

# CITY OF HARVEY, ILLINOIS

---

## ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED  
APRIL 30, 2020

# CITY OF HARVEY, ILLINOIS

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## **FINANCIAL SECTION**

This section includes:

- Independent Auditor's Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Notes to the Financial Statements
- Required Supplementary Information
- Other Supplementary Information
- Supplemental Schedules



## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council  
City of Harvey, Illinois

### **Report on the Financial Statements**

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 City of Harvey, Illinois, as of and for the year ended April 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Harvey, Illinois' basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Firefighters' Pension Fund, which represents 28.0 percent, 27.9 percent and 41.0 percent, respectively, of the assets, fund balance/net position and revenues of the aggregate remaining fund information. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Firefighters' Pension Fund, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the Firefighters' Pension Fund were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## ***Opinions***

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Harvey, Illinois, as of April 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Emphasis of Matter***

As discussed in Note 2 to the financial statements, the City of Harvey, Illinois has an accumulated unassigned deficit in the General Fund of \$60.4 million as of April 30, 2020, has borrowed extensively from other funds such as the Water Fund and TIF Funds without an apparent means of repayment, has defaulted on several bond payments and has experienced difficulty in paying its bills. This situation raises significant liquidity risks. Our opinion is not modified with respect to these matters.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in total other post-employment benefits liability, schedules of employer contributions, schedules of changes in the employer's net pension liability, schedules of investment returns and budgetary comparison information on pages 4–13 and 75–86 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Harvey, Illinois' basic financial statements. The combining and individual fund financial statements and schedules and supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2021, on our consideration of the City of Harvey, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Harvey, Illinois' 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 City of Harvey, Illinois' internal control over financial reporting and compliance.

*JW & Associates, P.C.*

Hillside, Illinois  
October 19, 2021

## **CITY OF HARVEY, ILLINOIS**

### **Management's Discussion and Analysis April 30, 2020**

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Our discussion and analysis of the City of Harvey's financial performance provides an overview of the City's financial activities for the fiscal year ended April 30, 2020. Please read it in conjunction with the City's financial statements, which begin on page 15.

#### **FINANCIAL HIGHLIGHTS**

- The City of Harvey's had a positive change in net position as a result of this year's operations. The change in net position for governmental activities was \$2,328,019, which reduced the negative net position by 1.5 percent. Business-type activities net position increased by \$944,827, or 19.5 percent.
- During the year, government-wide revenues for the primary government totaled \$46,390,054, while expenses totaled \$43,117,208, resulting in an increase to net position of \$3,272,846.
- The City of Harvey's net position totaled (\$146,634,761) on April 30, 2020, which includes (\$13,102,071) net investment in capital assets, \$25,418,026 subject to external restrictions, and (\$158,950,716) unrestricted net position.
- The General Fund reported a deficit this year of \$2,558,736, resulting in ending fund balance of (\$60,145,010), increasing the negative fund balance by 4.4 percent.

#### **USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 14-17) provide information about the activities of the City of Harvey as a whole and present a longer-term view of the City of Harvey's finances. Fund financial statements begin on page 19. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the City of Harvey's operations in more detail than the government-wide statements by providing information about the City of Harvey's most significant funds. The remaining statements provide financial information about activities for which the City of Harvey acts solely as a trustee or agent for the benefit of those outside of the government.

#### **Government-Wide Financial Statements**

The government-wide financial statements provide readers with a broad overview of the City of Harvey's finances in a matter similar to a private-sector business. The government wide financial statements can be found on pages 14-17 of this report.

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

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



## **CITY OF HARVEY, ILLINOIS**

Management's Discussion and Analysis  
April 30, 2020

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

#### **Government-Wide Financial Statements - Continued**

Both of the government-wide financial statements distinguish functions of the City of Harvey that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Harvey include general government, public safety, public works, and community development. The business-type activities of the City of Harvey include water, sewer, and parking operations.

#### **Fund Financial Statements**

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

#### **Governmental Funds**

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

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

The City of Harvey maintains sixteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Motor Fuel Tax Fund, Debt Service Fund, Capital Projects Fund, TIF I Dixie Square Fund and TIF II Center Street Fund, which are considered major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Harvey adopts an annual appropriated budget for all of the governmental funds except the Capital Projects Fund and the TIF VI Dixie Highway Corridor Fund. A budgetary comparison schedule for the budgeted funds has been provided to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 18-21 of this report.

## **CITY OF HARVEY, ILLINOIS**

Management's Discussion and Analysis  
April 30, 2020

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

#### **Proprietary Funds**

The City of Harvey maintains only enterprise proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Harvey utilizes enterprise funds to account for its water, sewer, and parking operations.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Fund, which is considered to be a major fund. Individual fund data for the three nonmajor enterprise funds are provided elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 22-24 of this report.

#### **Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Harvey's own programs. The accounting use for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 25-26 of this report.

#### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27-74 of this report.

#### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Harvey's I.M.R.F., police and fire employee pension obligations, other post-employment benefit plan and budgetary comparison schedules for the General Fund and Motor Fuel Tax Fund. Required supplementary information can be found on pages 75-86 of this report. Combining and individual fund statements and schedules can be found on pages 87-113 of this report.

## CITY OF HARVEY, ILLINOIS

### Management's Discussion and Analysis April 30, 2020

#### GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the City of Harvey, liabilities/deferred inflows exceeded assets/deferred outflows by \$146,634,761.

	Net Position					
	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Current/Other Assets	\$ (6,605,940)	\$ (10,677,949)	\$ 41,201,972	\$ 38,908,806	\$ 34,596,032	\$ 28,230,857
Capital Assets	5,524,433	5,748,726	5,839,552	6,056,102	11,363,985	11,804,828
Total Assets	(1,081,507)	(4,929,223)	47,041,524	44,964,908	45,960,017	40,035,685
Deferred Outflows of Resources	16,866,249	12,527,413	252,536	751,481	17,118,785	13,278,894
Total Assets and Deferred Outflows	15,784,742	7,598,190	47,294,060	45,716,389	63,078,802	53,314,579
Long-Term Debt	125,005,549	115,599,873	32,864,555	31,989,074	157,870,104	147,588,947
Other Liabilities	12,965,047	11,902,857	8,125,652	8,765,362	21,090,699	20,668,219
Total Liabilities	137,970,596	127,502,730	40,990,207	40,754,436	178,960,803	168,257,166
Deferred Inflows of Resources	30,240,109	34,849,442	512,651	115,578	30,752,760	34,965,020
Total Liabilities and Deferred Inflows	168,210,705	162,352,172	41,502,858	40,870,014	209,713,563	203,222,186
Net Position						
Net Investment in Capital Assets	(12,885,373)	(13,472,792)	(216,698)	(8,132)	(13,102,071)	(13,480,924)
Restricted	25,418,026	23,456,824	-	-	25,418,026	23,456,824
Unrestricted (Deficit)	(164,958,616)	(164,738,014)	6,007,900	4,854,507	(158,950,716)	(159,883,507)
Total Net Position	\$ (152,425,963)	\$ (154,753,982)	\$ 5,791,202	\$ 4,846,375	\$ (146,634,761)	\$ (149,907,607)

The negative Current/Other Assets for Governmental Activities reflects balances owed by Governmental Activities to Business Type Activities of \$35,043,678. This amount is shown as internal balances under current assets - positive for Business Type Activities and Negative for Governmental Activities.

The City of Harvey's net investment in capital assets of (\$13,102,071), reflects its investment in capital assets (for example, land, buildings, machinery, and equipment) after depreciation, less any related debt used to acquire those assets that is still outstanding. The amount is negative due to the fact that the debt used to acquire the assets has not been paid off as quickly as the capital assets have been depreciated. The City of Harvey uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Harvey's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$25,418,026, of the City of Harvey's net position represents resources that are subject to external restrictions on how they may be used. The remaining (\$158,950,716) represents unrestricted net position which, if positive, would be able to be used to meet the government's ongoing obligations to citizens and creditors.

# CITY OF HARVEY, ILLINOIS

## Management's Discussion and Analysis April 30, 2020

### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Change in Net Position					
	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Revenues						
Program Revenues						
Charges for Services	\$ 4,370,592	\$ 5,626,553	\$ 17,376,422	\$ 17,958,258	\$ 21,747,014	\$ 23,584,811
Operating Grants/Contributions	1,257,116	812,124	-	-	1,257,116	812,124
General Revenues						
Property Taxes	13,475,077	12,053,287	-	-	13,475,077	12,053,287
Utility Taxes	1,212,382	1,277,121	-	-	1,212,382	1,277,121
Telecommunication Taxes	315,239	370,236	-	-	315,239	370,236
Sales Taxes	2,428,625	2,283,916	-	-	2,428,625	2,283,916
Income Taxes	2,486,701	2,613,948	-	-	2,486,701	2,613,948
Other General Revenues	3,467,900	3,699,002	-	36	3,467,900	3,699,038
Total Revenues	29,013,632	28,736,187	17,376,422	17,958,294	46,390,054	46,694,481
Expenses						
General Government	4,525,866	12,373,367	-	-	4,525,866	12,373,367
Public Safety	16,418,427	6,942,889	-	-	16,418,427	6,942,889
Public Works	4,039,738	3,912,722	-	-	4,039,738	3,912,722
Community Development	4,691	95,209	-	-	4,691	95,209
Interest on Long-Term Debt	1,696,891	2,155,252	-	-	1,696,891	2,155,252
Water	-	-	16,285,892	18,753,971	16,285,892	18,753,971
Sewer	-	-	115,248	85,195	115,248	85,195
Parking	-	-	30,455	82,400	30,455	82,400
Total Expenses	26,685,613	25,479,439	16,431,595	18,921,566	43,117,208	44,401,005
Change in Net Position Before Transfers	2,328,019	3,256,748	944,827	(963,272)	3,272,846	2,293,476
Transfers	-	15,815	-	(15,815)	-	-
Change in Net Position	2,328,019	3,272,563	944,827	(979,087)	3,272,846	2,293,476
Net Position - Beginning	(154,753,982)	(158,026,545)	4,846,375	5,825,462	(149,907,607)	(152,201,083)
Net Position - Ending	\$ (152,425,963)	\$ (154,753,982)	\$ 5,791,202	\$ 4,846,375	\$ (146,634,761)	\$ (149,907,607)

The negative net position of the City of Harvey's governmental activities was reduced by \$2,328,019, from (\$154,753,982) in 2019 to (\$152,425,963) in 2020.

The net position of business-type activities increased by \$944,827 or 19.6 percent, from \$4,846,375 in 2019 to \$5,791,202 in 2020.

## CITY OF HARVEY, ILLINOIS

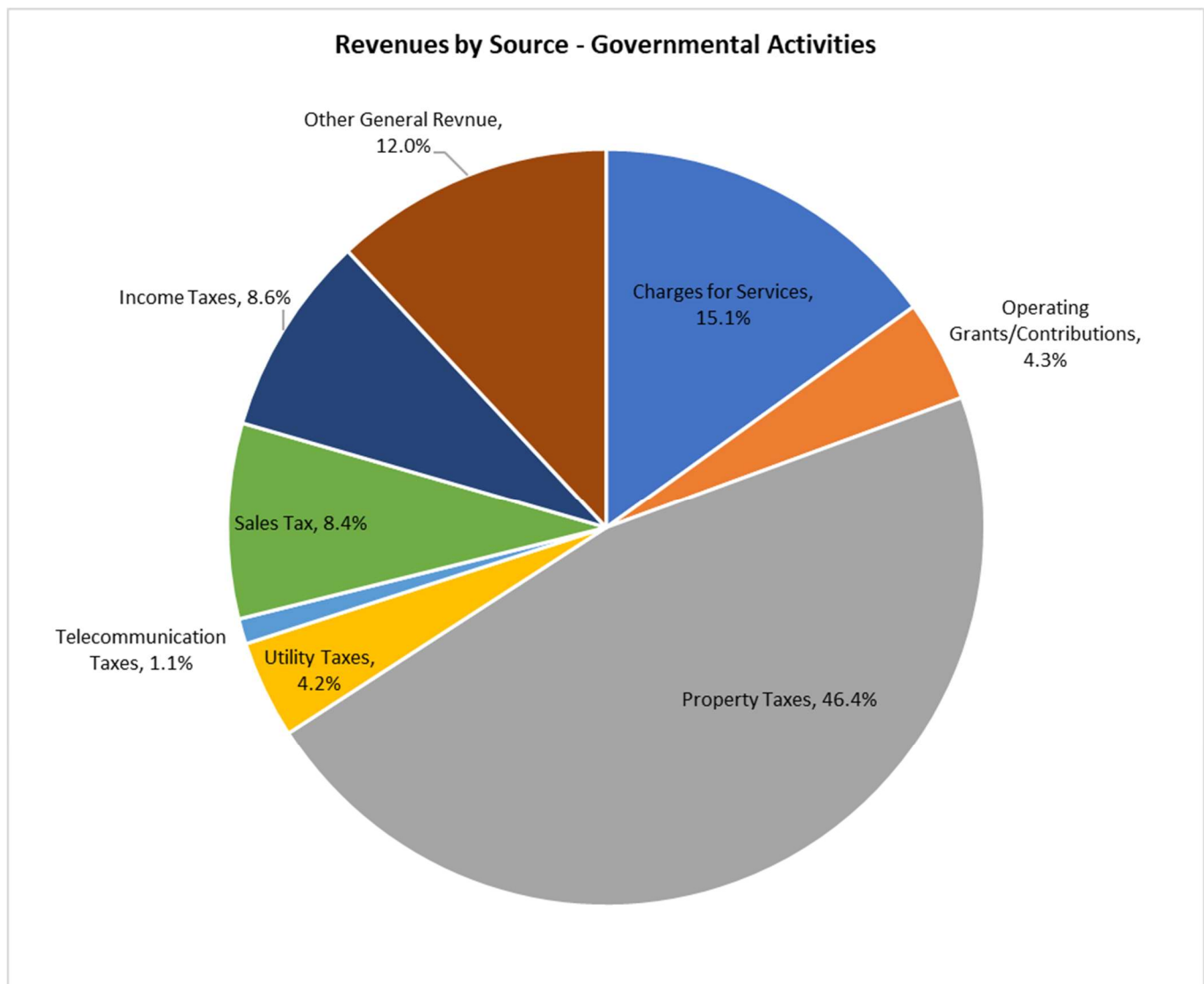
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### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

#### Governmental Activities

Revenues for governmental activities totaled \$29,013,632, while the cost of all governmental functions totaled \$26,685,613. This results in a surplus of \$2,328,019. In 2019, revenues of \$28,736,187 exceeded expenses of \$25,479,439 resulting in a surplus of \$3,256,748 prior to transfers in of \$15,815. Property tax revenues were up \$1,421,790 or 12%. Overall governmental activities' revenues increased by less than 1%.

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



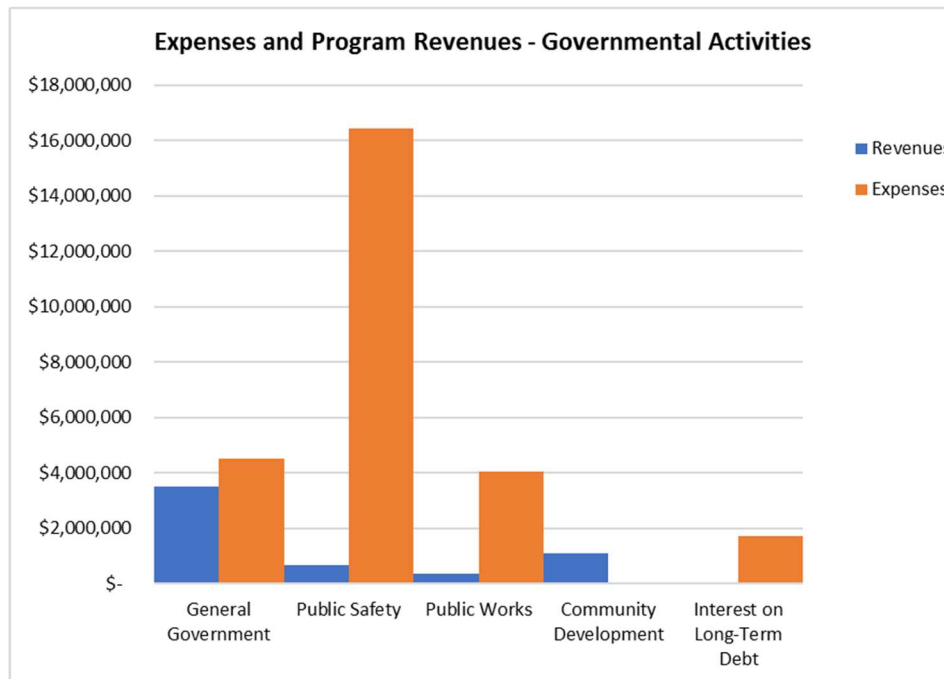
## CITY OF HARVEY, ILLINOIS

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### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

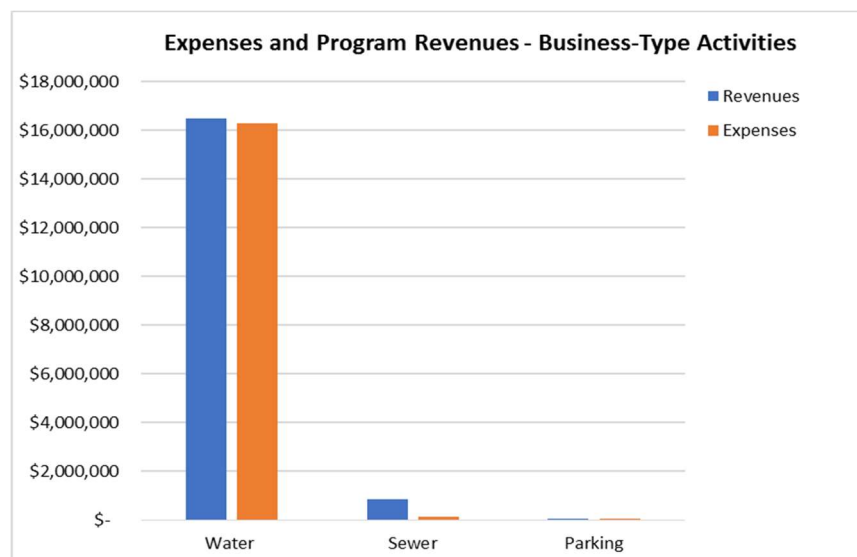
#### Governmental Activities - Continued

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



#### Business-Type Activities

Business-Type activities posted total revenues of \$17,376,422, while the cost of all business-type activities totaled \$16,431,595. This results in a surplus of \$944,827. In 2019, expenses of \$18,921,566 exceeded revenues of \$17,958,294, resulting in a deficit of \$963,272 prior to transfers out of \$15,815. Revenues were down about 3.2% but expenses were down over 13.2%.



