696	7,090
2036	-	-	83,140	5,646	83,140	5,646
2037	-	-	84,610	4,176	84,610	4,176
2038	-	-	86,106	2,680	86,106	2,680
2039	-	-	87,628	1,158	87,628	1,158
	<u>\$ 235,791</u>	<u>\$ 35,299</u>	<u>\$ 1,364,647</u>	<u>\$ 233,500</u>	<u>\$ 1,600,438</u>	<u>\$ 268,799</u>

VILLAGE OF NORRIDGE
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2021

3. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

D. LONG-TERM DEBT (Continued)

Summary - The following is a summary of long-term debt transactions of the Village for the year ended April 30, 2021:

	<u>Balance</u> <u>4/30/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>4/30/2021</u>	<u>Amount due</u> <u>in One Year</u>
Governmental Activities:					
Compensated Absences	\$ 881,750	\$ 54,510	\$ -	\$ 936,260	\$ 147,012
Other Postemployment Benefit Obligations	3,732,582	386,149	-	4,118,731	-
Net pension liability - IMRF	197,805	-	2,115,521	(1,917,716)	-
Net pension liability - Police Pension	30,779,685	-	7,902,560	22,877,125	-
Note payable - Wintrust Bank	1,437,296	-	129,200	1,308,096	133,921
Total Governmental	<u>\$ 37,029,118</u>	<u>\$ 440,659</u>	<u>\$ 10,147,281</u>	<u>\$ 27,322,496</u>	<u>\$ 280,933</u>
Enterprise Fund					
Illinois EPA Loan - 2012	\$ 252,679	\$ -	\$ 16,888	\$ 235,791	\$ 17,278
Illinois EPA Loan - 2018	1,428,570	-	63,923	1,364,647	65,053
Total Enterprise Fund	<u>\$ 1,681,249</u>	<u>\$ -</u>	<u>\$ 80,811</u>	<u>\$ 1,600,438</u>	<u>\$ 82,331</u>
Total Long-term Obligations	<u>\$ 38,710,367</u>	<u>\$ 440,659</u>	<u>\$ 10,228,092</u>	<u>\$ 28,922,934</u>	<u>\$ 363,264</u>

4. OTHER INFORMATION

A. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries insurance. Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no significant decrease in the insurance coverage over the past year.

B. COMMITMENTS AND CONTINGENT LIABILITIES

Litigation

The Village is a defendant in various lawsuits. The ultimate resolution of these matters is not ascertainable at this time. No provision has been made in the financial statements related to these claims.

Intergovernmental Agreement and Debt Guarantee

The Village entered into an intergovernmental agreement with the Village of Harwood Heights and the Village of Schiller Park to establish a joint emergency telephone system, referred to as the Municipal Consolidated Dispatch (MCD). The MCD financed the initial costs of its operations with a \$2,000,000 line of credit from Parkway Bank. On January 25, 2017, the Village adopted an ordinance pledging its full faith and credit to the repayment of the Village's allocated share of the loan. Since MCD has been satisfying the terms of the line of credit, the Village does not feel it is probable that it will be required to satisfy its share of the debt at this time. During the fiscal year ended April 30, 2021, the Village paid \$614,037 to MCD towards operating costs.

C. OTHER POST-EMPLOYMENT BENEFITS

Plan Description

Plan Administration

The Village administers a single-employer, defined benefit post-employment health insurance plan that provides OPEB to its retired employees. The plan is funded on a pay-as-you-go basis and there is no irrevocable trust established for the plan. The Village has not accumulated assets for the future payment of OPEB benefit payments.

VILLAGE OF NORRIDGE
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2021

4. OTHER INFORMATION

C. OTHER POST-EMPLOYMENT BENEFITS (Continued)

Plan Membership

As of April 30, 2021, the plan membership data is as follows:

Active employees	55
Retirees	10
Total	65

Benefits Provided

The plan provides medical insurance for eligible retirees and their dependents through the Village's group health insurance plan, which covers both active and retired members. Benefit provisions are established and amended by the Village Board.

Contributions

Employees do not contribute to the plan during their active service. The Village contributes on a monthly basis, 75% of the cost of current year single coverage HMO premiums for eligible retired plan members. The retiree is responsible for the balance of the monthly premium, including 100% of the cost for spouse and/or dependent coverage.

Actuarial assumptions

The total OPEB liability was determined by an actuarial valuation as of April 30, 2021, the measurement date. The following actuarial assumptions applied to the measurement:

Actuarial cost method	Entry Age Normal Cost Method
Salary Increases	Not applicable
Inflation	1.00%
Municipal Bond Rate	2.27% (2.94% - 2020)
Healthcare cost trend rates	4.90% per year for year 1, 4.80% for year 2, 4.70% for years 3-4, 4.60% for year 5, 4.50% for year 6, 4.40% for year 7 then 4.30% for remaining years. Trend rates were developed consistent with the Getzen model.
Mortality	Pub-2010 Public Retirement Plans Mortality Tables

Discounted Rate

The discount rate used to measure the OPEB liability for the plan was 2.27% based on the 20 year tax exempt municipal bond yield. No assets have been accumulated in an irrevocable trust, so the municipal rate has been applied to all periods.

Changes in the total OPEB Liability

	Total OPEB Liability
Balance, April 30, 2020	<u>\$ 3,732,582</u>
Changes for the Year:	
Service Cost	\$ 138,284
Interest on the total OPEB liability	128,297
Economic/demographic gains/losses	(275,245)
Changes in assumptions	477,736
Contributions made	<u>(82,923)</u>
Net Changes	<u>\$ 386,149</u>
Balance, April 30, 2021	<u><u>\$ 4,118,731</u></u>

VILLAGE OF NORRIDGE
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2021

4. OTHER INFORMATION

C. OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

The following presents the total OPEB Liability as of April 30, 2021, as well as what the total OPEB liability would be if it were calculated using a discount rate 1% lower and 1% higher than the current discount rate.

	1% Decrease	Current Discount Rate	1% Increase
	<u>1.27%</u>	<u>2.27%</u>	<u>3.27%</u>
Village of Norridge OPEB Plan	\$ 4,645,579	\$ 4,118,731	\$ 3,673,572

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

The following presents the total OPEB Liability as of April 30, 2021, as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rate 1% lower than 1% higher than the current healthcare cost trend rate.

	1% Decrease	Baseline Trend	1% Increase
Village of Norridge OPEB Plan	\$ 3,548,755	\$ 4,118,731	\$ 4,810,713

D. EMPLOYEE RETIREMENT SYSTEMS

The Village contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system and the Police Pension Plan which is a single-employer pension plan. The benefits, benefit levels, employee contributions, and employer contributions for the plans are governed by ILCS and can only be amended by the Illinois General Assembly. IMRF issues a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

a. Plan Descriptions

Illinois Municipal Retirement Fund

All employees (other than those covered by the Police Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits.

For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1⅔% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

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 members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1⅔% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

Participating members are required to contribute 4.5% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer required contribution rate for calendar year 2019 was 8.46%.

VILLAGE OF NORRIDGE
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2021

4. OTHER INFORMATION (Continued)

D. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Plan Membership

At December 31, 2020, IMRF membership consisted of:

Inactive plan members currently receiving benefits	50
Inactive plan members entitled to but not yet receiving benefits	18
Active plan members	<u>32</u>
 TOTAL	 <u>100</u>

Actuarial Assumptions

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

Actuarial valuation date	December 31, 2020
Actuarial cost method	Entry age normal
Asset valuation method	Market Value of Assets
Price Inflation	2.50%
Salary Increases	3.35% to 14.25%
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

VILLAGE OF NORRIDGE
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2021

4. OTHER INFORMATION (Continued)

D. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate

The discount rate used to measure the IMRF total pension liability was 7.25%. 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 the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 2.00%, and the resulting single discount rate is 7.25%.

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2020	<u>\$ 18,067,736</u>	<u>\$ 17,869,931</u>	<u>\$ 197,805</u>
Changes for the period			
Service cost	244,773	-	244,773
Interest	1,284,857	-	1,284,857
Difference between expected and actual experience	(669,073)	-	(669,073)
Changes in assumptions	(126,921)	-	(126,921)
Employer contributions	-	230,691	(230,691)
Employee contributions	-	94,891	(94,891)
Net investment income	-	2,471,886	(2,471,886)
Benefit payments and refunds	(935,920)	(935,920)	-
Other (net transfer)	<u>-</u>	<u>51,689</u>	<u>(51,689)</u>
Net changes	<u>(202,284)</u>	<u>1,913,237</u>	<u>(2,115,521)</u>
BALANCES AT DECEMBER 31, 2020	<u>\$ 17,865,452</u>	<u>\$ 19,783,168</u>	<u>(\$ 1,917,716)</u>

VILLAGE OF NORRIDGE
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2021

4. OTHER INFORMATION (Continued)

D. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended December 31, 2020, the Village recognized pension income of \$877,963.