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

## **CITY OF HARVEY, ILLINOIS**

Management's Discussion and Analysis  
April 30, 2020

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

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

#### **Governmental Funds**

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

The City of Harvey's governmental funds reported combined ending fund balances of (\$35,606,082), which is \$1,462,467 lower than last year's total of (\$34,143,615). Of the (\$35,606,082) total, (\$63,618,658) of the fund balance constitutes unrestricted fund balance.

The General Fund reported a deficit in fund balance for the year of \$2,558,736, increasing the negative fund balance by 4.4 percent. The City had budgeted for a deficit of \$1,134,630 but came in \$2,224,825 under budget in revenues and \$800,719 under budget in expenditures. These variances are further outlined on the General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance.

The General Fund is the chief operating fund of the City. As of April 30, 2020, unassigned fund balance in the General Fund was (\$60,437,278).

The Motor Fuel Tax Fund reported a deficit in the current year of \$342,229, due to actual revenues being under budget by \$164,319 and actual expenditures exceeding plan by \$177,910.

The Debt Service Fund reported a decrease in fund balance of \$869,596 in the current year while the budget was for a decrease of \$1,686,074. Property taxes were \$639,800 over budget and total expenditures and transfers out were \$164,972 below budget.

The TIF I Dixie Square Fund property tax revenues were \$68,108 in excess of budget, increasing fund balance by \$463,108.

The TIF II Center Street Fund had a surplus of \$867,155. This was due to property taxes received being greater than capital outlay expenditures and debt service payments.

#### **Proprietary Funds**

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

The City reports the Water Fund as a major proprietary fund. The Water Fund accounts for all of the operations of the water system. Water is purchased from the City of Chicago. The spread between purchase and sale rates is intended to finance the operations of the utility system, including labor costs, supplies, and infrastructure maintenance.

The City of Harvey intends to run the fund at a breakeven rate. Periodically, there will be an annual surplus or draw down due to timing of capital projects. The surplus in the Water Fund during the current fiscal year was \$204,640, while the previous fiscal year reported a deficit of \$1,722,270. Unrestricted net position in the Water Fund totaled \$2,507,677 at April 30, 2020.

## CITY OF HARVEY, ILLINOIS

### Management's Discussion and Analysis April 30, 2020

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#### GENERAL FUND BUDGETARY HIGHLIGHTS

The City of Harvey Council made no budget amendments to the General Fund during the year. General Fund actual revenues for the year totaled \$22,474,175, compared to budgeted revenues of \$24,599,000. Intergovernmental revenues and licenses and permits were a combined \$2,009,002 lower than budget.

The General Fund actual expenditures for the year were \$798,119 lower than budgeted (\$24,479,942 actual compared to \$25,278,061 budgeted). This was driven by general government expenditures that were \$1,194,851 under budget in the current fiscal year.

#### CAPITAL ASSETS AND DEBT ADMINISTRATION

##### Capital Assets

The City of Harvey's investment in capital assets for its governmental and business type activities as of April 30, 2020, was \$11,363,985 (net of accumulated depreciation). This investment in capital assets includes land, buildings and property, machinery and equipment, vehicles, and infrastructure. After consideration of the outstanding debt related to capital assets of \$24,436,056, the Net Investment in Capital Assets shown in the Statement of Net Position is a negative \$13,072,071.

	Capital Assets - Net of Depreciation					
	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Land	\$ 227,134	\$ 227,134	\$ 608,738	\$ 608,738	\$ 835,872	\$ 835,872
Buildings and Property	1,199,963	1,263,960	929,268	641,062	2,129,231	1,905,022
Machinery and Equipment	345,602	397,839	715,370	840,492	1,060,972	1,238,331
Vehicles	453,178	461,937	-	-	453,178	461,937
Infrastructure	3,298,556	3,397,856	3,586,176	3,965,810	6,884,732	7,363,666
Total	<u>\$ 5,524,433</u>	<u>\$ 5,748,726</u>	<u>\$ 5,839,552</u>	<u>\$ 6,056,102</u>	<u>\$ 11,363,985</u>	<u>\$ 11,804,828</u>

This year's major additions included:

Buildings and Property	\$ 325,112
Machinery and Equipment	167,464
Vehicles	205,460
Infrastructure	-
	<u>\$ 698,036</u>

Additional information on the City of Harvey's capital assets can be found in Note 3 on pages 46-47 of this report.



## CITY OF HARVEY, ILLINOIS

### Management's Discussion and Analysis April 30, 2020

#### Debt Administration

At year-end, the City of Harvey had total outstanding debt of \$62,290,429 as compared to \$65,337,070 in the previous year, due to annual repayments on outstanding long-term debt and the demand bonds being called by the bank. During the current and prior years, the City of Harvey defaulted on interest and principal payments due on certain general obligation bond issues.

During 2020, governmental activities principal payments on general obligation bonds were \$785,000, principal payments on revenue bonds were \$1,440,000, and principal payments on installment contracts were \$171,378. Principal payments on installment contracts for business-type activities representing amounts owed to the City of Chicago were \$650,263.

The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
General Obligation Bonds	\$ 25,573,750	\$ 26,358,750	\$ 6,056,250	\$ 6,056,250	\$ 31,630,000	\$ 32,415,000
Tax Increment Financing Revenue Bonds	3,680,000	5,120,000		-	3,680,000	5,120,000
Installment Contracts	-	171,378	26,980,429	27,630,692	26,980,429	27,802,070
Total	<u>\$ 29,253,750</u>	<u>\$ 31,650,128</u>	<u>\$ 33,036,679</u>	<u>\$ 33,686,942</u>	<u>\$ 62,290,429</u>	<u>\$ 65,337,070</u>

Additional information on the City of Harvey's long-term debt can be found in Note 3 on pages 49-51 of this report.

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

The City's elected and appointed officials considered many factors when setting the fiscal year 2020 budget, including tax rates, and fees that will be charged for its various activities. One of those factors is the economy. The City is faced with a similar economic environment as many of the other local municipalities are faced with, including inflation and unemployment rates.

#### REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Harvey's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report, requests for additional information or requests for financial statements for the police or firefighters pension funds should be directed to City of Harvey, 15320 Broadway Avenue, Harvey, Illinois 60426.

## **BASIC FINANCIAL STATEMENTS**

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

- Government-Wide Financial Statements
- Fund Financial Statements

Governmental Funds

Proprietary Funds

Fiduciary Funds

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

**CITY OF HARVEY, ILLINOIS**  
**STATEMENT OF NET POSITION**  
**APRIL 30, 2020**

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
<b>Assets</b>			
Current Assets			
Cash and Investments	\$ 6,662,196	\$ 1,105,042	\$ 7,767,238
Receivables - Net of Allowances	17,298,145	2,873,429	20,171,574
Internal Balances	(35,043,678)	35,043,678	-
Prepays/Inventories	33,433	105,799	139,232
Total Current Assets	<u>(11,049,904)</u>	<u>39,127,948</u>	<u>28,078,044</u>
Noncurrent Assets			
Capital Assets			
Nondepreciable	227,134	608,738	835,872
Depreciable	24,058,484	26,186,502	50,244,986
Accumulated Depreciation	<u>(18,761,185)</u>	<u>(20,955,688)</u>	<u>(39,716,873)</u>
Total Capital Assets	<u>5,524,433</u>	<u>5,839,552</u>	<u>11,363,985</u>
Other Assets			
Net Pension Asset - IMRF	<u>4,443,964</u>	<u>2,074,024</u>	<u>6,517,988</u>
Total Noncurrent Assets	<u>9,968,397</u>	<u>7,913,576</u>	<u>17,881,973</u>
Total Assets	<u>(1,081,507)</u>	<u>47,041,524</u>	<u>45,960,017</u>
<b>Deferred Outflows of Resources</b>			
Deferred Items - IMRF	88,887	41,484	130,371
Deferred Items - Police Pension	5,143,486	-	5,143,486
Deferred Items - Firefighters' Pension	9,156,362	-	9,156,362
Deferred Items - OPEB	<u>2,477,514</u>	<u>211,052</u>	<u>2,688,566</u>
Total Deferred Outflows of Resources	<u>16,866,249</u>	<u>252,536</u>	<u>17,118,785</u>
Total Assets and Deferred Outflows of Resources	<u>15,784,742</u>	<u>47,294,060</u>	<u>63,078,802</u>

See accompanying notes to financial statements

**CITY OF HARVEY, ILLINOIS**  
**STATEMENT OF NET POSITION**  
**APRIL 30, 2020**

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
<b>Liabilities</b>			
Current Liabilities			
Accounts Payable	\$ 3,978,023	5,271,803	9,249,826
Accrued Payroll	290,515	13,013	303,528
Accrued Interest Payable	3,573,489	1,415,023	4,988,512
Deposits Payable	19,606	242,739	262,345
Due to Other Governments	130,166	-	130,166
Current Portion of Long-Term Debt	4,973,248	1,183,074	6,156,322
Total Current Liabilities	<u>12,965,047</u>	<u>8,125,652</u>	<u>21,090,699</u>
Noncurrent Liabilities			
Compensated Absences Payable	1,820,133	\$ 3,687	\$ 1,823,820
Net Pension Liability - Police Pension	19,249,443	-	19,249,443
Net Pension Liability - Firefighters' Pension	60,733,308	-	60,733,308
OPEB Liability	11,823,514	1,007,263	12,830,777
Self Insurance Claims Payable	6,216,271	-	6,216,271
General Obligation Bonds Payable - Net	21,792,880	4,873,176	26,666,056
Installment Contract Payable	-	26,980,429	26,980,429
Revenue Bonds Payable	3,370,000	-	3,370,000
Total Noncurrent Liabilities	<u>125,005,549</u>	<u>32,864,555</u>	<u>157,870,104</u>
Total Liabilities	<u>137,970,596</u>	<u>40,990,207</u>	<u>178,960,803</u>
<b>Deferred Inflows of Resources</b>			
Deferred Items - IMRF	1,098,446	512,651	1,611,097
Deferred Items - Police Pension	11,780,158	-	11,780,158
Deferred Items - Firefighters' Pension	2,653,032	-	2,653,032
Property Taxes	14,708,473	-	14,708,473
Total Deferred Inflows of Resources	<u>30,240,109</u>	<u>512,651</u>	<u>30,752,760</u>
Total Liabilities and Deferred Inflows of Resources	<u>168,210,705</u>	<u>41,502,858</u>	<u>209,713,563</u>

See accompanying notes to financial statements

**CITY OF HARVEY, ILLINOIS**  
**STATEMENT OF NET POSITION**  
**APRIL 30, 2020**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Net Position</b>			
Net Investment in Capital Assets	(12,885,373)	(216,698)	(13,102,071)
Restricted			
Grant	4,868	-	4,868
Public Safety	248,987	-	248,987
Public Works	4,813,384	-	4,813,384
Capital Projects	20,350,787	-	20,350,787
Unrestricted (deficit)	(164,958,616)	6,007,900	(158,950,716)
 Total Net Position	 \$ (152,425,963)	 \$ 5,791,202	 \$ (146,634,761)

**CITY OF HARVEY, ILLINOIS  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED APRIL 30, 2020**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
<b>Primary Government</b>							
Governmental Activities							
General Government	4,525,866	\$ 3,189,962	\$ 321,435	\$ -	\$ (1,014,469)	\$ -	\$ (1,014,469)
Public Safety	16,418,427	648,558	-	-	(15,769,869)	-	(15,769,869)
Public Works	4,039,738	367,106	-	-	(3,672,632)	-	(3,672,632)
Community Development	4,691	164,966	935,681	-	1,095,956	-	1,095,956
Interest on Long-Term Debt	1,696,891	-	-	-	(1,696,891)	-	(1,696,891)
Total Governmental Activities	26,685,613	4,370,592	1,257,116	-	(21,057,905)	-	(21,057,905)
Business-Type Activities							
Water	16,285,892	16,490,532	-	-	-	204,640	204,640
Pace Bus Terminal Parking	361	9,406	-	-	-	9,045	9,045
Commuter Parking Lot	30,094	25,868	-	-	-	(4,226)	(4,226)
Sewer	115,248	850,616	-	-	-	735,368	735,368
Total Business-Type Activities	16,431,595	17,376,422	-	-	-	944,827	944,827
Total Primary Government	43,117,208	21,747,014	1,257,116	-	(21,057,905)	944,827	(20,113,078)
<b>General Revenues</b>							
Taxes							
Property Taxes					13,475,077	-	13,475,077
Utility Taxes					1,212,382	-	1,212,382
Telecommunications Taxes					315,239	-	315,239
Other Taxes					1,600,023	-	1,600,023
Intergovernmental - Unrestricted							
State Sales Taxes					2,428,625	-	2,428,625
State Income Taxes					2,486,701	-	2,486,701
Local Use Tax					890,943	-	890,943
Replacement Taxes					778,624	-	778,624
Interest Income					58,280	-	58,280
Miscellaneous					140,030	-	140,030
Total General Revenues					23,385,924	-	23,385,924
Change in Net Position					2,328,019	944,827	3,272,846
Net Position - Beginning					(154,753,982)	4,846,375	(149,907,607)
Net Position - Ending					\$ (152,425,963)	\$ 5,791,202	\$ (146,634,761)

**CITY OF HARVEY, ILLINOIS**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**APRIL 30, 2020**

	Special Revenue			Capital Projects				
	General	Motor Fuel Tax	Debt Service	Capital Projects	TIF I Dixie Square	TIF II Center Street	Nonmajor	Totals
<b>Assets</b>								
Cash and Investments	\$ 576,855	\$ -	\$ 1,759,472	\$ 10,185	\$ 263,850	\$ 3,334,055	\$ 717,779	\$ 6,662,196
Receivables - Net of Allowances								
Taxes	12,896,185	-	3,176,524	-	-	-	-	16,072,709
Accounts	638,780	74,983	-	-	-	-	-	713,763
Other	511,673	-	-	-	-	-	-	511,673
Advances to Other Funds	4,980	5,768,781	328,049	2,579,382	4,710,887	5,858,705	5,499,698	24,750,482
Prepays/Inventories	33,433	-	-	-	-	-	-	33,433
Total Assets	<u>14,661,906</u>	<u>5,843,764</u>	<u>5,264,045</u>	<u>2,589,567</u>	<u>4,974,737</u>	<u>9,192,760</u>	<u>6,217,477</u>	<u>48,744,256</u>
<b>Liabilities</b>								
Accounts Payable	2,866,051	1,030,380	5,320,333	33,430	-	34,184	-	9,284,378
Accrued Payroll	290,515	-	-	-	-	-	-	290,515
Deposits Payable	19,606	-	-	-	-	-	-	19,606
Due to Other Governments	130,166	-	-	-	-	-	-	130,166
Advances from Other Funds	59,789,180	-	-	-	-	-	4,980	59,794,160
Total Liabilities	<u>63,095,518</u>	<u>1,030,380</u>	<u>5,320,333</u>	<u>33,430</u>	<u>-</u>	<u>34,184</u>	<u>4,980</u>	<u>69,518,825</u>
<b>Deferred Inflows of Resources</b>								
Property Taxes	11,588,358	-	3,120,115	-	-	-	-	14,708,473
E911 Taxes	123,040	-	-	-	-	-	-	123,040
Total Deferred Inflows of Resources	<u>11,711,398</u>	<u>-</u>	<u>3,120,115</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,831,513</u>
Total Liabilities and Deferred Inflows of Resources	<u>74,806,916</u>	<u>1,030,380</u>	<u>8,440,448</u>	<u>33,430</u>	<u>-</u>	<u>34,184</u>	<u>4,980</u>	<u>84,350,338</u>
<b>Fund Balances</b>								
Nonspendable	38,413	-	-	-	-	-	-	38,413
Restricted	253,855	4,813,384	-	-	4,974,737	9,158,576	6,217,474	25,418,026
Assigned	-	-	-	2,556,137	-	-	-	2,556,137
Unassigned	(60,437,278)	-	(3,176,403)	-	-	-	(4,977)	(63,618,658)
Total Fund Balances	<u>(60,145,010)</u>	<u>4,813,384</u>	<u>(3,176,403)</u>	<u>2,556,137</u>	<u>4,974,737</u>	<u>9,158,576</u>	<u>6,212,497</u>	<u>(35,606,082)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 14,661,906</u>	<u>\$ 5,843,764</u>	<u>\$ 5,264,045</u>	<u>\$ 2,589,567</u>	<u>\$ 4,974,737</u>	<u>\$ 9,192,760</u>	<u>\$ 6,217,477</u>	<u>\$ 48,744,256</u>