At December 31, 2020, the Village reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 511,800
Changes in assumption	-	125,436
Net difference between projected and actual earnings	<u>754,764</u>	<u>2,194,644</u>
TOTAL	<u>\$ 754,764</u>	<u>\$ 2,831,880</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized as pension expense by the Village as follows:

<u>Year Ending December 31,</u>	
2021	(\$ 876,094)
2022	(395,837)
2023	(565,870)
2024	(239,315)
2025	-
Thereafter	<u>-</u>
	<u>(\$ 2,077,116)</u>

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Village calculated using the discount rate of 7.25% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	<u>1% Decrease 6.25%</u>	<u>Current Discount Rate 7.25%</u>	<u>1% Increase 8.25%</u>
Total Pension Liability	\$ 19,885,337	\$ 17,865,452	\$ 16,313,310
Plan Fiduciary Net Position	<u>19,783,168</u>	<u>19,783,168</u>	<u>19,783,168</u>
Net Pension Liability/(Asset)	<u>\$ 102,169</u>	<u>(\$ 1,917,716)</u>	<u>(\$ 3,469,858)</u>

VILLAGE OF NORRIDGE
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2021

4. OTHER INFORMATION (Continued)

D. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan

Plan Administration

Police sworn personnel are covered by the Police Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contributions levels are governed by Illinois Compiled Statutes (Chapter 40 - Article 5/3) and may be amended only by the Illinois legislature. The Village accounts for the Police Pension Plan as a pension trust fund.

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

Plan Membership

At April 30, 2021, the Police Pension Plan membership consisted of:

Inactive plan members currently receiving benefits	32
Inactive plan members entitled to but not yet receiving benefits	3
Active plan members	<u>36</u>
 TOTAL	 <u>71</u>

Benefits Provided

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% 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% of the original pension and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the preceding calendar year.

VILLAGE OF NORRIDGE
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2021

4. OTHER INFORMATION (Continued)

D. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Contributions

Employees are required by ILCS 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. The Village has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. For the year ended April 30, 2021, the Village's contribution was 50.63% of covered payroll. The Village utilizes the entry age normal actuarial cost method to fund the plan.

Custodial Credit Risk - Deposits

At April 30, 2021, the Pension Trust Fund's carrying amount of cash was \$2,479,333 and bank balances of cash were \$2,454,129. As of April 30, 2021, the entire bank balance of the deposits was insured. The Fund's investment policy does not require pledging of collateral for all bank balances in excess of Federal Deposit Insurance, since flow-through FDIC insurance is available for the fund's deposits.

Custodial Credit Risk - Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Fund's policy for managing custodial credit risk is to adhere to the ILCS regarding the registration, custody, and safekeeping of investments. The Fund's policy, in accordance with the statutes, is that all investments shall be clearly held and accounted for to indicate ownership by the Fund. The Fund may direct the registration of securities in its own name or in nominee name for the expressed purpose of registration of securities by a national or state bank or trust company authorized to conduct a trust business in the State of Illinois.

A broker/dealer may maintain possession of or control over securities if it is registered as a broker/dealer with the U.S. Securities and Exchange Commission and is a good member in good standing of the National Association of Securities Dealers and is compliant with the provisions of (40 ILCS 5/1 113.7) Sec. 1 113.7. Regarding registration of investments, custody, and safekeeping. The broker/dealer is required to have excess Security Investor Protection Corporation (SIPC) insurance to protect the assets of the Pension Fund.

The Fund's investments are in compliance with its policy.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

The following table presents the investments and maturities of the Fund's fixed income securities as of April 30, 2021:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
Fixed Income Securities	\$ 11,015,118	\$ 557,463	\$ 8,325,833	\$ 2,131,722	\$ -

In accordance with the Fund's investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed for expected current cash flows. The investment policy does not limit the maximum maturity length of investments in the Fund.

VILLAGE OF NORRIDGE
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2021

4. OTHER INFORMATION (Continued)

D. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the Fund's investment in a single issuer. The Fund does not have a formal investment policy with regards to concentration of credit risk for investments. At April 30, 2021, the Fund does not have any investments (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds) in any one organization that represent 5% or more of net position available for benefits.

Credit Risk

The Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government, securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government and investment-grade corporate bonds.

Rate of Return

For the year ended April 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 17.24%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Fair Value Measurements

The Fund categorizes the 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; and Level 3 inputs are significant unobservable inputs.

The Pension Fund has the following recurring fair value measurements:

<u>April 30, 2021</u>	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Investments by Fair Value Level				
Debt Securities				
U.S. Treasuries	\$ 6,788,156	\$ 6,788,156	\$ -	\$ -
U.S. Agencies	324,155	-	324,155	-
Municipal Bonds	101,641	-	101,641	-
Corporate Bonds	3,801,166	-	3,801,166	-
Equity Securities				
Equity Securities	18,057,162	18,057,162	-	-
Mutual Funds	7,527,400	7,527,400	-	-
	<u>\$ 36,599,680</u>	<u>\$ 32,372,718</u>	<u>\$ 4,226,962</u>	<u>\$ -</u>

VILLAGE OF NORRIDGE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED APRIL 30, 2021

4. OTHER INFORMATION (Continued)

D. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Net Pension Liability

The components of the net pension liability of the Police Pension Plan as of April 30, 2021 were as follows:

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT APRIL 30, 2020	\$ 61,011,968	\$ 30,232,283	\$ 30,779,685
Changes for the period			
Service cost	1,170,150	-	1,170,150
Interest	3,497,432	-	3,497,432
Difference between expected and actual experience	(1,584,476)	-	(1,584,476)
Changes in assumptions	154,554	-	154,554
Employer contributions	-	2,239,394	(2,239,394)
Employee contributions	-	342,595	(342,595)
Net investment income	-	8,624,495	(8,624,495)
Benefit payments and refunds	(2,396,858)	(2,396,858)	-
Administrative expense	-	(66,264)	66,264
Net changes	<u>840,802</u>	<u>8,743,362</u>	<u>(7,902,560)</u>
BALANCES AT APRIL 30, 2021	<u>\$ 61,852,770</u>	<u>\$ 38,975,645</u>	<u>\$ 22,877,125</u>

There was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates, disability rates, turnover rates and retirement rates.

See the schedule of changes in the employer's net pension liability and related ratios in the required supplementary information for additional information related to the funded status of the Police Pension Fund.

VILLAGE OF NORRIDGE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED APRIL 30, 2021

4. OTHER INFORMATION (Continued)

D. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Actuarial Assumptions

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

Actuarial Valuation Date	May 1, 2020
Actuarial Cost Method	Entry Age Normal (Level %)
Assumptions	
Discount Rate used for the Total Pension Liability	5.98%
Long-Term Expected Rate of Return on Plan Assets	7.00%
High Quality 20 Year Tax-Exempt G.O. Bond Rate	2.27%
Projected Individual Salary Increases	3.75% - 8.14%
Projected Increase in Total Payroll	3.25%
Inflation rate included	2.25%
Asset Valuation Method	Market Value
Mortality Table	Pub-2010 Adjusted for Plan Status, Demographics, and Illinois Public Pension Data
Retirement Rates	L&A 2020 Illinois Police Retirement Rates
Disability Rates	L&A 2020 Illinois Police Disability Rates
Termination Rates	L&A 2020 Illinois Police Termination Rates
Percent Married	80%

All rates shown in the economic assumptions are assumed to be annual rates, compounded on an annual basis.

Discount Rate

The discount rate used to measure the total pension liability was changed from 6.02% to 5.98%. 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 the Village contributions will be made at rates equal to the difference between 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 projected future benefit payments of current plan members through April 30, 2070. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments through April 30, 2070 to determine the total pension liability and the municipal bond rate of 2.27% was used to determine the portion of the net pension liability associated with those payments.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate of 6.02% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.02%) or 1 percentage point higher (7.02%) than the current rate:

	1% Decrease 4.98%	Current Discount Rate 5.98%	1% Increase 6.98%
Net Pension Liability	\$ 32,447,449	\$ 22,877,125	\$ 15,158,359

VILLAGE OF NORRIDGE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED APRIL 30, 2021

4. OTHER INFORMATION (Continued)

D. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (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, 2021, the Village recognized pension income of \$479,063. At April 30, 2021, the Village 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	\$ 410,540	(\$ 2,164,165)	(\$ 1,753,625)
Change in Assumptions	5,398,893	(994,196)	4,404,697
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	<u>445,950</u>	<u>(5,623,344)</u>	<u>(5,177,394)</u>
Total Deferred Amounts Related to Police Pension	<u>\$ 6,255,383</u>	<u>(\$ 8,781,705)</u>	<u>(\$ 2,526,322)</u>