See accompanying notes to financial statements

**CITY OF HARVEY, ILLINOIS**  
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO NET POSITION OF**  
**GOVERNMENTAL ACTIVITIES**  
**APRIL 30, 2020**

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<b>Total Governmental Fund Balances</b>	\$ (35,606,082)
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	5,524,433
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The net pension assets of the pension funds are included in the Statement of Net Position but are not included in the funds. Net Pension Asset - IMRF	4,443,964
--	-----------

Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Deferred Items - IMRF	(1,009,559)
Deferred Items - Police Pension	(6,636,672)
Deferred Items - Firefighters' Pension	6,503,330
Deferred Items - OPEB	2,477,514

Deferred inflows of resources related to E911 Taxes in the funds are fully recognized as revenue and therefore, net position in the Statement of Net Position.	123,040
--	---------

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Accrued Interest Payable	(3,573,489)
Compensated Absences Payable	(2,366,455)
Net Pension Liability - Police Pension	(19,249,443)
Net Pension Liability - Firefighters' Pension	(60,733,308)
Total OPEB Liability	(11,823,514)
Self Insurance Claims Payable	(6,216,271)
General Obligation Bonds Payable - Net	(25,909,806)
Less: Defaulted Bonds Payable Included in Accounts Payable in the funds	2,573,750
Defaulted accrued interest included in the debt service fund	2,732,604
Revenue Bonds Payable	(3,680,000)

<b>Net Position of Governmental Activities</b>	<b>\$ (152,425,963)</b>
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**CITY OF HARVEY, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED APRIL 30, 2020**

	Special Revenue			Capital Projects				
	General	Motor Fuel Tax	Debt Service	Capital Projects	TIF I Dixie Square	TIF II Center Street	Nonmajor	Total
<b>Revenues</b>								
Taxes	\$ 11,171,119	\$ -	\$ 1,839,800	\$ -	\$ 463,108	\$ 2,151,356	\$ 977,338	\$ 16,602,721
Licenses and Permits	901,670	-	-	-	-	-	-	901,670
Intergovernmental	6,906,328	935,681	-	-	-	-	-	7,842,009
Charges for Services	2,890,665	-	-	-	-	-	-	2,890,665
Fines and Forfeitures	455,217	-	-	-	-	-	-	455,217
Interest	9,146	-	11,706	490	-	36,935	3	58,280
Miscellaneous	140,030	-	-	-	-	-	-	140,030
Total Revenues	<u>22,474,175</u>	<u>935,681</u>	<u>1,851,506</u>	<u>490</u>	<u>463,108</u>	<u>2,188,291</u>	<u>977,341</u>	<u>28,890,592</u>
<b>Expenditures</b>								
Current								
General Government	5,865,465	-	1,925	-	-	-	-	5,867,390
Public Safety	15,693,191	-	-	-	-	-	-	15,693,191
Public Works	2,548,748	1,148,910	-	-	-	84,886	-	3,782,544
Community Development	4,691	-	-	-	-	-	-	4,691
Capital Outlay	162,837	129,000	-	-	-	-	-	291,837
Debt Service								
Principal Retirement	171,378	-	1,232,750	-	-	1,150,000	290,000	2,844,128
Interest and Fiscal Charges	33,632	-	1,486,427	-	-	86,250	262,969	1,869,278
Total Expenditures	<u>24,479,942</u>	<u>1,277,910</u>	<u>2,721,102</u>	<u>-</u>	<u>-</u>	<u>1,321,136</u>	<u>552,969</u>	<u>30,353,059</u>
<b>Excess (Deficiency) Of Revenues Over (Under) Expenditures</b>	<u>(2,005,767)</u>	<u>(342,229)</u>	<u>(869,596)</u>	<u>490</u>	<u>463,108</u>	<u>867,155</u>	<u>424,372</u>	<u>(1,462,467)</u>
<b>Other Financing Sources (Uses)</b>								
Transfers In	-	-	-	-	-	-	552,969	552,969
Transfers Out	(552,969)	-	-	-	-	-	-	(552,969)
Total Other Financing Source (Uses)	<u>(552,969)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>552,969</u>	<u>-</u>
<b>Net Change In Fund Balances</b>	<u>(2,558,736)</u>	<u>(342,229)</u>	<u>(869,596)</u>	<u>490</u>	<u>463,108</u>	<u>867,155</u>	<u>977,341</u>	<u>(1,462,467)</u>
<b>Fund Balances - Beginning</b>	<u>(57,586,274)</u>	<u>5,155,613</u>	<u>(2,306,807)</u>	<u>2,555,647</u>	<u>4,511,629</u>	<u>8,291,421</u>	<u>5,235,156</u>	<u>(34,143,615)</u>
<b>Fund Balances - Ending</b>	<u>\$ (60,145,010)</u>	<u>\$ 4,813,384</u>	<u>\$ (3,176,403)</u>	<u>\$ 2,556,137</u>	<u>\$ 4,974,737</u>	<u>\$ 9,158,576</u>	<u>\$ 6,212,497</u>	<u>\$ (35,606,082)</u>

See accompanying notes to financial statements

# CITY OF HARVEY, ILLINOIS

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED APRIL 30, 2020

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<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ (1,462,467)</b>
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Amounts reported for governmental activities in the Statement of  
Activities are different because:

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

Capital Outlays	291,837
Depreciation Expense	(513,996)
Loss on Disposal of Capital Assets	(2,134)

An increase in a net pension asset is not considered to be an increase  
in a financial asset in the governmental funds.

Increase in Net Pension Asset - IMRF	2,521,015
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The net effect of deferred outflows (inflows) of resources related to the pensions  
not reported in the funds.

Change in Deferred Items - IMRF	(2,325,377)
Change in Deferred Items - Police Pension	2,738,870
Change in Deferred Items - Firefighters' Pension	7,006,468
Change in Deferred Items - OPEB	2,221,585

Deferred inflows of resources related to E911 Taxes in the funds  
fully recognized as revenue in the Statement of Net Position

	123,040
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The issuance of long-term debt provides current financial  
resources to governmental funds, while the repayment of the  
principal on long-term debt consumes the current financial  
resources of the governmental funds.

Deductions to Net Pension Liability - Police Pension	1,387,858
(Additions) to Net Pension Liability - Firefighters' Pension	(10,976,367)
(Additions) to Total OPEB Liability	(3,299,920)
Deductions to Self Insurance Claims	1,602,865
Retirement of Debt	2,396,378
Amortization of Debt Related Items	26,712
Default principal and interest payments accrued to accounts payable in the funds	894,942

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

	(303,290)
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**Changes in Net Position of Governmental Activities**

	<u><u>\$ 2,328,019</u></u>
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**CITY OF HARVEY, ILLINOIS**  
**STATEMENT OF NET POSITION - PROPRIETARY FUNDS**  
**APRIL 30, 2020**

	<b>Business-Type Activities - Enterprise</b>		
	<b>Water</b>	<b>Nonmajor</b>	<b>Totals</b>
<b>Assets</b>			
Current Assets			
Cash and Investments	1,105,042	\$ -	\$ 1,105,042
Receivables - Net of Allowances			
Customer Billings and Unbilled Services	2,816,411	57,018	2,873,429
Advances to Other Funds	31,479,375	3,564,303	35,043,678
Prepays	105,799	-	105,799
Total Current Assets	<u>35,506,627</u>	<u>3,621,321</u>	<u>39,127,948</u>
Noncurrent Assets			
Capital Assets			
Nondepreciable	126,488	482,250	608,738
Depreciable	19,108,830	7,077,672	26,186,502
Accumulated Depreciation	<u>(14,151,784)</u>	<u>(6,803,904)</u>	<u>(20,955,688)</u>
Total Capital Assets	<u>5,083,534</u>	<u>756,018</u>	<u>5,839,552</u>
Other Assets			
Net Pension Asset - IMRF	<u>2,074,024</u>	<u>-</u>	<u>2,074,024</u>
Total Noncurrent Assets	<u>7,157,558</u>	<u>756,018</u>	<u>7,913,576</u>
Total Assets	<u>42,664,185</u>	<u>4,377,339</u>	<u>47,041,524</u>
<b>Deferred Outflow of Resources</b>			
Deferred Items - OPEB	211,052	-	211,052
Deferred Items - IMRF	41,484	-	41,484
Total Deferred Outflow of Resources	<u>252,536</u>	<u>-</u>	<u>252,536</u>
Total Assets and Deferred Outflow of Resources	<u>42,916,721</u>	<u>4,377,339</u>	<u>47,294,060</u>
<b>Liabilities</b>			
Current Liabilities			
Accounts Payable	5,150,705	121,098	5,271,803
Accrued Payroll	13,013	-	13,013
Accrued Interest Payable	1,415,023	-	1,415,023
Deposits Payable	242,739	-	242,739
Current Portion of Long-Term Debt	1,183,074	-	1,183,074
Total Current Liabilities	<u>8,004,554</u>	<u>121,098</u>	<u>8,125,652</u>
Noncurrent Liabilities			
Compensated Absences Payable	3,687	-	3,687
Total OPEB Liability	1,007,263	-	1,007,263
General Obligation Bonds Payable - Net	4,873,176	-	4,873,176
Installment Contract Payable	26,980,429	-	26,980,429
Total Noncurrent Liabilities	<u>32,864,555</u>	<u>-</u>	<u>32,864,555</u>
Total Liabilities	<u>40,869,109</u>	<u>121,098</u>	<u>40,990,207</u>
<b>Deferred Inflow of Resources</b>			
Deferred Items - IMRF	512,651	-	512,651
Total Liabilities and Deferred Inflow of Resources	<u>41,381,760</u>	<u>121,098</u>	<u>41,502,858</u>
<b>Net Position</b>			
Net Investment in Capital Assets	(972,716)	756,018	(216,698)
Unrestricted	2,507,677	3,500,223	6,007,900
Total Net Position	<u>\$ 1,534,961</u>	<u>\$ 4,256,241</u>	<u>\$ 5,791,202</u>

**CITY OF HARVEY, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED APRIL 30, 2020**

	<b>Business-Type Activities - Enterprise</b>		
	<b>Water</b>	<b>Nonmajor</b>	<b>Totals</b>
<b>Operating Revenues</b>			
Charges for Services	\$ 16,490,532	\$ 885,890	\$ 17,376,422
<b>Operating Expenses</b>			
Operations	13,770,721	107,185	13,877,906
Depreciation and Amortization	584,231	38,518	622,749
Total Operating Expenses	14,354,952	145,703	14,500,655
<b>Operating Income</b>	2,135,580	740,187	2,875,767
<b>Non-Operating Revenue/(Expense)</b>			
Interest Expense	(1,930,940)	-	(1,930,940)
Total Non-Operating Revenue/(Expense)	(1,930,940)	-	(1,930,940)
<b>Change in Net Position</b>	204,640	740,187	944,827
<b>Net Position - Beginning</b>	1,330,321	3,516,054	4,846,375
<b>Net Position - Ending</b>	\$ 1,534,961	\$ 4,256,241	\$ 5,791,202

**CITY OF HARVEY, ILLINOIS**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED APRIL 30, 2020**

	Business-Type Activities - Enterprise		
	Water	Nonmajor	Totals
<b>Cash Flows From Operating Activities</b>			
Receipts from Customers and Users	\$ 15,595,052	\$ 964,213	\$ 16,559,265
Payments to Employees	(552,081)	(27,409)	(579,490)
Payments to Suppliers	(13,334,674)	(61,615)	(13,396,289)
Net Cash Provided by Operating Activities	1,708,297	875,189	2,583,486
<b>Cash Flows From Noncapital Financing Activities</b>			
Reduction (Increase) in Advances to Other Funds	1,232,035	(875,189)	356,846
Transfers Out	-	-	-
Net Cash Provided by Noncapital Financing Activities	1,232,035	(875,189)	356,846
<b>Cash Flows From Capital And Related Financing Activities</b>			
(Purchase) Sale of Capital Assets	(406,199)	-	(406,199)
Principal Retirement	(653,639)	-	(653,639)
Debt Issuance	-	-	-
Interest Payments	(1,224,208)	-	(1,224,208)
Net Cash Used by Capital and Related Financing Activities	(2,284,046)	-	(2,284,046)
<b>Net Change in Cash and Cash Equivalents</b>	656,286	-	656,286
<b>Cash and Cash Equivalents - Beginning</b>	448,756	-	448,756
<b>Cash and Cash Equivalents - Ending</b>	1,105,042	-	1,105,042
<b>Reconciliation Of Operating Income to Net Cash Provided (Used) by Operating Activities</b>			
Operating Income	2,135,580	740,187	2,875,767
Adjustments to Reconcile Operating Income to Net Income to Net Cash Provided by (Used in) Operating Activities			
Depreciation and Amortization Expense	584,231	38,518	622,749
(Increase) Decrease in Receivables	(888,288)	78,324	(809,964)
(Increase) Decrease in Prepaids	(7,191)	-	(7,191)
(Increase) Decrease in Net Pension Asset	(91,305)	-	(91,305)
Increase (Decrease) in Accounts Payable	(110,524)	19,473	(91,051)
Increase (Decrease) in Accrued Payroll	(6,068)	(1,313)	(7,381)
Increase (Decrease) in Other Current Liabilities	91,862	-	91,862
<b>Net Cash Provided by Operating Activities</b>	\$ 1,708,297	\$ 875,189	\$ 2,583,486

**CITY OF HARVEY, ILLINOIS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**APRIL 30, 2020**

	<b>Pension Trust</b>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 4,586,798
Investments	
State and Local Government Obligations	471,363
U.S. Treasuries	4,974,199
U.S. Agencies	2,089,564
Corporate Bonds	1,584,433
Common Stock	4,381,398
Equity Mutual Funds	10,348,502
Total Investments	<u>23,849,459</u>
Receivables	
Accrued Interest	54,082
Due from Other	45,842
Due from City	21,852,293
Reserve Uncollectible - Interfund	<u>(21,852,293)</u>
Total Receivables	<u>99,924</u>
Prepays	<u>3,897</u>
Total Assets	<u>28,540,078</u>
<b>Liabilities</b>	
Accounts payable	<u>42,071</u>
<b>Net Position</b>	
Net Position Restricted for Pensions	<u><u>\$ 28,498,007</u></u>

See accompanying notes to financial statements

**CITY OF HARVEY, ILLINOIS**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FOR THE FISCAL YEAR ENDED APRIL 30, 2020**

	<b>Pension Trust</b>
<b>Additions</b>	
Contributions - Employer	\$ 5,494,588
Contributions - Plan Members	501,144
Total Contributions	<u>5,995,732</u>
Investment Income	
Interest Earned	807,747
Gain/Loss from Sale of Investments	298,965
Net Change in Fair Value	<u>(1,214,153)</u>
	(107,441)
Less Investment Expenses	<u>(90,744)</u>
Net Investment Income	<u>(198,185)</u>
Total Additions	<u>5,797,547</u>
<b>Deductions</b>	
Administration	573,282
Benefits and Refunds	<u>4,608,556</u>
Total Deductions	<u>5,181,838</u>
<b>Change in Fiduciary Net Position</b>	615,709
<b>Net Position Restricted for Pensions</b>	
Beginning	<u>27,882,298</u>
Ending	<u><u>\$ 28,498,007</u></u>

See accompanying notes to financial statements

## **CITY OF HARVEY, ILLINOIS**

### Notes to the Financial Statements

April 30, 2020

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

The City of Harvey (the City), Illinois is located in Cook County and was first incorporated in 1890 under the provisions of the constitution and general statutes of the State of Illinois. The City operates under a Council administrator form of government. The City Council consists of six elected members that exercise all powers of the City but are accountable to their constituents for all of their actions. The City provides the following services as authorized by the charter: police protection, fire protection, public works operations, road and bridge maintenance and general administration.

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

#### **REPORTING ENTITY**

The City's financial reporting entity comprises the following:

Primary Government: City of Harvey

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

#### **Police Pension Employees Retirement System**

The City's police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the City's Mayor, 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 City is obligated to fund all remaining PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the City, the PPERS is reported as if it were part of the primary City because its sole purpose is to provide retirement benefits for the City's police employees. The PPERS is reported as a fiduciary fund, and specifically a pension trust fund, due to the fiduciary responsibility the City exercises over the PPERS.

#### **Firefighters' Pension Employees Retirement System**

The City's sworn firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of those employees and is governed by a five-member pension board, with two members appointed by the City's Mayor, two elected from active participants of the Fund, and one elected from the retired members of the Fund. The participants are required to contribute a percentage of salary as established by state statute and the City is obligated to fund all remaining FPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the City, the FPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the City's sworn firefighters. The FPERS is reported as a fiduciary fund, and specifically a pension trust fund, due to the fiduciary responsibility the City exercises over the FPERS.



## **CITY OF HARVEY, ILLINOIS**

### Notes to the Financial Statements

April 30, 2020

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#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

##### **BASIS OF PRESENTATION**

###### **Government-Wide Statements**

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The City's police and fire safety, highway and street maintenance and reconstruction, building code enforcement, public improvements, economic development, planning and zoning, and general administrative services are classified as governmental activities. The City's water, parking, and sewer services are classified as business-type activities.

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

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

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

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

The City does not allocate indirect costs.