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

Fiscal Year	Net Deferred Outflows/(Inflows) of Resources
2022	(\$ 363,073)
2023	(198,982)
2024	(317,127)
2025	(1,014,963)
2026	(448,436)
Thereafter	<u>(183,741)</u>
Total	<u>(\$ 2,526,322)</u>

E. CONTINGENT LIABILITIES

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

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF NORRIDGE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, May 1, 2020	\$ 2,976,454	\$ 2,976,454	\$ 4,279,965	\$ 1,303,511
Resources (inflows):				
Sales Tax	3,300,000	3,300,000	3,487,663	187,663
Home Rule Sales Tax	4,000,000	4,000,000	3,994,491	(5,509)
Real Estate Tax Levy	2,219,105	2,219,105	2,239,394	20,289
State Income Tax	1,368,000	1,368,000	1,670,495	302,495
Fines and forfeitures	330,000	330,000	266,848	(63,152)
Licenses and permits	608,000	608,000	926,316	318,316
Gasoline Tax	200,000	200,000	223,468	23,468
Amusement Tax	300,000	300,000	20,107	(279,893)
Video Gaming Tax	220,000	220,000	277,657	57,657
State Use Tax	500,000	500,000	651,506	151,506
Telecommunications Tax	230,000	230,000	203,762	(26,238)
Other Intergovernmental	681,059	681,059	900,846	219,787
Investment Income	23,000	23,000	12,299	(10,701)
Franchise fees	180,000	180,000	166,558	(13,442)
Charges for services	63,800	63,800	33,095	(30,705)
Storage tax	20,000	20,000	27,639	7,639
Cannabis Use Tax	12,000	12,000	11,911	(89)
Miscellaneous	50,000	50,000	73,171	23,171
Transfers from other funds	-	930,389	-	(930,389)
Amounts available for appropriation	<u>\$ 17,281,418</u>	<u>\$ 18,211,807</u>	<u>\$ 19,467,191</u>	<u>\$ 1,255,384</u>
Charges to appropriations (outflows):				
General government	\$ 2,602,526	\$ 2,602,526	\$ 2,157,236	\$ 445,290
Public safety:				
Police	9,406,519	9,406,519	8,418,411	988,108
Public works:				
Public works/Street Department	1,702,655	1,702,655	1,310,260	392,395
Garbage/recycling	1,355,000	1,355,000	1,310,140	44,860
Village properties	<u>2,624,656</u>	<u>2,624,656</u>	<u>1,465,394</u>	<u>1,159,262</u>
Total charges to appropriations	<u>\$ 17,691,356</u>	<u>\$ 17,691,356</u>	<u>\$ 14,661,441</u>	<u>\$ 3,029,915</u>
Budgetary fund balance, April 30, 2021	<u>(\$ 409,938)</u>	<u>\$ 520,451</u>	<u>\$ 4,805,750</u>	<u>\$ 4,285,299</u>
Reconciliation of Budgetary (Cash Basis) and GAAP fund balance:				
Budgetary Fund Balance, Cash basis			\$ 4,805,750	
Revenue accruals			561,621	
Expenditure accruals			50,668	
Budgetary Fund Balance, GAAP basis			<u>\$ 5,418,039</u>	

VILLAGE OF NORRIDGE

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MOTOR FUEL TAX FUND
FOR THE YEAR ENDED APRIL 30, 2021

	<u>Budget</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Positive (Negative)
Budgetary fund balance, May 1, 2020	\$ 566,239	\$ 566,239	\$ 566,239	\$ -
Resources (inflows):				
Intergovernmental				
Motor fuel tax allotments	400,000	400,000	516,952	116,952
Other Intergovernmental	-	-	480,176	480,176
Interest income	<u>10,000</u>	<u>10,000</u>	<u>1,435</u>	<u>(8,565)</u>
Amounts available for appropriation	<u>\$ 976,239</u>	<u>\$ 976,239</u>	<u>\$ 1,564,802</u>	<u>\$ 588,563</u>
Charges to appropriations (outflows):				
Highway and streets				
Street projects	\$ 455,000	\$ 455,000	\$ 297,962	\$ 157,038
Snow removal	125,000	125,000	97,745	27,255
Water tower repairs	37,000	37,000	-	37,000
Contingencies	<u>100,000</u>	<u>100,000</u>	<u>572</u>	<u>99,428</u>
Total charges to appropriations	<u>\$ 717,000</u>	<u>\$ 717,000</u>	<u>\$ 396,279</u>	<u>\$ 320,721</u>
Budgetary fund balance, April 30, 2021	<u>\$ 259,239</u>	<u>\$ 259,239</u>	<u>\$ 1,168,523</u>	<u>\$ 909,284</u>