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

###### **Fund Financial Statements**

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets/deferred outflows, liabilities/deferred inflows, fund equity/net position, 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.

## CITY OF HARVEY, ILLINOIS

### Notes to the Financial Statements April 30, 2020

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#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

##### Fund Financial Statements

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The City electively added funds, as major funds, which either have debt outstanding or a specific community focus. The nonmajor funds are combined in a column in the fund financial statements. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

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

##### Governmental Funds

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

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

*Special Revenue Funds* are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The City maintains one special revenue fund. The Motor Fuel Tax Fund, a major fund, is used to account for the operations of street maintenance programs and capital projects as authorized by the Illinois Department of Transportation. Financing is provided by the City's share of gasoline taxes.

*Debt Service Funds* are used to account for the accumulation of funds for the periodic payment of principal and interest on general governmental long-term debt. The City's Debt Service Fund is a major fund.

*Capital Projects Funds* are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The City maintains nine capital projects funds. The Capital Projects Fund, a major fund, is used to account for the proceeds of debt used for the acquisition or construction of capital projects. The TIF I Dixie Square Fund, also a major fund, is used to account for the restricted incremental property taxes of the Dixie Square Tax Increment Financing District and the use of those funds. The TIF II Center Street Fund, also a major fund, is used to account for the incremental property taxes of the TIF II Tax Increment Financing District and the use of those funds. The remaining capital projects funds are nonmajor funds.

## CITY OF HARVEY, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

#### Proprietary Funds

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

*Enterprise Funds* are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is 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 City maintains four enterprise funds. The Water Fund is the only major enterprise fund. It is used to account for the provision of water to the residents of the City. All activity necessary to provide such services is accounted for in this fund including, but not limited to, administration, operation, maintenance, financing and related debt service, and billing and collection.

#### Fiduciary Funds

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

*Pension Trust Funds* are used to account for assets held in a trustee capacity by the City for pension benefit payments. The Police Pension Fund accounts for the accumulation of resources to pay police force pension costs. Resources are contributed by police force members at rates fixed by state statutes and by the government through an annual property tax levy or other sources. The Firefighters' Pension Fund accounts for the accumulation of resources to pay pension costs for sworn members of the City's Fire Department. Resources are contributed by firefighters at rates fixed by state statutes and by the government through an annual property tax levy or other sources. The City's pension trust funds are presented in the fiduciary fund financial statements. Since by definition these assets are being held for the benefit of a third party (pension participants) and cannot be used to address activities or obligations of the City, these funds are not incorporated into the government-wide statements.

### MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

#### Measurement Focus

In the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the "economic resources" measurement focus as defined below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – (Continued)**

These funds use fund balance as their measure of available spendable financial resources at the end of the period.

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

**Basis of Accounting**

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

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The City recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70.

A sixty-day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, sales and use taxes, 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 City’s enterprise funds are charges to customers for sales and services. The City 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.

## **CITY OF HARVEY, ILLINOIS**

### **Notes to the Financial Statements**

**April 30, 2020**

---

#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

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

###### **Cash and Investments**

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

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

###### **Interfund Receivables, Payables and Activity**

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

###### **Receivables**

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

###### **Prepays/Inventories**

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

**CITY OF HARVEY, ILLINOIS**

Notes to the Financial Statements  
April 30, 2020

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

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

**Capital Assets**

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

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the City as a whole. Infrastructure such as streets, traffic signals and signs are capitalized. In the case of the initial capitalization of general infrastructure assets (i.e., those reported by the governmental activities) the government chose to include all such items regardless of their acquisition date. The valuation basis for general capital assets is historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation basis for proprietary fund capital assets is the same as those used for the general capital assets.

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

Buildings and Property	5 - 40 Years
Machinery and Equipment	5 - 40 Years
Vehicles	5 - 20 Years
Infrastructure	15 - 40 Years

**Compensated Absences**

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

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

**Long-Term Obligations**

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

## CITY OF HARVEY, ILLINOIS

### Notes to the Financial Statements

April 30, 2020

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#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

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

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

##### **Deferred Outflows/Inflows of Resources**

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

##### **Net Position**

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

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

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

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

In cases where either restricted or unrestricted net position can be used to pay expenses, restricted funds will be used first until exhausted.

## CITY OF HARVEY, ILLINOIS

### Notes to the Financial Statements

April 30, 2020

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

##### BUDGETARY INFORMATION

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

- Prior to July 31, the Mayor submits to the City Council a proposed operating budget for the fiscal year commencing the previous May 1. The operating budget includes proposed expenditures and the means of financing them.
- The budget document is available for public inspection for at least ten days prior to passage of the annual appropriation ordinance by the City Council, which is also required to hold at least one public hearing.
- Subsequently, the budget is legally enacted through passage of an ordinance prior to July 31.
- Formal budgetary integration is employed as a management control device during the year for General, Motor Fuel Tax, Debt Service, TIF I Dixie Square, TIF II Center Street, Hotel/Motel, TIF III Cresco Business Park, TIF IV Dixie Sibley, TIF V RPM Wyman Gordon, TIF VII Arco/147th Street, Water, Pace Bus Terminal Parking, Commuter Parking Lot and Sewer Funds.
- Budgets for those funds were adopted on a basis consistent with generally accepted accounting principles.
- Budgetary authority lapses at year-end.
- State law requires that “expenditures be made in conformity with appropriation/budget.” As under the Budget Act, transfers between line items and department may be made by administrative action. Amounts to be transferred between funds would require City Council approval. The level of legal control is generally considered to be the fund budget in total
- Budget amounts are as originally adopted.

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

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

Fund	Excess
MFT	\$ 177,910
Debt Service	250,425
TIF II Center Street	33,886
Water	2,858,134

##### DEFICIT FUND BALANCE

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

Fund	Deficit
General	\$60,145,010
Debt Service	3,176,403
TIF VI Dixie Highway Corridor	4,977



## **CITY OF HARVEY, ILLINOIS**

### **Notes to the Financial Statements**

**April 30, 2020**

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#### **NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY - (Continued)**

##### **LIQUIDITY RISK**

Liquidity risk is the risk of not having sufficient liquid financial resources to meet obligations when they come due. The City faces significant risks threatening its ability to generate cash from revenues sufficient to pay operating expenditures and debt service. Four of the City's largest revenue streams, distributable state aid, property taxes, municipal income taxes, and municipal sales taxes, are especially susceptible during times of major economic downturns and have declined in recent years. Also, residents leaving the City and home foreclosures have adversely impacted City property valuations and property and income tax collections. Further stressing the City's liquidity are legacy costs such as pension retirement benefits and debt service. As the City's tax base and revenues decline, the legacy costs become an increasing percentage of the General Fund budget, reducing funding available for essential services such as public safety.

As a result of the ongoing operating deficits over the past several years, the City had an accumulated General Fund deficit of \$60,145,010 as of April 30, 2020.

In addition, the City's General Fund has borrowed a total of \$59.8 million from other City funds, such as the Water Fund and TIF Funds (See Note 3 Interfund Receivables, Payables, and Transfers), over the past several fiscal years to provide additional liquidity. Due to the General Fund being unable to pay back the Water Fund, the City has also been unable to maintain its payments to the City of Chicago for the current water invoices and settlement payments (See Note 4 Contingent Liabilities - Litigation). Also, the lack of payments to the pension funds has caused the pension funds to file litigation against the City (See Note 4 Contingent Liabilities - Litigation). In addition, the City defaulted on several bond payments during the year (See Note 4 Contingent Liabilities - Bond Default).

Liquidity improvement is dependent upon the elimination of the City's accumulated deficit, reduction of operating and legacy costs, effectuating financial restructuring measures, improving revenues or enhancing collections, and improvement of the local economy and tax base. If the City is unable to make improvements in these areas, the City's financial status could deteriorate further and its options to improve its fiscal health may be limited.

## **CITY OF HARVEY, ILLINOIS**

### Notes to the Financial Statements April 30, 2020

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

##### **DEPOSITS AND INVESTMENTS**

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

The deposits and investments of the Pension Funds are held separately from those of other City funds. Statutes authorize the Pension Fund to make deposits/invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; credit unions, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois bonds; pooled accounts managed by the Illinois Funds Market Fund (Formerly known as IPTIP, Illinois Public Treasurer's Investment Pool), or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois; direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the Federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies; and separate accounts of life insurance companies and mutual funds, the mutual funds must meet specific restrictions, provided the investment in separate accounts and mutual funds does not exceed ten percent of the Pension Fund's plan net position; and corporate bonds managed through an investment advisor, rated as investment grade by one of the two largest rating services at the time of purchase. Pension Funds with plan net position of \$2.5 million or more may invest up to forty-five percent of plan net position in separate accounts of life insurance companies and mutual funds. Pension Funds with plan net position of at least \$5 million that have appointed an investment advisor, may through that investment advisor invest up to forty-five percent of the plan net position in common and preferred stocks that meet specific restrictions. In addition, Pension Funds with plan net position of at least \$10 million that have appointed an investment advisor, may invest up to fifty percent of its net position in common and preferred stocks and mutual funds that meet specific restrictions effective July 1, 2011, and up to fifty-five percent effective July 1, 2012.

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

The Illinois Metropolitan Investment Fund (IMET) is a non-for-profit investment trust formed pursuant to the Illinois Municipal Code. IMET is managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an Investment Company. Investments in IMET are valued at the share price, the price for which the investment could be sold.

## CITY OF HARVEY, ILLINOIS

### Notes to the Financial Statements

April 30, 2020

#### NOTE 3 – DETAIL NOTES ON ALL FUNDS - (Continued)

##### DEPOSITS AND INVESTMENTS – (Continued)

###### City Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

*Deposits.* At year-end, the carrying amount of the City's deposits for governmental and business-type activities totaled \$7,743,569 and the bank balances totaled \$7,901,298. In addition, the City has \$23,669 invested in IMET at year-end, which is measured at net asset value per share as determined by the Pool.

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's investment policy does not specifically identify limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City's investment in IMET has an average maturity of one year to three years.

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's investment policy does not address credit risk. At year-end, the City's investment in IMET Investment Trust 1-3 Year Fund is rated Aaa by Moody's.

*Concentration Risk.* This is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City's investment policy does not address concentration risk. At year-end, there were no investments that represent more than 5 percent of the total cash and investment portfolio.

*Custodial Credit Risk.* In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy does not mitigate custodial credit risk for deposits. At year-end, \$6,802,479 of the bank balance of deposits was not covered by collateral, federal depository or equivalent insurance.

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

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

*Deposits.* At year-end, the carrying amount of the Fund's deposits totaled \$3,706,880 and the bank balances totaled \$3,725,336.

*Investments.* At year-end, the Police Pension Fund has the following investments with maturities:

<u>Investment Type</u>	<u>Investment Maturities</u>				
	<u>Fair Value</u>	<u>Less Than One Year</u>	<u>1 to 5 Years</u>	<u>6 to 10 Years</u>	<u>More Than 10 Years</u>
U.S. Treasuries	\$4,184,286	\$357,952	\$2,415,041	\$1,411,293	\$ -
U.S. Agencies	651,193	283,844	277,489	-	89,860
Corporate Bonds	940,287	225,678	396,763	317,846	-
	<u>\$5,775,766</u>	<u>\$867,474</u>	<u>\$3,089,293</u>	<u>\$1,729,139</u>	<u>\$ 89,860</u>

In addition to the securities and fair values listed above, the Fund has \$4,884,360 invested in equity mutual funds and \$4,381,398 invested in common stock, which do not have maturity dates.

# CITY OF HARVEY, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

## NOTE 3 – DETAIL NOTES ON ALL FUNDS - (Continued)

### DEPOSITS AND INVESTMENTS – (Continued)

#### Police Pension Fund – (Continued)

The Fund has the following recurring fair value measurements as of April 30, 2020:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level	Totals			
Debt Securities				
U.S. Treasuries	\$ 4,184,286	\$ 4,184,286	\$ -	\$ -
U.S. Agencies	651,193	-	651,193	-
Corporate Bonds	940,287	-	940,287	-
Equity Securities				
Common Stock	4,381,398	4,381,398	-	-
Equity Mutual Funds	4,884,360	4,884,360	-	-
Total Investments by Fair Value Level	\$15,041,524	\$ 13,450,044	\$ 1,591,480	\$ -

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

*Interest Rate Risk.* The investment portfolio shall remain sufficiently liquid to enable the Fund to meet all operating requirements which may be reasonably anticipated.

*Credit Risk.* The Fund helps limit its exposure to credit risk by primarily investing only in investments authorized by Articles 1 and 3 of the Illinois Pension Code, as amended from time to time, and as authorized by other applicable law, including but not limited to Sections 1-113.2 through 1-113.4 of the Illinois Pension Code (40 ILCS 5/1-113.2-1-113.4). Illinois Funds are rated AAA by Standard & Poor's. The investments in the securities of U.S. Agencies were all rated Aaa by Moody's Investor Services or were small issues that were unrated and the investments in the corporate bonds were rated Baa1 to A3 by Moody's Investor Services. The investments in the securities of the U.S. Treasuries were not rated.

*Custodial Credit Risk.* The Fund's investment policy states that except for bank managed money market mutual funds, deposits in excess of federally insured limits in financial institutions will be required to be secured by some form of collateral. At April 30, 2020, \$2,785,412 of the bank balance of deposits was not covered by federal depository or equivalent insurance.

## CITY OF HARVEY, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

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### NOTE 3 – DETAIL NOTES ON ALL FUNDS - (Continued)

#### DEPOSITS AND INVESTMENTS – (Continued)

##### Police Pension Fund – (Continued)

*Concentration Risk.* The Fund's investment policy states the Fund shall diversify investments to avoid incurring unreasonable risks from the practice of concentrating investments in specific security types and/or individual financial institutions. At year-end, the Fund does not have any investments (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments) in any one organization that represent 5 percent or more of net plan position available for retirement benefits. Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities, mutual funds, and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund. The blended asset class is comprised of all other asset classes to allow for rebalancing the portfolio.

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

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income, Government	32%	0.50%
Corporate Investment Grade	8%	0.75%
Domestic Equities	45%	6.50%
International Equities	15%	6.00%
Total	<u>100%</u>	

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

#### Rate of Return

For the fiscal year ended April 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -2.20%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

# CITY OF HARVEY, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

## NOTE 3 – DETAIL NOTES ON ALL FUNDS - (Continued)

### DEPOSITS AND INVESTMENTS – (Continued)

#### Firefighters' Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

*Deposits.* At year-end, the carrying amount of the Fund's deposits totaled \$879,918 and the bank balances totaled \$873,882.

*Investments.* The Fund assumes any callable securities will not be called. At year-end, the Fund has the following investments with maturities:

Investment Type	Investment Maturities (in Years)				
	Fair Value	Less Than 1	1 to 5	6 to 10	More Than 10
State and Local Government	\$ 471,363	\$ -	\$ 101,064	\$ 370,299	\$ -
U.S. Agencies	789,913	50,953	197,683	442,462	98,815
U.S. Agencies	1,438,371	20,284	269,534	570,747	577,806
Corporate Bonds	644,146	34,773	367,403	232,021	9,949
Total	\$ 3,343,793	\$ 106,010	\$ 935,684	\$ 1,615,529	\$ 686,570

The remainder of the Fund's investments were in equity mutual funds (\$5,464,142), which do not have maturity dates.

The Fund has the following recurring fair value measurements as of April 30, 2020:

Investments by Fair Value Level	Fair Value Measurements Using			
	Totals	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities:				
State and Local Governments	\$ 471,363	\$ -	\$ 471,363	\$ -
U.S. Treasuries	789,913	789,913	-	-
U.S. Agencies	1,438,371	-	1,438,371	-
Corporate Bonds	644,146	-	644,146	-
Equity Securities:				
Equity Mutual Funds	5,464,142	5,464,142	-	-
Total Investments by Fair Value Level	\$ 8,807,935	\$ 6,254,055	\$ 2,553,880	\$ -

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

*Interest Rate Risk.* In accordance with the Fund's investment policy, the fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investment maturities to projected fund liabilities.