VILLAGE OF NORRIDGE

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

<u>Calendar Year Ending December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a % of Covered Valuation Payroll</u>
2015	\$ 365,293	\$ 365,293	\$ -	\$ 3,198,715	\$ 11.42%
2016	363,549	363,549	-	3,189,024	11.40
2017	316,725	316,725	-	2,954,527	10.72
2018	247,571	247,571	-	2,346,643	10.55
2019	191,819	191,820	(1)	2,267,366	8.46
2020	230,691	230,691	-	2,108,696	10.94

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 23 years; the asset valuation method was 5-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.25% annually and projected salary increases assumption of 3.35% to 14.25% compounded annually.

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

VILLAGE OF NORRIDGE
SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND
FOR THE LAST TEN FISCAL YEARS

Fiscal Year	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Employee Contribution	Contributions as a percentage of Covered Payroll
4/30/2015	\$ 1,023,355	\$ 1,028,552	(\$ 5,197)	\$ 3,472,235	29.62%
4/30/2016	1,090,581	1,084,796	5,675	3,391,915	31.98
4/30/2017	1,100,892	1,148,468	(47,576)	3,413,460	33.65
4/30/2018	1,291,900	1,157,860	134,040	3,524,397	32.85
4/30/2019	1,857,408	1,223,330	634,078	3,559,782	34.37
4/30/2020	1,976,241	1,849,979	126,262	3,654,034	50.63
4/30/2021	2,117,467	2,239,394	(121,927)	3,457,054	64.78

Notes to the Required Supplementary Information:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay (closed)
Amortization period	18 years remaining
Asset valuation method	5 Year Smoothed Market Value
Significant actuarial assumptions	
Inflation	2.50%
Total Payroll Increases	3.25%
Individual pay increases	4.00%-8.39%
Investment rate of return	7.00%
Postretirement benefit increases	3.00%

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

VILLAGE OF NORRIDGE

SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND
FOR THE FISCAL YEAR ENDED APRIL 30, 2021

	<u>12/31/20</u>	<u>12/31/19</u>	<u>12/31/18</u>	<u>12/31/17</u>	<u>12/31/16</u>	<u>12/31/15</u>
TOTAL PENSION LIABILITY						
Service cost	\$ 244,773	\$ 254,324	\$ 244,686	\$ 336,480	\$ 362,038	\$ 356,178
Interest on Total Pension Liability	1,284,857	1,246,090	1,165,811	1,167,068	1,110,494	1,064,859
Changes in benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	(669,073)	(152,888)	356,625	(456,481)	(241,961)	(377,128)
Changes in assumptions	(126,921)	-	503,617	(485,805)	(39,620)	19,122
Benefit payments, including refunds of member contributions	(935,920)	(680,146)	(584,366)	(479,878)	(447,026)	(426,677)
Net change in total pension liability	(\$ 202,284)	\$ 667,380	\$ 1,686,373	\$ 81,384	\$ 743,925	\$ 636,354
Total pension liability - beginning	<u>18,067,736</u>	<u>17,400,356</u>	<u>15,713,983</u>	<u>15,632,599</u>	<u>14,888,674</u>	<u>14,252,320</u>
TOTAL PENSION LIABILITY - ENDING	<u>\$ 17,865,452</u>	<u>\$ 18,067,736</u>	<u>\$ 17,400,356</u>	<u>\$ 15,713,983</u>	<u>\$ 15,632,599</u>	<u>\$ 14,888,674</u>
PLAN FIDUCIARY NET POSITION						
Contributions - employer	\$ 230,691	\$ 191,820	\$ 247,571	\$ 316,725	\$ 363,549	\$ 365,293
Contributions - employee	94,891	102,031	110,192	164,568	143,506	144,320
Net investment income	2,471,886	2,738,676	(686,309)	2,324,693	908,735	65,746
Benefit payments, including refunds of member contributions	(935,920)	(680,146)	(584,366)	(479,878)	(447,026)	(426,677)
Other (Net Transfer)	<u>51,689</u>	<u>141,357</u>	<u>335,580</u>	<u>(372,649)</u>	<u>49,400</u>	<u>(274,431)</u>
Net change in plan fiduciary net position	\$ 1,913,237	\$ 2,493,738	(\$ 577,332)	\$ 1,953,459	\$ 1,018,164	(\$ 125,749)
Plan fiduciary net position - beginning	<u>17,869,931</u>	<u>15,376,193</u>	<u>15,953,525</u>	<u>14,000,066</u>	<u>12,981,902</u>	<u>13,107,651</u>
PLAN FIDUCIARY NET POSITION - ENDING	<u>\$ 19,783,168</u>	<u>\$ 17,869,931</u>	<u>\$ 15,376,193</u>	<u>\$ 15,953,525</u>	<u>\$ 14,000,066</u>	<u>\$ 12,981,902</u>
EMPLOYER'S NET PENSION (ASSET) LIABILITY	<u>(\$ 1,917,716)</u>	<u>\$ 197,805</u>	<u>\$ 2,024,163</u>	<u>(\$ 239,542)</u>	<u>\$ 1,632,533</u>	<u>\$ 1,906,772</u>
Plan fiduciary net position as a percentage of total pension liability	110.73%	98.91%	88.37%	101.52%	89.56%	87.19%
Covered-employee payroll	\$ 2,108,696	\$ 2,267,366	\$ 2,346,643	\$ 2,954,527	\$ 3,189,024	\$ 3,198,715
Employer's net position liability as a percentage of covered-employee payroll	(90.94%)	8.72%	86.26%	(8.11%)	51.19%	59.61%