# CITY OF HARVEY, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

## NOTE 3 – DETAIL NOTES ON ALL FUNDS - (Continued)

### DEPOSITS AND INVESTMENTS – (Continued)

#### Firefighters' Pension Fund – (Continued)

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Fund helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The Fund's investment policy establishes criteria for allowable investments; those criteria follow the requirements of the Illinois Pension Code. The investments in the securities of U.S. Government Agencies were all rated AAA, and Corporate Bonds are rated BBB or better by Standard & Poor's or by Moody's Investors Services or were small issues that were unrated or underrated. Unrated (NR) and underrated investments are listed in the following table:

Investment Type	Par Value	Interest Rate	Maturity Date	Standard and Poor's	Moody's Investors Services
Federal Home Loan Mortgage Corp.	\$ 1,945	5.50%	August 1, 2035	NR	NR
Federal Home Loan Mortgage Corp.	6,108	6.50%	August 1, 2036	NR	NR
Federal Home Loan Mortgage Corp.	10,145	6.50%	September 1, 2036	NR	NR
Federal Home Loan Mortgage Corp.	1,946	6.50%	September 1, 2036	NR	NR
Federal Home Loan Mortgage Corp.	2,082	6.00%	November 1, 2036	NR	NR
Federal Home Loan Mortgage Corp.	764	6.00%	March 1, 2037	NR	NR
Federal Home Loan Mortgage Corp.	472	6.00%	August 1, 2037	NR	NR
Federal Home Loan Mortgage Corp.	1,133	6.50%	November 1, 2037	NR	NR
Federal Home Loan Mortgage Corp.	913	5.50%	May 1, 2038	NR	NR
Federal Home Loan Mortgage Corp.	2,250	5.00%	September 1, 203	NR	NR
Federal Home Loan Mortgage Corp.	2,663	5.00%	February 1, 2039	NR	NR
Federal Home Loan Mortgage Corp.	1,556	4.50%	April 1, 2039	NR	NR
Federal Home Loan Mortgage Corp.	17,424	3.50%	July 1, 2044	NR	NR
Federal Home Loan Mortgage Corp.	11,429	3.50%	December 1, 2044	NR	NR
Federal Home Loan Mortgage Corp.	17,219	3.50%	December 1, 2045	NR	NR
Federal Home Loan Mortgage Corp.	12,540	3.50%	December 1, 2045	NR	NR
Federal Home Loan Mortgage Corp.	2,534	3.00%	March 1, 2046	NR	NR
Federal Home Loan Mortgage Corp.	19,140	3.00%	January 1, 2047	NR	NR
Federal Home Loan Mortgage Corp.	15,806	3.50%	October 1, 2047	NR	NR
Federal Home Loan Mortgage Corp.	13,531	4.00%	February 1, 2048	NR	NR
Federal Home Loan Mortgage Corp.	21,236	4.00%	September 1, 2048	NR	NR
Federal Home Loan Mortgage Corp.	17,022	4.00%	September 1, 2048	NR	NR

# CITY OF HARVEY, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

## NOTE 3 – DETAIL NOTES ON ALL FUNDS - (Continued)

### DEPOSITS AND INVESTMENTS – (Continued)

#### Firefighters' Pension Fund – (Continued)

Investment Type	Par Value	Interest Rate	Maturity Date	Standard and Poor's	Moody's Investors Services
Federal National Mortgage Assoc.	2,063	3.50%	August 1, 2032	NR	NR
Federal National Mortgage Assoc.	20,008	6.00%	July 1, 2036	NR	NR
Federal National Mortgage Assoc.	602	5.50%	July 1, 2036	NR	NR
Federal National Mortgage Assoc.	16,943	6.50%	August 1, 2036	NR	NR
Federal National Mortgage Assoc.	975	6.00%	October 1, 2036	NR	NR
Federal National Mortgage Assoc.	1,259	5.50%	November 1, 2036	NR	NR
Federal National Mortgage Assoc.	685	6.00%	November 1, 2036	NR	NR
Federal National Mortgage Assoc.	62	5.50%	November 1, 2036	NR	NR
Federal National Mortgage Assoc.	335	6.00%	December 1, 2036	NR	NR
Federal National Mortgage Assoc.	293	5.50%	December 1, 2036	NR	NR
Federal National Mortgage Assoc.	4,637	6.00%	January 1, 2037	NR	NR
Federal National Mortgage Assoc.	2,143	6.00%	April 1, 2037	NR	NR
Federal National Mortgage Assoc.	373	6.00%	September 1, 2037	NR	NR
Federal National Mortgage Assoc.	465	6.50%	January 1, 2038	NR	NR
Federal National Mortgage Assoc.	1,629	5.00%	May 1, 2038	NR	NR
Federal National Mortgage Assoc.	3,431	5.00%	April 1, 2039	NR	NR
Federal National Mortgage Assoc.	2,449	4.50%	July 1, 2039	NR	NR
Federal National Mortgage Assoc.	17,472	5.50%	February 1, 2040	NR	NR
Federal National Mortgage Assoc.	13,983	5.00%	June 1, 2040	NR	NR
Federal National Mortgage Assoc.	15,150	3.50%	September 1, 2045	NR	NR
Federal National Mortgage Assoc.	19,934	3.00%	April 1, 2046	NR	NR
Federal National Mortgage Assoc.	18,001	4.00%	May 1, 2048	NR	NR
Government National Mortgage Assoc	120	8.50%	May 15, 2021	NR	NR
Government National Mortgage Assoc	229	3.00%	January 20, 2023	NR	NR
Government National Mortgage Assoc	78	7.50%	September 20, 2023	NR	NR
Government National Mortgage Assoc	1,253	7.50%	March 20, 2024	NR	NR
Government National Mortgage Assoc	4,631	7.00%	May 15, 2024	NR	NR
Government National Mortgage Assoc	359	7.50%	May 20, 2024	NR	NR
Government National Mortgage Assoc	818	8.00%	October 20, 2024	NR	NR
Government National Mortgage Assoc	478	7.00%	January 15, 2025	NR	NR

The Pension Fund's investment policy also prescribes to the "prudent person" rule, which states, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, nor for speculation, but for investment, considering the primary objective of safety as well as the secondary objective of the attainment of market rates of return."



## CITY OF HARVEY, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

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### NOTE 3 – DETAIL NOTES ON ALL FUNDS - (Continued)

#### DEPOSITS AND INVESTMENTS – (Continued)

##### Firefighters' Pension Fund – (Continued)

*Custodial Credit Risk – Deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the Pension Fund's deposits may not be returned to it. At April 30, 2020, \$583,638 of the bank balance of the deposits was uninsured and uncollateralized. The Pension Fund's investment policy requires that all deposits in excess of FDIC insurable limits be secured by collateral in order to protect deposits from default.

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

*Concentration Risk.* This 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 written policy with regards to concentration credit risk for investments. At April 30, 2020, the Fund does not have any investments (other than investments issued or explicitly guaranteed by the U.S. government, investments in mutual funds, external investment pools, and other pooled investments) in any one organization that represent 5 percent or more of net position available for benefits. Agency investments represent a large portion of the portfolio; however, the investments are diversified by maturity date and as mentioned earlier are backed by the issuing organization. Although unlike Treasuries, agency securities do not have the "full faith and credit" backing of the U.S. Government, they are considered to have a moral obligation of implicit backing and are supported by Treasury lines of credit and increasingly stringent federal regulation. The Pension Board has diversified its equity mutual fund holdings as follows:

Equity Mutual Funds	Fair Value
Vanguard 500 Index Admiral Fund	\$ 1,271,986 *
T. Rowe Price Growth Stock Fund	1,271,056 *
Pioneer Equity Income Fund	562,054 *
Hartford Core Equity Fund	410,312
T. Rowe Price QM US Small-Cap Growth Fund	370,140
Goldman Sachs Small Cap Equity Insights Fund	334,397
AQR Large Cap Defensive Style Fund	314,713
Victory Sycamore Established Value Fund	149,724
TIAA-CREF Small-Cap Blend Index Fund	148,002
Cohen & Steers Realty Shares Fund	129,705
MFS International Growth Fund	129,580
Goldman Sachs International Equity Insights Fund	121,133
First Eagle Overseas Fund	90,177
Oppenheimer Developing Markets Fund	87,176
Vanguard S&P 500 ETF Fund	73,987
Total Equity Mutual Funds	<u>\$ 5,464,142</u>

\* Represents over 5% of net position

## CITY OF HARVEY, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

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### NOTE 3 – DETAIL NOTES ON ALL FUNDS - (Continued)

#### DEPOSITS AND INVESTMENTS – (Continued)

##### Firefighters' Pension Fund – (Continued)

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

Asset Class	Target	Long-Term Expected Real Rate of Return
U.S. Large Cap Equity	42%	6.3%
U.S. Small Cap Equity	12%	8.1%
International Equity	6%	6.8%
Fixed Income	40%	1.3%

Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in December 2019 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of April 30, 2020 are listed in the table above.

#### Rate of Return

For the year ended April 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 1.68%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

#### PROPERTY TAXES

Property taxes are levied each December by passage of a Tax Levy Ordinance. Taxes levied in 2019 attach as an enforceable lien on January 1, 2020 on property values assessed as of the same date. Tax bills are prepared by the County and are payable in two installments, on or about March 1 and August 1. The County collects such taxes and remits them periodically.

**CITY OF HARVEY, ILLINOIS**

Notes to the Financial Statements  
April 30, 2020

**NOTE 3 – DETAIL NOTES ON ALL FUNDS - (Continued)****CAPITAL ASSETS****Governmental Activities**

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 227,134	\$ -	\$ -	\$ 227,134
Construction in Progress	-	-	-	-
Total Nondepreciable Capital Assets	227,134	-	-	227,134
Depreciable Capital Assets				
Buildings and Property	7,943,103	-	-	7,943,103
Machinery and Equipment	4,729,545	86,377	-	4,815,922
Vehicles	7,357,047	205,460	19,446	7,543,061
Infrastructure	3,756,398	-	-	3,756,398
Total Depreciable Capital Assets	23,786,093	291,837	19,446	24,058,484
Less Accumulated Depreciation				
Buildings and Property	6,679,143	63,997	-	6,743,140
Machinery and Equipment	4,331,706	138,614	-	4,470,320
Vehicles	6,895,110	212,085	17,312	7,089,883
Infrastructure	358,542	99,300	-	457,842
Total Accumulated Depreciation	18,264,501	513,996	17,312	18,761,185
Total Net Depreciable Capital Assets	5,521,592	(222,159)	2,134	5,297,299
Total Net Capital Assets	\$ 5,748,726	\$ (222,159)	\$ 2,134	\$ 5,524,433

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 104,861
Public Safety	201,419
Public Works	<u>207,716</u>
Total	<u>\$ 513,996</u>

**CITY OF HARVEY, ILLINOIS**

## Notes to the Financial Statements

April 30, 2020

**NOTE 3 – DETAIL NOTES ON ALL FUNDS - (Continued)****CAPITAL ASSETS – (Continued)****Business-Type Activities**

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

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 608,738	\$ -	\$ -	\$ 608,738
Total Nondepreciable Capital Assets	608,738	-	-	608,738
Depreciable Capital Assets				
Buildings and Property	1,365,626	325,112	-	1,690,738
Machinery and Equipment	3,082,586	81,087	-	3,163,673
Infrastructure	21,332,091	-	-	21,332,091
Total Depreciable Capital Assets	25,780,303	406,199	-	26,186,502
Less Accumulated Depreciation				
Buildings and Property	724,564	36,906	-	761,470
Machinery and Equipment	2,242,094	206,209	-	2,448,303
Infrastructure	17,366,281	379,634	-	17,745,915
Total Accumulated Depreciation	20,332,939	622,749	-	20,955,688
Total Net Depreciable Capital Assets	5,447,364	(216,550)	-	5,230,814
Total Net Capital Assets	\$ 6,056,102	\$ (216,550)	\$ -	\$ 5,839,552

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

Water	\$ 584,231
Sewer	38,518
	<u>\$ 622,749</u>

**CITY OF HARVEY, ILLINOIS**

## Notes to the Financial Statements

April 30, 2020

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**NOTE 3 – DETAIL NOTES ON ALL FUNDS - (Continued)****INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS****Interfund Advances**

Interfund advances as of the date of this report are as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	4,980
Motor Fuel Tax	General	5,768,781
Debt Service	General	328,049
Capital Projects	General	2,579,382
TIF I Dixie Square	General	4,710,887
TIF II Center Street	General	5,858,705
Nonmajor Governmental	General	5,499,698
Water	General	31,479,375
Nonmajor Business-Type	General	3,564,303
	Total	<u>59,794,160</u>

Interfund advances primarily represent borrowings by the general fund for operating needs. These amounts will be paid over several years as funds become available.

**Interfund Transfers**

Interfund transfers for the year consisted of the following:

Transfers In	Transfers Out	Amount
Nonmajor Governmental	General	\$ 552,969

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

# CITY OF HARVEY, ILLINOIS

## Notes to the Financial Statements

April 30, 2020

### NOTE 3 – DETAIL NOTES ON ALL FUNDS - (Continued)

#### LONG-TERM DEBT

##### General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities and for operations. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds issued for business-type activities are reported in the proprietary funds as they are expected to be repaid from proprietary revenues. General obligation bonds are direct obligations and pledge the full faith and credit of the City. General obligation bonds currently outstanding are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Bonds of 2002B, due in annual installments of \$305,000 to \$420,000 plus interest at 5.25% to 5.60% through May 1, 2023.	Debt Service	\$ 1,900,000	\$ -	\$ -	\$ 1,900,000
General Obligation Refunding Bonds of 2002C, due in annual installments of \$65,000 to \$750,000 plus interest at 2.00% to 5.00% through February 1, 2020.	Debt Service Water	568,750 1,056,250	- -	- -	568,750 1,056,250
General Obligation Refunding Bonds of 2007A, due in annual installments of \$540,000 to \$2,840,000 plus interest at 5.50% to 5.625% through December 1, 2032.	Debt Service Water	17,275,000 5,000,000	- -	- -	17,275,000 5,000,000
General Obligation Refunding Bonds of 2007B, due in annual installments of \$295,000 to \$1,275,000 plus interest at 7.25% to 7.75% through December 1, 2024.	Debt Service	6,615,000	-	785,000	5,830,000
		<u>\$ 32,415,000</u>	<u>\$ -</u>	<u>\$ 785,000</u>	<u>\$ 31,630,000</u>

##### Revenue Bonds

The City also issued bonds for which the City pledges income derived from the acquired or constructed assets to pay debt service. Revenue bonds currently outstanding are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
Hotel-Motel Tax and Sales Tax Revenue Bonds of 2008A, due in annual installments of \$160,000 to \$525,000 plus interest at 6.875% through August 1, 2028.	Hotel/Motel	\$ 3,970,000		\$ 290,000	\$ 3,680,000
Tax Increment Allocation Revenue Bonds of 2010, due in annual installments of \$860,000 to \$1,150,000 plus interest of 7.50% through December 1, 2019.	TIF II Center Street	1,150,000		1,150,000	-
		<u>\$ 5,120,000</u>	<u>\$ -</u>	<u>\$ 1,440,000</u>	<u>\$ 3,680,000</u>

# CITY OF HARVEY, ILLINOIS

## Notes to the Financial Statements April 30, 2020

### NOTE 3 – DETAIL NOTES ON ALL FUNDS - (Continued)

#### LONG-TERM DEBT – (Continued)

##### Installment Payable

The installment payable relates to the settlement reached between the City and the City of Chicago (“Chicago”) for unpaid water purchases. See Litigation footnote disclosure for additional details. At year-end there was no set repayment schedule. The outstanding balance of the installment payable at April 30, 2020 is as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
City of Chicago Installment Payable	Water	\$ 27,630,692	\$ -	\$ 650,263	\$ 26,980,429

##### Long-Term Liability Activity

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

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
<b>Governmental Activities</b>					
Compensated Absences	\$ 2,366,455	\$ 546,322	\$ 546,322	\$ 2,366,455	\$ 546,322
Net pension Liability - Police Pension	20,637,301	-	1,387,858	19,249,443	-
Net Pension Liability - Firefighters' Pension	49,756,941	10,976,367	-	60,733,308	-
Total OPEB Liability	8,523,594	3,299,920	-	11,823,514	-
Self Insurance Claims Payable	7,819,136	2,030,701	3,633,566	6,216,271	-
Settlement Installment Payable	171,378	-	171,378	-	-
General Obligation Bonds	26,358,750	-	785,000	25,573,750	4,116,926
Plus/Less Unamortized Items:					
Premium	362,768	-	26,712	336,056	-
Revenue Bonds	5,120,000	-	1,440,000	3,680,000	310,000
Total Governmental Activities	121,116,323	16,853,310	7,990,836	129,978,797	4,973,248
<b>Business-Type Activities</b>					
Compensated Absences	3,687	36,589	36,589	3,687	-
Total OPEB Liability	726,152	281,111	-	1,007,263	-
General Obligation Bonds	6,056,250	-	-	6,056,250	1,183,074
Plus Unamortized Items:					
Premium	3,376	-	3,376	-	-
Installment Payable	27,630,692	-	650,263	26,980,429	-
Total Business-Type Activities	\$ 34,420,157	\$ 317,700	\$ 690,228	\$ 34,047,629	\$ 1,183,074

For the governmental activities, the compensated absences, the net pension liabilities, the self-insurance claims, and the settlement installment payable are liquidated by the General Fund. The general obligation bonds and revenue bonds are being paid by the Debt Service, TIF II Center Street and Hotel/Motel Funds.

For the business-type activities, the Water Fund liquidates the compensated absences. The Water Fund makes payments on the general obligation bonds, the demand bonds, and the installment payable.

# CITY OF HARVEY, ILLINOIS

## Notes to the Financial Statements

April 30, 2020

### NOTE 3 – DETAIL NOTES ON ALL FUNDS - (Continued)

#### Debt Service Requirements to Maturity

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

Fiscal Year	Governmental Activities				Business-Type Activities	
	General Obligation Bonds		Revenue Bonds		General Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	1,543,176	1,380,002	310,000	242,344	126,824	278,580
2022	1,731,751	1,278,814	330,000	220,344	158,249	271,606
2023	1,845,527	1,165,507	375,000	196,797	169,473	262,902
2024	1,520,426	1,044,682	355,000	171,703	179,574	253,580
2025	1,693,788	940,808	405,000	144,890	121,212	243,704
2026	1,504,534	818,962	430,000	116,187	435,466	237,038
2027	1,589,843	736,214	460,000	85,594	460,157	213,086
2028	1,675,151	648,772	490,000	52,938	484,849	187,778
2029	1,768,215	556,638	525,000	18,047	511,785	161,112
2030	1,869,035	457,176	-	-	540,965	132,324
2031	1,973,731	352,044	-	-	571,269	101,894
2032	2,082,306	241,030	-	-	602,694	69,760
2033	2,202,517	123,892	-	-	637,483	35,860
Scheduled	\$ 23,000,000	\$ 9,744,541	\$ 3,680,000	\$ 1,248,844	\$ 5,000,000	\$ 2,449,224
Plus: Defaulted						
Payments	2,573,750	2,732,606	-	-	1,056,250	630,692
Total	\$ 25,573,750	\$ 12,477,147	\$ 3,680,000	\$ 1,248,844	\$ 6,056,250	\$ 3,079,916

#### Legal Debt Margin

Article VII, Section 6(k) of the 1970 Illinois Constitution governs the computation of legal debt margin.

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

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



## CITY OF HARVEY, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

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### NOTE 3 – DETAIL NOTES ON ALL FUNDS - (Continued)

#### NET POSITION/FUND BALANCES

##### Net Position Classifications

Net investment in capital assets was comprised of the following as of April 30, 2020:

##### **Governmental Activities**

Capital Assets - Net of Accumulated Depreciation	\$ 5,524,433
Less Capital Related Debt:	
General Obligation Bonds of 2002B	(1,900,000)
General Obligation Bonds of 2002C	(568,750)
General Obligation Bonds of 2007A	(9,775,000)
General Obligation Bonds of 2007B	(5,830,000)
Unamortized Premium	<u>(336,056)</u>
Net Investment in Capital Assets	<u><u>\$(12,885,373)</u></u>

##### **Business-Type Activities**

Capital Assets - Net of Accumulated Depreciation	\$ 5,839,552
Less Capital Related Debt:	
General Obligation Refunding Bonds of 2002C	(1,056,250)
General Obligation Refunding Bonds of 2007A	<u>(5,000,000)</u>
Net Investment in Capital Assets	<u><u>\$ (216,698)</u></u>

##### **Fund Balance Classifications**

In the governmental funds financial statements, the City considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The City first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available. *Nonspendable Fund Balance*. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

# CITY OF HARVEY, ILLINOIS

## Notes to the Financial Statements April 30, 2020

### NOTE 3 – DETAIL NOTES ON ALL FUNDS - (Continued)

#### NET POSITION/FUND BALANCES – (Continued)

##### Fund Balance Classifications – (Continued)

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

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

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

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

	Special Revenue			Capital Projects			Nonmajor	Totals
	General	Motor Fuel Tax	Debt Service	Capital Projects	TIF I Dixie Square	TIF II Center Street		
Fund Balances								
Nonspendable								
Advances	\$ 4,980	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,980
Prepays/Inventories	33,433	-	-	-	-	-	-	33,433
Total Nonspendable	38,413	-	-	-	-	-	-	38,413
Restricted								
Grant	4,868	-	-	-	-	-	-	4,868
Public Safety	248,987	-	-	-	-	-	-	248,987
Public Works	-	4,813,384	-	-	-	-	-	4,813,384
Capital Projects	-	-	-	-	4,974,737	9,158,576	6,217,474	20,350,787
Debt Services	-	-	-	-	-	-	-	-
Total Restricted	253,855	4,813,384	-	-	4,974,737	9,158,576	6,217,474	25,418,026
Assigned								
Capital Projects	-	-	-	2,556,137	-	-	-	2,556,137
Unassigned	(60,437,278)	-	(3,176,403)	-	-	-	(4,977)	(63,618,658)
Total Fund Balances	\$ (60,145,010)	\$ 4,813,384	\$ (3,176,403)	\$ 2,556,137	\$ 4,974,737	\$ 9,158,576	\$ 6,212,497	\$ (35,606,082)

## CITY OF HARVEY, ILLINOIS

### Notes to the Financial Statements

April 30, 2020

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#### NOTE 4 – OTHER INFORMATION

##### RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the City's employees.

For the fiscal year ending April 30, 2020, the City had insurance policies in place covering workers' compensation claims as well as claims related to the water department's general liability, real and personal property, and autos. The City was self-insured for any other losses or claims. All administration and claim processing are done by an independent administrator.

The City carries commercial coverage for its employee health insurance claims. Settled claims have not exceeded commercial coverage in any of the past three fiscal years. The City currently reports all of its risk management activities in the General Fund. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported that was determined using historical claims data.

As of April 30, 2020, the amount of these liabilities totals \$6,216,271 which is the City's best estimate based on available information. Changes in the reported liability since April 30, 2018 are shown below.

Claims Payable - April 30, 2018	\$ 985,472
Incurred Claims	7,454,088
Claims Paid	<u>(620,424)</u>
Claims Payable - April 30, 2019	7,819,136
Incurred Claims	2,030,701
Claims Paid	<u>(3,633,566)</u>
Claims Payable - April 30, 2020	<u><u>6,216,271</u></u>

##### CONTINGENT LIABILITIES

###### *Litigation*

The City is a defendant in various lawsuits as outlined below:

###### **City of Chicago vs. City of Harvey**

On January 20, 2015, a settlement was reached between the City and the City of Chicago ("Chicago") for balances owed by the City for past water purchases. The settlement dictated that the City would pay to Chicago the outstanding balance of \$18,506,313, plus 3% simple interest per annum, over the course of seven years in equal monthly installments of \$243,920 due on the first of each month beginning on February 1, 2015. In addition, the City will pay to Chicago 50% of any Water Fund surplus based on the audited financial statements. The City has also agreed to pay all current invoices by the due date, provide Chicago access to the City's financial system for the Water Fund, and provide quarterly financial statements and the annual audited financial statements to Chicago.

## **CITY OF HARVEY, ILLINOIS**

### **Notes to the Financial Statements**

**April 30, 2020**

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

##### **CONTINGENT LIABILITIES – (Continued)**

##### **City of Chicago vs. City of Harvey – (Continued)**

Starting in September 2016, the City stopped making payments to Chicago towards the settlement. In January 2017, the Court decreed that the penalties and fees would be reinstated resulting in the balance due to be \$21,724,071 with 6% interest accruing per 735 ILCS 5/2-1303 for interest paid on default judgments. In addition, the communities that would be provided water from the City (the “Downstream Communities”) that used to pay the City for its water would now pay Chicago directly. The amounts paid would be used to reduce the settlement liability rather than the current bills with no formal repayment schedule. The City would be required to pay the entire current bills. In addition, the Downstream Communities would keep up to 15% in an escrow that the City could request when repairs or capital costs were to occur that affected the Downstream Communities. In February 2017, the Court decreed that the amount of the current water bills owed from the City to Chicago for September 2016 through November 2016 of \$2,961,844 would be added to the settlement liability balance.

On August 4, 2017, the court ordered the appointment of a third-party receiver to be put in charge of the City’s Water Fund operations, accounting, and cash handling. On December 7, 2017, the receiver negotiated an updated repayment agreement for the City to make payments monthly of \$100,000 toward the outstanding balance of the settlement along with the current water bill owed by the City and an additional payment of \$50,000 to \$100,000 per month for the non-arrearage portion until it is fully paid. This agreement also permitted the Downstream Communities to begin paying the receiver in full and no longer withholding a portion in escrow.

On December 19, 2018, the City of Chicago obtained an additional amended judgment that added \$10,676,839 to the settlement liability balance for unpaid water charges and penalties from March 2018 through December 2018. The amount also included \$239,691 of unpaid interest on the existing liability.

As of the opinion date, the receiver and Chicago are still negotiating the final terms of the repayment to determine if the previous interest and fees will be waived. At fiscal year ended April 30, 2020, the balance of the installment payable in the Water Fund is \$26,980,429. An additional \$598,744 of unpaid interest is included in the Water Fund’s accrued interest payable balance.

On December 18, 2020, the court ordered the discharge of the third-party receiver effective December 31, 2020 thereby returning control of the Water Fund operations to the City.

## CITY OF HARVEY, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

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

#### **CONTINGENT LIABILITIES – (Continued)**

##### **U.S. Securities and Exchange Commission vs. City of Harvey, Illinois and Joseph T. Letke**

In relation to the development project at 17040 South Halsted Street, the City issued the Hotel-Motel Tax and Sales Tax Bonds 2008, TIF Revenue Bonds 2009A, and TIF Revenue Bonds 2010 in the fiscal years ended April 30, 2009, April 30, 2010, and April 30, 2011, respectively. On June 24, 2014, the SEC filed a complaint in federal court against the City and its now-former Comptroller, alleging that the Comptroller and the City engaged in a scheme to defraud investors in connection with these bond offerings; and the City misled investors in the offering documents for the 2009 and 2010 bonds as well as for a prospective 2014 bond offering.

On December 10, 2014, the court entered an agreed-upon final judgment, settling the lawsuit. Pursuant to the terms of the agreement between the SEC and the City, the City “consented to entry of this Final Judgment without admitting or denying the allegations of the Complaint.” The City’s ongoing obligations for a three-year period under the Final Judgment include retaining: (a) an Independent Consultant to recommend policies and procedures intended to strengthen internal controls and oversight over City’s financial reporting, use of proceeds from the issuance of municipal bonds, and disclosures in connection with preliminary and final offerings of any future securities offering for which City is an issuer or obligated person, and to evaluate and report to the court regarding City’s implementation of these recommendations; (b) an Independent Auditing Firm to assist the City in completing annual audits of financial statements and to provide the court annual audits and evaluations of the effectiveness of the City’s internal controls over financial reporting; and (c) an Independent Disclosure Counsel to make recommendations designed to ensure that any preliminary and final offering documents are accurate and complete and to ensure that the terms of the final judgment are disclosed in any such offering documents. The City is scheduling a review by an outside firm and a final report will be sent to the SEC.

##### **Settlement Agreement for the City of Harvey Board of Trustees of the Firefighters’ Pension Fund, City of Harvey Board of Trustees of the Police Pension Fund, Amalgamated Bank of Chicago, not individually but as Trustee for the holders of the City of Harvey Series 2008A Hotel- Motel and Sales Tax Revenue Bonds, the Comptroller of the State of Illinois and the City of Harvey, Illinois**

In prior years, the Firefighters’ Pension and Police Pension have sued the City for inadequately funding the pension funds to statutorily required amounts, which is a violation of the Illinois Pension Code. In September 2015, the Courts ruled in favor of the pension funds in both cases. The final judgment for the Firefighters’ Pension was \$12,376,489 and for the Police Pension was \$7,334,182. The balances included both property taxes that were not levied for the pensions as well as Personal Property Replacement Tax (PPRT) owed to the pension funds that were collected by the City. The Illinois Comptroller office began to withhold 100% of the Home Rule Taxes and other Local Share State Taxes from the City until an agreement had been reached for how to allocate these dollars as other stakeholders including Amalgamated Bank and the Illinois Municipal Retirement Fund (IMRF) were also being impacted.

On July 23, 2018, a settlement agreement was entered into by and between the Board of Trustees of the Harvey Police Pension Fund, the Board of Trustees of the Harvey Firefighters Pension Fund, Amalgamated Bank of Chicago, not individually but as Trustee for the holders of the City of Harvey Series 2008A Hotel-Motel and Sales Tax Revenue Bonds (the “Trustee”), Comptroller of the State of Illinois (the “Comptroller”), and the City of Harvey. Under the terms of the settlement agreement, the City authorized and directed that all PPRT paid to the City be remitted to Amalgamated Bank of Chicago, not individually but as escrow agent for the City (the “Escrow

## CITY OF HARVEY, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

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### NOTE 4 – OTHER INFORMATION (Continued)

#### CONTINGENT LIABILITIES – (Continued)

**Settlement Agreement for the City of Harvey Board of Trustees of the Firefighters' Pension Fund, City of Harvey Board of Trustees of the Police Pension Fund, Amalgamated Bank of Chicago, not individually but as Trustee for the holders of the City of Harvey Series 2008A Hotel- Motel and Sales Tax Revenue Bonds, the Comptroller of the State of Illinois and the City of Harvey, Illinois – (Continued)**

Agent"). The Escrow Agent is to pay 12.2% of the PPRT directly to both the Police Pension Fund and to the Firefighters' Pension Fund. The Comptroller will also intercept and remit to the Escrow Agent all payments from (1) the Local Government Distributive Fund, which consists of the Local Share of State Income Tax and the Local Share of State Use Tax, that would otherwise be remitted to the City pursuant to 30 ILCS 115/2, (2) the Municipal Telecommunications Tax Fund that would otherwise be remitted to the City pursuant to 35 ILCS 636/5-50, and (3) the Local Government Video Gaming Distributive Fund that would otherwise be remitted to the City pursuant to 230 ILCS 40/75 (collectively, the "Other State Payments"). The Escrow Agent is to remit 25% of the Other State Payments directly to the Police Pension Fund and 10% to the Firefighters' Pension Fund until the Police Pension Fund's amended claim has been paid in full, and at that time the Firefighters' Pension Fund's share will increase to 35%. The remaining 65% is remitted to the City.

Also, in the terms of the settlement agreement, the Trustee shall accumulate all Hotel-Motel Taxes of the City, all sales, use, and occupation taxes that would otherwise be remitted to the City for the purpose of paying the principal and interest payments due on the Hotel/Motel and Sales Tax Revenue Bonds, Series 2008A. On a quarterly basis, the Trustee shall calculate the Excess Pledged Revenues, as defined as any amounts accumulated in excess of the amount sufficient to make said principal and interest payments, and remit 25% of the Excess Pledged Revenues directly to the Police Pension Fund, 10% to the Firefighters' Pension Fund, and the remaining 65%, less amounts needed to establish or replenish a separate \$30,000 IMRF reserve fund, to the City or its designee. Upon satisfaction of the Police Pension Fund's amended claim, the Firefighters' Pension fund will receive 35% of the Excess Pledged Revenues until its claim is satisfied.

As of April 30, 2020, the City of Harvey owed the Police Pension Fund \$6,349,227, and the Firefighters' Pension Fund \$15,503,066. The receivable balance in the pension funds has been offset by an allowance for doubtful accounts in order to recognize revenue when the cash is received.

#### BOND DEFAULT

During fiscal years 2018, 2019, and 2020 the City defaulted on bond payments. The total principal and interest that remains outstanding due to default is as follows:

1. 2002B GO Bonds - \$700,000 of principal and \$139,110 of interest;
2. 2002C GO Bonds - \$1,625,000 of principal and \$113,126 of interest. The bond insurer has made these payments and the City must reimburse them;
3. 2007A GO Bonds - \$2,482,149 of interest;
4. 2007B GO Bonds - \$1,305,000 of principal and \$628,912 of interest.

The outstanding balance of the portion related to governmental activities is included as accounts payable in the Debt Service fund and as current portion of long-term debt or accrued interest payable in the Government-Wide Statement of Net Position at April 30, 2020. The portion related to the Water fund is included as current portion of long-term debt for the principal amount and accrued interest payable for the interest amount.

## CITY OF HARVEY, ILLINOIS

### Notes to the Financial Statements

April 30, 2020

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#### NOTE 4 – OTHER INFORMATION (Continued)

##### GRANTS

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

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

The City contributes to three defined benefit pension plans: the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system, the Police Pension Plan which is a single-employer pension plan, and the Firefighters' Pension Plan which is a single-employer pension plan. The benefits, benefit levels, employee contributions, and employer contributions for all three plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. Separate reports are issued for the Police and Firefighters' Pension Plans and may be obtained by writing to the City at 15320 Broadway Avenue, Harvey, Illinois 60426. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained on-line at [www.imrf.org](http://www.imrf.org). The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

The aggregate amount of pension related balances recognized for the three pension plans is:

Net Pension Liability	79,982,751
Net Pension Asset	6,517,988
Deferred Outflows of Resources	14,430,219
Deferred Inflows of Resources	16,044,287
Pension Expense	5,076,244

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

###### Plan Description

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

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

## CITY OF HARVEY, ILLINOIS

### Notes to the Financial Statements

April 30, 2020

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#### NOTE 4 – OTHER INFORMATION - (Continued)

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

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

##### Plan Description – (Continued)

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

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

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

*Plan Membership.* As of December 31, 2019, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	130
Inactive Plan Members Entitled to but not yet Receiving Benefits	73
Active Plan Members	<u>57</u>
Total	<u>260</u>

*Contributions.* As set by statute, the City's Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year-ended April 30, 2020, the City's contribution was 0.83% of covered payroll.

*Net Pension Liability.* The City's net pension liability was measured as of December 31, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.



# CITY OF HARVEY, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

## NOTE 4 – OTHER INFORMATION - (Continued)

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

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

##### Plan Description – (Continued)

*Actuarial Assumptions.* The total pension liability was determined by an actuarial valuation performed, as of December 31, 2019, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	3.35% to 14.25%
Cost of Living Adjustments	2.50%
Inflation	2.50%

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.