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

VILLAGE OF NORRIDGE

SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
POLICE PENSION FUND
FOR THE FISCAL YEAR ENDED APRIL 30, 2021

	<u>4/30/2021</u>	<u>4/30/2020</u>	<u>4/30/2019</u>	<u>4/30/2018</u>	<u>4/30/2017</u>	<u>4/30/2016</u>	<u>4/30/2015</u>
TOTAL PENSION LIABILITY							
Service cost	\$ 1,170,150	\$ 1,121,506	\$ 969,788	\$ 801,425	\$ 749,977	\$ 722,594	\$ 763,448
Interest	3,497,432	3,354,633	3,261,241	3,190,983	2,994,336	2,863,849	2,588,780
Changes in benefit terms	-	647,797	-	-	-	-	-
Difference between expected and actual experience	(1,584,476)	(309,981)	438,310	43,670	452,361	(3,164,904)	(147,088)
Changes in assumptions	154,554	(1,357,706)	3,556,190	4,759,800	884,615	4,340,899	2,599,093
Benefit payments and refunds	(2,396,858)	(2,388,849)	(2,446,376)	(2,292,490)	(2,136,948)	(1,913,751)	(1,835,622)
Net Change in Total Pension Liability	\$ 840,802	\$ 1,067,400	\$ 5,779,153	\$ 6,503,388	\$ 2,944,341	\$ 2,848,687	\$ 3,968,611
Total Pension Liability - Beginning	<u>61,011,968</u>	<u>59,944,568</u>	<u>54,165,415</u>	<u>47,662,027</u>	<u>44,717,686</u>	<u>41,868,999</u>	<u>37,900,388</u>
TOTAL PENSION LIABILITY - ENDING	<u>\$ 61,852,770</u>	<u>\$ 61,011,968</u>	<u>\$ 59,944,568</u>	<u>\$ 54,165,415</u>	<u>\$ 47,662,027</u>	<u>\$ 44,717,686</u>	<u>\$ 41,868,999</u>
PLAN FIDUCIARY NET POSITION							
Contributions - Employer	\$ 2,239,394	\$ 1,849,979	\$ 1,223,330	\$ 1,157,860	\$ 1,148,468	\$ 1,084,796	\$ 1,028,552
Contributions - Member	342,595	355,264	352,773	354,407	328,325	327,651	330,106
Net investment income	8,624,495	1,290,605	2,316,930	3,046,248	2,380,522	(540,607)	1,768,480
Benefit Payments, including Refunds of Member Contributions	(2,396,858)	(2,388,849)	(2,446,376)	(2,292,490)	(2,136,948)	(1,913,751)	(1,835,622)
Administrative expense	(66,264)	(43,181)	(27,562)	(31,188)	(25,280)	(19,116)	(22,601)
Net Change in Plan Fiduciary Net Position	\$ 8,743,362	\$ 1,063,818	\$ 1,419,095	\$ 2,234,837	\$ 1,695,087	(\$ 1,061,027)	\$ 1,268,915
Plan Fiduciary Net Position - Beginning	<u>30,232,283</u>	<u>29,168,465</u>	<u>27,749,370</u>	<u>25,514,533</u>	<u>23,819,446</u>	<u>24,880,473</u>	<u>23,611,558</u>
PLAN FIDUCIARY NET POSITION - ENDING	<u>\$ 38,975,645</u>	<u>\$ 30,232,283</u>	<u>\$ 29,168,465</u>	<u>\$ 27,749,370</u>	<u>\$ 25,514,533</u>	<u>\$ 23,819,446</u>	<u>\$ 24,880,473</u>
EMPLOYER'S NET PENSION LIABILITY	<u>\$ 22,877,125</u>	<u>\$ 30,779,685</u>	<u>\$ 30,776,103</u>	<u>\$ 26,416,045</u>	<u>\$ 22,147,494</u>	<u>\$ 20,898,240</u>	<u>\$ 16,988,526</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.01%	49.55%	48.66%	51.23%	53.53%	53.27%	59.42 %
Covered-employee payroll	\$ 3,457,054	\$ 3,654,034	\$ 3,559,782	\$ 3,524,397	\$ 3,413,460	\$ 3,391,915	\$ 3,472,235
Employer's net position liability as a percentage of covered-employee payroll	661.75%	842.35%	864.55%	749.52%	648.83%	616.12%	489.27%