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

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	28%	3.25%
Domestic Equities	37%	5.75%
International Equities	18%	6.50%
Real Estate	9%	5.20%
Blended	7%	3.60% - 7.60%
Cash and Cash Equivalents	1%	1.85%

## CITY OF HARVEY, ILLINOIS

### Notes to the Financial Statements

April 30, 2020

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#### NOTE 4 – OTHER INFORMATION - (Continued)

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

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

###### Discount Rate

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

###### Discount Rate Sensitivity

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

	1% Decrease	Current	1% Increase
	(6.25%)	(7.25%)	(8.25%)
Net Pension (Asset)	\$ (3,940,365)	\$ (6,517,988)	\$ (8,617,388)

**CITY OF HARVEY, ILLINOIS**

Notes to the Financial Statements

April 30, 2020

**NOTE 4 – OTHER INFORMATION - (Continued)**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – (Continued)**

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

**Changes in the Net Pension (Asset)**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension (Asset) (A)-(B)
Balances at December 31, 2018	\$ 25,014,148	\$ 27,834,549	\$ (2,820,401)
Changes for the Year:			
Service Cost	245,350	-	245,350
Interest on the Total Pension Liability	1,761,614	-	1,761,614
Difference Between Expected and Actual Experience of the Total Pension Liability	(192,219)	-	(192,219)
Changes of Assumptions	-	-	-
Contributions - Employer	-	40,584	(40,584)
Contributions - Employees	-	138,553	(138,553)
Net Investment Income	-	5,441,330	(5,441,330)
Benefit Payments, Including Refunds of Employee Contributions	(1,677,406)	(1,677,406)	-
Other (Net Transfer)	-	(108,135)	108,135
Net Changes	137,339	3,834,926	(3,697,587)
Balances at December 31, 2019	\$ 25,151,487	\$ 31,669,475	\$ (6,517,988)

# CITY OF HARVEY, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

## NOTE 4 – OTHER INFORMATION - (Continued)

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

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

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

For the year ended April 30, 2020, the City recognized pension expense/(income) of (\$454,467). At April 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ -	\$ 116,936	\$ (116,936)
Change in Assumptions	119,561	-	119,561
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	1,494,161	(1,494,161)
	119,561	1,611,097	(1,491,536)
Pension Contributions made Subsequent to the Measurement Date	10,810	-	10,810
Total Deferred Amounts Related to IMRF	\$ 130,371	\$ 1,611,097	\$ (1,480,726)

\$10,810 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended April 30, 2021.

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

Fiscal Year	Net Deferred (Inflows) of Resources
2021	(432,748)
2022	(493,179)
2023	130,704
2024	(696,313)
2025	-
Thereafter	-
Total	\$ (1,491,536)

## CITY OF HARVEY, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

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### NOTE 4 – OTHER INFORMATION - (Continued)

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

##### Police Pension Plan

##### Plan Description

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

*Plan Membership.* At April 30, 2020, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	49
Inactive Plan Members Entitled to but not yet Receiving Benefits	5
Active Plan Members	<u>37</u>
Total	<u><u>91</u></u>

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

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of  $\frac{1}{2}$  of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter.

Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officer salary for the pension purposes is capped at \$106,800, plus the lesser of  $\frac{1}{2}$  of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e.,  $\frac{1}{2}$  percent for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or  $\frac{1}{2}$  of the change in the Consumer Price Index for the proceeding calendar year.

## CITY OF HARVEY, ILLINOIS

### Notes to the Financial Statements

April 30, 2020

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#### NOTE 4 – OTHER INFORMATION - (Continued)

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

###### Police Pension Plan – (Continued)

###### Plan Description – (Continued)

*Contributions.* Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the City to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended April 30, 2020, the City's contribution was 122.36% of covered payroll.

*Concentrations.* At year-end, the Police Pension Plan does not have any investments (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments) in any one organization that represent 5 percent or more of net plan position available for retirement benefits.

###### Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of April 30, 2020, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	6.75%
Salary Increases	Service -Based
Cost of Living Adjustments	3.00%
Inflation	2.50%

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table with Blue Collar Adjustment projected to valuation date using Scale BB. The actuarial assumptions used in the April 30, 2020 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated October 5, 2017.

A Single Discount Rate of 6.75% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

# CITY OF HARVEY, ILLINOIS

## Notes to the Financial Statements

April 30, 2020

### NOTE 4 – OTHER INFORMATION - (Continued)

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

##### Police Pension Plan – (Continued)

##### Plan Description – (Continued)

For the purpose of the most recent valuation, the expected rate of return on plan investments is 6.75%, the municipal bond rate is 2.85%, and the resulting single discount rate is 6.75%.

##### 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 City calculated using the discount rate as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net Pension Liability	\$24,329,038	\$19,249,443	\$15,074,866

##### Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A)-(B)
Balances at April 30, 2019	\$ 38,501,004	\$ 17,863,703	\$ 20,637,301
Adjustment to beginning of year	-	1	(1)
Changes for the Year:			
Service Cost	843,533	-	843,533
Interest on the Total Pension Liability	2,589,948	-	2,589,948
Difference Between Expected and Actual Experience of the Total Pension Liability	(1,988,989)	-	(1,988,989)
Changes of Assumptions	-	-	-
Changes of Benefit Terms	53,785		53,785
Contributions - Employer	-	3,137,720	(3,137,720)
Contributions - Employees	-	231,809	(231,809)
Net Investment Income	-	(349,250)	349,250
Benefit Payments, Including Refunds of Employee Contributions	(1,949,875)	(1,949,875)	-
Administrative Expense	-	(134,145)	134,145
Net Changes	(451,598)	936,259	(1,387,857)
Balances at April 30, 2020	\$ 38,049,406	\$ 18,799,963	\$ 19,249,443

**CITY OF HARVEY, ILLINOIS**

Notes to the Financial Statements  
 April 30, 2020

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**NOTE 4 – OTHER INFORMATION - (Continued)****EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – (Continued)****Police Pension Plan – (Continued)****Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions**

For the year ended April 30, 2020, the City recognized pension expense/(income) of (\$989,007). At April 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 359,203	\$ 1,847,253	\$ (1,488,050)
Change in Assumptions	3,537,450	9,932,905	(6,395,455)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,246,833	-	1,246,833
Total Deferred Amounts Related to Police Pension	<u>\$ 5,143,486</u>	<u>\$ 11,780,158</u>	<u>\$ (6,636,672)</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
2021	\$ (3,325,232)
2022	(908,537)
2023	(2,324,792)
2024	(78,111)
2025	-
Thereafter	-
Total	<u>\$ (6,636,672)</u>



## CITY OF HARVEY, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

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### NOTE 4 – OTHER INFORMATION - (Continued)

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

##### Firefighters' Pension Plan

###### Plan Description

*Plan Administration.* The Firefighters' Pension Plan is a single-employer defined benefit pension plan that covers all sworn firefighter personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only by the Illinois legislature. The City accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the City Mayor, one member is elected by pension beneficiaries and two members are elected by active fire employees.

*Plan Membership.* At April 30, 2020, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	68
Inactive Plan Members Entitled to but not yet Receiving Benefits	6
Active Plan Members	<u>42</u>
Total	<u><u>116</u></u>

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

The Firefighters' Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of  $\frac{1}{2}$  of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter.

Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for the pension purposes is capped at \$106,800, plus the lesser of  $\frac{1}{2}$  of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e.,  $\frac{1}{2}$  percent for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or  $\frac{1}{2}$  of the change in the Consumer Price Index for the proceeding calendar year.

## CITY OF HARVEY, ILLINOIS

### Notes to the Financial Statements

April 30, 2020

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#### NOTE 4 – OTHER INFORMATION - (Continued)

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

###### Firefighters' Pension Plan – (Continued)

###### Plan Description – (Continued)

*Contributions.* Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the City to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended April 30, 2020, the City's contribution was 81.00% of covered payroll.

*Significant Investments.* At year-end, the Firefighters' Pension Plan does not have any investments (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments) in any one organization that represent 5 percent or more of net plan position available for retirement benefits.

###### Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of April 30, 2020, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	6.50%
Salary Increases	3.50% - 45.98%
Cost of Living Adjustments	2.25%
Inflation Rate	2.25%

Mortality rates are based on the assumption study prepared by the independent actuary in 2017. The table combines observed experience of Illinois Firefighters with the RP-2014 mortality table for blue collar workers. Mortality improvements have been made to 5 years past the valuation date.

###### Discount Rate

A Single Discount Rate of 4.91% was used to measure the total pension liability and the prior year used 5.83%. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

The Single Discount Rate reflects:

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

**CITY OF HARVEY, ILLINOIS**

## Notes to the Financial Statements

April 30, 2020

**NOTE 4 – OTHER INFORMATION - (Continued)****EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – (Continued)****Firefighters' Pension Plan – (Continued)****Discount Rate – (Continued)**

For the purpose of the most recent valuation, the expected rate of return on plan investments is 6.50%, the municipal bond rate is 2.56%, and the resulting single discount rate is 4.91%.

**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 City calculated using the discount rate as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (3.91%)	Current Discount Rate (4.91%)	1% Increase (5.91%)
Net Pension Liability	\$71,597,887	\$60,733,308	\$51,978,741

**Changes in the Net Pension Liability**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A)-(B)
Balances at April 30, 2019	\$ 59,775,535	\$ 10,018,593	\$ 49,756,942
Changes for the Year:			
Service Cost	943,969	-	943,969
Interest on the Total Pension Liability	3,407,413	-	3,407,413
Changes of Benefit Terms	46,035	-	46,035
Difference Between Expected and Actual Experience of the Total Pension Liability	(379,576)	-	(379,576)
Changes of Assumptions	9,296,657	-	9,296,657
Contributions - Employer	-	2,356,965	(2,356,965)
Contributions - Employees	-	258,209	(258,209)
Contributions - Other	-	11,126	(11,126)
Net Investment Income	-	150,969	(150,969)
Benefit Payments, Including Refunds of Employee Contributions	(2,658,681)	(2,658,681)	-
Administrative Expense	-	(439,137)	439,137
Net Changes	10,655,817	(320,549)	10,976,366
Balances at April 30, 2020	\$ 70,431,352	\$ 9,698,044	\$ 60,733,308

# CITY OF HARVEY, ILLINOIS

## Notes to the Financial Statements

April 30, 2020

### NOTE 4 – OTHER INFORMATION - (Continued)

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

##### Firefighters' Pension Plan – (Continued)

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

For the year ended April 30, 2020 the City recognized pension expense of \$6,326,863. At April 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 1,419,658	\$ 291,507	\$1,128,151
Change in Assumptions	7,139,660	2,361,525	4,778,135
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	597,044	-	597,044
Total Deferred Amounts Related to Firefighters' Pension	<u>\$ 9,156,362</u>	<u>\$2,653,032</u>	<u>\$6,503,330</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
2021	\$ 1,500,571
2022	2,048,626
2023	2,215,781
2024	738,352
2025	
Thereafter	-
Total	<u>\$ 6,503,330</u>

## CITY OF HARVEY, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

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### NOTE 4 – OTHER INFORMATION (Continued)

#### OTHER POST-EMPLOYMENT BENEFITS

##### Plan Description

The City provides other post-employment benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and any employer contributions are governed by the City and can be amended by the City through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report.

Employees may continue Employer sponsored insurance in retirement. They are responsible for the full cost of coverage including coverage for any eligible spouse/dependent. Additionally, public safety officers who qualify for duty disability have their health insurance paid by the City for the remainder of their life including the cost of coverage for any eligible spouse/dependent.

All health benefits are provided through the City's health plan. The benefits include medical, dental, vision, and life insurance.

As of April 30, 2020 membership consisted of:

Total Active employees	153
Inactive Employees Currently Receiving Benefits	29
Inactive Employees Entitled to Benefits but Not Yet Receiving	<u>0</u>
Total	182

The City does not have a funding policy.

##### Actuarial Assumptions

Actuarial Valuation Date	May 1, 2020
Measurement Date	April 30, 2020
Actuarial Cost Method	Entry Age Normal

##### Assumptions

Discount Rate	2.56%
Long-Term Expected Rate of Return on Plan Assets	N/A
Total Payroll Increases	3.00%

Healthcare Cost Trend Rates	Life					
	<u>Period</u>	<u>PPO</u>	<u>HMO</u>	<u>Dental</u>	<u>Vision</u>	<u>Insurance</u>
	FY 20 to FY 21	-0.64%	-20.10%	-3.40%	0.00%	0.00%
	FY 21 to FY 22	6.00%	6.00%	3.00%	3.00%	0.00%
	FY 22 to FY 23	6.00%	6.00%	3.00%	3.00%	0.00%
	FY 23 to FY 24	5.50%	5.50%	3.00%	3.00%	0.00%
	FY 24 to FY 25	5.50%	5.50%	3.00%	3.00%	0.00%
	FY 25 to FY 26	5.00%	5.00%	3.00%	3.00%	0.00%
	Ultimate	5.00%	5.00%	3.00%	3.00%	0.00%

Asset Valuation Method	Market Value of Assets
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# CITY OF HARVEY, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

## NOTE 4 – OTHER INFORMATION (Continued)

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

#### Discount Rate

The discount rate used to measure the total OPEB liability as of April 30, 2020 was 2.56% which was a change from the discount rate of 3.79% that was used as of April 30, 2019. Because plans benefits are financed on a pay-as-you-go basis, the single discount rate is based on a tax-exempt municipal bond rate index of 20-year general obligation bonds with an average AA credit rating as of the measurement date.

#### Changes in Net OPEB Liability

	<b>Total OPEB Liability</b>
Balance at May 1, 2019	\$ 9,249,744
Service Cost	495,479
Interest on Total OPEB Liability	344,067
Differences between Expected and Actual Experience of Total OPEB Liability	-
Change of Assumptions	2,744,880
Plan Changes	339,503
Benefit Payments, including Refunds of Employee Contributions	(342,898)
Net Investment Income	-
Other (Net Transfer)	-
Balance at April 30, 2020	<u>\$ 12,830,775</u>

#### Discount Rate Sensitivity

The Total OPEB liability has been determined using the end of year discount rate listed above. Below is a table illustrating the sensitivity of the total OPEB liability to the discount rate assumption:

	1% Decrease (1.56%)	Current Discount Rate (2.56%)	1% Increase (3.56%)
Total OPEB Liability	\$15,911,642	\$12,830,775	\$10,507,841

#### Healthcare Cost Trend Rates Sensitivity

Below is a table illustrating the sensitivity of the total OPEB liability to the Healthcare Cost Trend Rates assumption:

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Total OPEB Liability	\$9,987,151	\$12,830,775	\$16,590,121

**CITY OF HARVEY, ILLINOIS**

## Notes to the Financial Statements

April 30, 2020

**NOTE 4 – OTHER INFORMATION - (Continued)****OTHER POST-EMPLOYMENT BENEFITS – (Continued)****OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB**

For the year ended April 30, 2020, the City recognized OPEB expense of \$1,513,094. At April 30, 2020, the City reported the following deferred outflows of resources and deferred inflows related to OPEB.

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Differences between Expected and Actual Experience	\$ -	\$ -	\$ -
Changes of Assumptions	2,688,566	-	2,688,566
Total Deferred Amounts Related to OPEB	<u>\$ 2,688,566</u>	<u>\$ -</u>	<u>\$ 2,688,566</u>

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

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2021	334,045
2022	334,045
2023	334,045
2024	334,045
2025	334,045
Thereafter	1,018,341
Total	<u>\$ 2,688,566</u>

## **REQUIRED SUPPLEMENTARY INFORMATION**

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

- Schedule of Changes in Total Other Post-Employment Benefits Liability
- Schedule of Employer Contributions
  - Other Post-Employment Benefits Liability
  - Illinois Municipal Retirement Fund
  - Police Pension Fund
  - Firefighters' Pension Fund
- Schedule of Changes in the Employer's Net Pension Liability
  - Illinois Municipal Retirement Fund
  - Police Pension Fund
  - Firefighters' Pension Fund
- Schedule of Investment Returns
  - Police Pension Fund
  - Firefighters' Pension Fund
- Budgetary Comparison Schedules
  - General Fund
  - Motor Fuel Tax – Special Revenue Fund

Notes to the Required Supplementary Information:

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



**CITY OF HARVEY, ILLINOIS**  
**OTHER POST-EMPLOYMENT BENEFIT LIABILITY**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN TOTAL OTHER POST-EMPLOYMENT BENEFITS LIABILITY**  
**APRIL 30, 2020**

	Last 10 Fiscal Years									
	4/30/2020	4/30/2019	4/30/2018	4/30/2017	4/30/2016	4/30/2015	4/30/2014	4/30/2013	4/30/2012	4/30/2011
<b>Total OPEB Liability</b>										
Service Cost	\$ 495,479	\$ 495,479	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	344,067	328,915	-	-	-	-	-	-	-	-
Changes of Benefit Terms	339,503	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	-	-	-	-	-	-	-	-	-	-
Changes of Assumptions	2,744,880	311,789	-	-	-	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(342,898)	(342,898)	-	-	-	-	-	-	-	-
<b>Net Change in Total OPEB Liability</b>	<b>3,581,031</b>	<b>793,285</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total OPEB Liability - Beginning</b>	<b>9,249,744</b>	<b>8,456,459</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total OPEB Liability - Ending (a)</b>	<b>\$ 12,830,775</b>	<b>\$ 9,249,744</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Plan Fiduciary Net Position</b>										
Contributions - Employer	\$ 342,898	\$ 342,898	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - Members	-	-	-	-	-	-	-	-	-	-
Net Investment Income	-	-	-	-	-	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(342,898)	(342,898)	-	-	-	-	-	-	-	-
Other (Net Transfer)	-	-	-	-	-	-	-	-	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total OPEB Liability (a)-(b)</b>	<b>\$ 12,830,775</b>	<b>\$ 9,249,744</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>OPEB Plan Net Position as a Percentage of the Total OPEB Liability</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Covered Payroll</b>	<b>Not Available</b>	<b>Not Available</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Employer Total OPEB Liability as a Percentage of Covered Payroll</b>	<b>Not Available</b>	<b>Not Available</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>

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

**CITY OF HARVEY, ILLINOIS  
OTHER POST-EMPLOYMENT BENEFITS LIABILITY  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
APRIL 30, 2020**

	Last 10 Fiscal Years									
	<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>	<u>4/30/2014</u>	<u>4/30/2013</u>	<u>4/30/2012</u>	<u>4/30/2011</u>
Actuarially Determined Contribution	N/A	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in Relation to the Actuarially										
Determined Contribution	-	-	-	-	-	-	-	-	-	-
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	N/A	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a Percentage of										
Covered Payroll	N/A	N/A	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