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

VILLAGE OF NORRIDGE

SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
TOTAL OTHER POSTEMPLOYMENT BENEFIT LIABILITY

	<u>4/30/2021</u>	<u>4/30/2020</u>	<u>4/30/2019</u>	<u>4/30/2018</u>
Total OPEB liability-beginning	\$ 3,732,582	\$ 3,980,344	\$ 4,102,612	\$ 3,922,989
Changes for the Year:				
Service Cost	138,284	138,284	138,284	138,284
Interest on the total OPEB liability	128,297	136,294	140,358	61,467
Economic/demographic gains/losses	(275,245)	(584,217)	(297,837)	-
Difference between expected and actual experience	-	-	-	(155,866)
Changes in assumptions	477,736	163,008	-	260,420
Benefit Payments	(82,922)	(101,131)	(103,073)	(124,682)
Net Investment Income	-	-	-	-
Administrative Expenses	-	-	-	-
Net Changes	<u>\$ 386,150</u>	<u>(\$ 247,762)</u>	<u>(\$ 122,268)</u>	<u>\$ 179,623</u>
Total OPEB liability-ending	<u>\$ 4,118,732</u>	<u>\$ 3,732,582</u>	<u>\$ 3,980,344</u>	<u>\$ 4,102,612</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Covered-employee payroll	<u>\$ 5,660,795</u>	<u>\$ 5,779,750</u>	<u>\$ 5,901,467</u>	<u>\$ 6,144,918</u>
Net OPEB liability as a percentage of covered-employee payroll	<u>72.76%</u>	<u>64.58%</u>	<u>67.45%</u>	<u>66.76%</u>

Notes:

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

Notes to the Required Supplementary Information:

Actuarial cost method	Entry Age normal Cost Method
Salary Increases	Not applicable
Inflation	1.00%
Municipal Bond Rate	2.27% (2.94%-2020)
Healthcare cost trend rates	4.90% per year for year 1, 4.80% for year 2, 4.70% for years 3-4, 4.60% for year 5, 4.50% for year 6, 4.40% for year 7 then 4.30% for remaining years. Trend rates were developed consistent with the Getzen model.
Mortality	Pub-2010 Public Retirement Plans Mortality Tables

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

VILLAGE OF NORRIDGE
SCHEDULE OF INVESTMENT RETURNS
POLICE PENSION FUND
FOR THE YEAR ENDED APRIL 30, 2021

<u>Fiscal Year Ended</u>	<u>Annual money-weighted rate of return, net of investment expenses</u>
4/30/2015	0.03%
4/30/2016	(2.23)
4/30/2017	10.33
4/30/2018	12.28
4/30/2019	8.63
4/30/2020	4.55
4/30/2021	17.24

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