There is no Actuarially Determined Contribution (ADC) or Employer Contribution in relation to the ADC as there is no trust that exists for funding the OPEB liability. However, the City did make contributions from other City resources in the current year in the amount of \$342,898

**CITY OF HARVEY, ILLINOIS**  
**ILLINOIS MUNICIPAL RETIREMENT FUND**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**APRIL 30, 2020**

<b>Fiscal Year</b>	<b>Actuarially Determined Contribution</b>	<b>Contributions in Relation to the Actuarially Determined Contribution</b>	<b>Contribution Excess/ (Deficiency)</b>	<b>Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
2015	\$ 189,788	\$ 189,788	\$ -	\$ 3,323,783	5.71%
2016	147,806	249,956	102,150	3,199,267	7.81%
2017	49,684	49,684	-	3,073,264	1.62%
2018	26,937	26,937	-	2,937,752	0.92%
2019	20,631	20,631	-	2,409,000	0.86%
2020	25,495	25,495	-	3,011,767	0.85%

**Notes to the Required Supplementary Information:**

Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level % Pay (Closed)
Remaining Amortization Period:	24 Years
Asset Valuation Methods:	5-Year Smoothed Market, 20% Corridor
Inflation:	2.50%
Salary Increases:	3.35% - 14.25%
Investment Rate of Return:	7.50%
Retirement Age:	See the Notes to the Financial Statements
Mortality:	IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015)

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

**CITY OF HARVEY, ILLINOIS**  
**POLICE PENSION FUND**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**APRIL 30, 2020**

<b>Fiscal Year</b>	<b>Actuarially Determined Contribution</b>	<b>Contributions in Relation to the Actuarially Determined Contribution</b>	<b>Contribution Excess/ (Deficiency)</b>	<b>Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
2015	\$ 1,031,559	\$ 216,675	\$ (814,884)	\$ 3,646,731	5.94%
2016	1,220,938	110,219	(1,110,719)	3,776,616	2.92%
2017	1,890,827	1,105,604	(785,223)	3,574,929	30.93%
2018	1,975,917	735,723	(1,240,194)	3,102,749	23.71%
2019	2,059,039	2,890,705	831,666	3,034,141	95.27%
2020	2,223,718	3,137,720	914,002	2,564,381	122.36%

**Notes to the Required Supplementary Information:**

Actuarial Cost Method:	Projected Unit Credit
Amortization Method:	Level Percentage of Pay
Remaining Amortization Period:	20 Years
Asset Valuation Methods:	5-Year Smoothed Market
Inflation:	2.50%
Salary Increases:	Service Based
Investment Rate of Return:	6.75%
Retirement Age:	50-70
Mortality:	PubS-2010 Employee Mortality, projected 5 years past the valuation date with Scale MP-2019.

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

**CITY OF HARVEY, ILLINOIS  
FIREFIGHTERS' PENSION FUND  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
APRIL 30, 2020**

<b>Fiscal Year</b>	<b>Actuarially Determined Contribution</b>	<b>Contributions in Relation to the Actuarially Determined Contribution</b>	<b>Contribution Excess/ (Deficiency)</b>	<b>Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
2015	\$ 2,070,500	\$ 720,764	\$ (1,349,736)	\$ 3,188,558	22.60%
2016	1,950,025	398,566	(1,551,459)	3,297,935	12.09%
2017	2,083,797	1,849,026	(234,771)	3,254,289	56.82%
2018	2,648,040	1,756,758	(891,282)	2,002,048	87.75%
2019	2,895,120	2,520,393	(374,727)	2,797,720	90.09%
2020	2,776,314	2,356,965	(419,349)	2,909,846	81.00%

**Notes to the Required Supplementary Information:**

Actuarial Cost Method:	Projected Unit Credit
Amortization Method:	Level % Pay (Closed)
Remaining Amortization Period:	22 Years
Asset Valuation Methods:	5-Year Smoothed Market
Inflation:	2.50%
Salary Increases:	Service Based
Investment Rate of Return:	6.50%
Retirement Age:	See Notes to the Financial Statements
Mortality:	RP-2014 Adjusted for Plan Status, Collar, and Illinois Public Pension Data, as Approp

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

**CITY OF HARVEY, ILLINOIS**  
**ILLINOIS MUNICIPAL RETIREMENT FUND**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY**  
**APRIL 30, 2020**

	Last 10 Fiscal Years									
	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014	12/31/2013	12/31/2012	12/31/2011	12/31/2010
<b>Total pension liability</b>										
Service Cost	\$ 245,350	\$ 292,144	\$ 303,898	\$ 325,564	\$ 356,490	\$ 363,143	\$ -	\$ -	\$ -	\$ -
Interest	1,761,614	1,757,643	1,814,498	1,744,053	1,716,206	1,636,718	-	-	-	-
Changes of Benefit Terms	-	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	(192,219)	(72,492)	(553,605)	315,214	(371,551)	(505,541)	-	-	-	-
Changes of Assumptions	-	582,979	(735,581)	-	-	819,879	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(1,677,406)	(1,670,597)	(1,492,184)	(1,377,296)	(1,251,483)	(1,250,577)	-	-	-	-
<b>Net Change in Total Pension Liability</b>	<b>137,339</b>	<b>889,677</b>	<b>(662,974)</b>	<b>1,007,535</b>	<b>449,662</b>	<b>1,063,622</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Pension Liability - Beginning</b>	<b>25,014,148</b>	<b>24,124,471</b>	<b>24,787,445</b>	<b>23,779,910</b>	<b>23,330,248</b>	<b>22,266,626</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 25,151,487</b>	<b>\$ 25,014,148</b>	<b>\$ 24,124,471</b>	<b>\$ 24,787,445</b>	<b>\$ 23,779,910</b>	<b>\$ 23,330,248</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Plan Fiduciary Net Position</b>										
Contributions - Employer	\$ 40,584	\$ 52,092	\$ 30,593	\$ 68,613	\$ 249,956	\$ 189,788	\$ -	\$ -	\$ -	\$ -
Contributions - Members	138,553	116,480	144,510	139,875	143,948	155,726	-	-	-	-
Net Investment Income	5,441,330	(1,871,649)	5,063,740	1,812,338	138,881	1,651,805	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(1,677,406)	(1,670,597)	(1,492,184)	(1,377,296)	(1,251,483)	(1,250,577)	-	-	-	-
Other (Net Transfer)	(108,135)	556,509	(944,594)	384,889	(664,991)	(73,127)	-	-	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	<b>\$ 3,834,926</b>	<b>\$ (2,817,165)</b>	<b>\$ 2,802,065</b>	<b>\$ 1,028,419</b>	<b>\$ (1,383,689)</b>	<b>\$ 673,615</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Plan Net Position - Beginning</b>	<b>27,834,549</b>	<b>30,651,714</b>	<b>27,849,649</b>	<b>26,821,230</b>	<b>28,204,919</b>	<b>27,531,304</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan Net Position - Ending (b)</b>	<b>\$ 31,669,475</b>	<b>\$ 27,834,549</b>	<b>\$ 30,651,714</b>	<b>\$ 27,849,649</b>	<b>\$ 26,821,230</b>	<b>\$ 28,204,919</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Employer's Net Pension Liability (a)-(b)</b>	<b>\$ (6,517,988)</b>	<b>\$ (2,820,401)</b>	<b>\$ (6,527,243)</b>	<b>\$ (3,062,204)</b>	<b>\$ (3,041,320)</b>	<b>\$ (4,874,671)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>125.91%</b>	<b>111.28%</b>	<b>127.06%</b>	<b>112.35%</b>	<b>112.79%</b>	<b>120.89%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Covered Payroll</b>	<b>\$ 2,563,506</b>	<b>\$ 2,560,937</b>	<b>\$ 3,021,932</b>	<b>\$ 3,109,423</b>	<b>\$ 3,199,267</b>	<b>\$ 3,323,783</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Employer's Net Pension Liability as a Percentage of Covered Payroll</b>	<b>-254.26%</b>	<b>-110.13%</b>	<b>-216.00%</b>	<b>-98.48%</b>	<b>-95.06%</b>	<b>-146.66%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>

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

**CITY OF HARVEY, ILLINOIS**  
**POLICE PENSION FUND**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY**  
**APRIL 30, 2020**

	Last 10 Fiscal Years									
	4/30/2020	4/30/2019	4/30/2018	4/30/2017	4/30/2016	4/30/2015	4/30/2014	4/30/2013	4/30/2012	4/30/2011
<b>Total pension liability</b>										
Service Cost	\$ 843,533	\$ 1,474,134	\$ 1,309,289	\$ 2,399,513	\$ 2,014,804	\$ 1,970,450	\$ -	\$ -	\$ -	\$ -
Interest	2,589,948	2,119,930	2,272,694	1,868,801	1,830,616	1,764,538	-	-	-	-
Changes of Benefit Terms	53,785	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	(1,988,989)	413,250	(536,895)	(206,516)	667,515	(469,066)	-	-	-	-
Changes of Assumptions	-	(11,754,103)	7,644,069	(14,402,209)	2,878,930	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(1,949,875)	(2,248,778)	(1,771,853)	(1,845,994)	(1,584,446)	(1,630,027)	-	-	-	-
<b>Net Change in Total Pension Liability</b>	<b>(451,598)</b>	<b>(9,995,567)</b>	<b>8,917,304</b>	<b>(12,186,405)</b>	<b>5,807,419</b>	<b>1,635,895</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Pension Liability - Beginning</b>	<b>38,501,004</b>	<b>48,496,571</b>	<b>39,579,267</b>	<b>51,765,672</b>	<b>45,958,253</b>	<b>44,322,358</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 38,049,406</b>	<b>\$ 38,501,004</b>	<b>\$ 48,496,571</b>	<b>\$ 39,579,267</b>	<b>\$ 51,765,672</b>	<b>\$ 45,958,253</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Plan Fiduciary Net Position</b>										
Contributions - Employer	\$ 3,137,720	\$ 2,890,705	\$ 801,584	\$ 1,105,604	\$ 110,219	\$ 216,675	\$ -	\$ -	\$ -	\$ -
Contributions - Members	231,809	277,417	308,865	376,040	324,861	361,391	-	-	-	-
Contributions - Other	-	-	75	-	-	-	-	-	-	-
Net Investment Income	(349,250)	1,006,081	1,072,235	1,427,291	(292,842)	1,036,455	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(1,949,875)	(2,248,778)	(1,771,853)	(1,845,994)	(1,584,446)	(1,630,027)	-	-	-	-
Administrative Expense	(134,144)	(197,596)	(216,111)	(153,766)	(114,811)	(116,692)	-	-	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	<b>\$ 936,260</b>	<b>\$ 1,727,829</b>	<b>\$ 194,795</b>	<b>\$ 909,175</b>	<b>\$ (1,557,019)</b>	<b>\$ (132,198)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Plan Net Position - Beginning</b>	<b>17,863,703</b>	<b>16,135,874</b>	<b>15,941,079</b>	<b>15,031,904</b>	<b>16,588,923</b>	<b>16,721,121</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan Net Position - Ending (b)</b>	<b>\$ 18,799,963</b>	<b>\$ 17,863,703</b>	<b>\$ 16,135,874</b>	<b>\$ 15,941,079</b>	<b>\$ 15,031,904</b>	<b>\$ 16,588,923</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Employer's Net Pension Liability (a)-(b)</b>	<b>\$ 19,249,443</b>	<b>\$ 20,637,301</b>	<b>\$ 32,360,697</b>	<b>\$ 23,638,188</b>	<b>\$ 36,733,768</b>	<b>\$ 29,369,330</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>49.41%</b>	<b>46.40%</b>	<b>33.27%</b>	<b>40.28%</b>	<b>29.04%</b>	<b>36.10%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Covered Payroll</b>	<b>\$ 2,564,381</b>	<b>\$ 3,034,141</b>	<b>\$ 3,102,749</b>	<b>\$ 3,574,929</b>	<b>\$ 3,776,616</b>	<b>\$ 3,645,731</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Employer's Net Pension Liability as a Percentage of Covered Payroll</b>	<b>750.65%</b>	<b>680.17%</b>	<b>1042.97%</b>	<b>661.22%</b>	<b>972.66%</b>	<b>805.58%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>

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

**CITY OF HARVEY, ILLINOIS**  
**FIREFIGHTERS' PENSION FUND**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY**  
**APRIL 30, 2020**

	Last 10 Fiscal Years									
	4/30/2020	4/30/2019	4/30/2018	4/30/2017	4/30/2016	4/30/2015	4/30/2014	4/30/2013	4/30/2012	4/30/2011
<b>Total pension liability</b>										
Service Cost	\$ 943,969	\$ 788,433	\$ 1,176,309	\$ 1,734,576	\$ 1,789,745	\$ 1,583,616	\$ -	\$ -	\$ -	\$ -
Interest	3,407,413	3,102,099	2,835,849	2,963,146	2,149,985	2,290,794	-	-	-	-
Changes of Benefit Terms	46,035	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	(379,576)	3,040,688	(3,809,025)	486,306	255,396	-	-	-	-	-
Changes of Assumptions	9,296,657	(4,177,112)	(11,971,175)	(6,220,396)	10,044,000	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(2,658,681)	(2,577,394)	(2,322,485)	(2,116,128)	(2,012,611)	(2,011,098)	-	-	-	-
<b>Net Change in Total Pension Liability</b>	<b>10,655,817</b>	<b>176,714</b>	<b>(14,090,527)</b>	<b>(3,152,496)</b>	<b>12,226,515</b>	<b>1,863,312</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Pension Liability - Beginning</b>	<b>59,775,535</b>	<b>59,598,821</b>	<b>73,689,348</b>	<b>76,841,844</b>	<b>64,615,329</b>	<b>62,752,017</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 70,431,352</b>	<b>\$ 59,775,535</b>	<b>\$ 59,598,821</b>	<b>\$ 73,689,348</b>	<b>\$ 76,841,844</b>	<b>\$ 64,615,329</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Plan Fiduciary Net Position</b>										
Contributions - Employer	\$ 2,356,965	\$ 2,520,393	\$ 1,756,758	\$ 1,849,026	\$ 398,566	\$ 720,764	\$ -	\$ -	\$ -	\$ -
Contributions - Members	258,209	205,315	279,256	277,574	325,795	343,183	-	-	-	-
Contributions - Other	11,126	-	-	4,321	-	-	-	-	-	-
Net Investment Income	150,969	385,779	427,920	705,977	(281,071)	561,902	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(2,658,681)	(2,577,394)	(2,322,485)	(2,116,128)	(2,012,611)	(2,011,098)	-	-	-	-
Administrative Expense	(439,137)	(425,107)	(119,277)	(123,936)	(94,296)	(82,327)	-	-	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	<b>\$ (320,549)</b>	<b>\$ 108,986</b>	<b>\$ 22,172</b>	<b>\$ 596,834</b>	<b>\$ (1,663,617)</b>	<b>\$ (467,576)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Plan Net Position - Beginning</b>	<b>10,018,593</b>	<b>9,909,608</b>	<b>9,887,436</b>	<b>9,290,602</b>	<b>10,954,219</b>	<b>11,421,795</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan Net Position - Ending (b)</b>	<b>\$ 9,698,044</b>	<b>\$ 10,018,594</b>	<b>\$ 9,909,608</b>	<b>\$ 9,887,436</b>	<b>\$ 9,290,602</b>	<b>\$ 10,954,219</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Employer's Net Pension Liability (a)-(b)</b>	<b>\$ 60,733,308</b>	<b>\$ 49,756,941</b>	<b>\$ 49,689,213</b>	<b>\$ 63,801,912</b>	<b>\$ 67,551,242</b>	<b>\$ 53,661,110</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>13.77%</b>	<b>16.76%</b>	<b>16.63%</b>	<b>13.42%</b>	<b>12.09%</b>	<b>16.95%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Covered Payroll</b>	<b>\$ 2,909,846</b>	<b>\$ 2,797,720</b>	<b>\$ 2,002,048</b>	<b>\$ 3,254,289</b>	<b>\$ 3,297,935</b>	<b>\$ 3,188,558</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Employer's Net Pension Liability as a Percentage of Covered Payroll</b>	<b>2087.17%</b>	<b>1778.48%</b>	<b>2481.92%</b>	<b>1960.55%</b>	<b>2048.29%</b>	<b>1682.93%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>

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



**CITY OF HARVEY, ILLINOIS  
POLICE PENSION FUND  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF INVESTMENT RETURNS  
APRIL 30, 2020**

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<b>Fiscal Year</b>	<b>Annual Money-Weighted Rate of Return, Net of Investment Expense</b>
2015	4.05%
2016	-1.63%
2017	10.04%
2018	7.54%
2019	N/A
2020	-2.20%

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

**CITY OF HARVEY, ILLINOIS  
FIREFIGHTERS' PENSION FUND  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF INVESTMENT RETURNS  
APRIL 30, 2020**

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<b>Fiscal Year</b>	<b>Annual Money-Weighted Rate of Return, Net of Investment Expense</b>
2015	5.19%
2016	-2.73%
2017	7.64%
2018	4.49%
2019	4.22%
2020	1.68%

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

**CITY OF HARVEY, ILLINOIS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED APRIL 30, 2020**

	<u>Budget</u> <u>Original and</u> <u>Final</u>	<u>Actual</u>
<b>Revenues</b>		
Taxes	\$ 10,865,000	\$ 11,171,119
Licenses and Permits	1,546,000	901,670
Intergovernmental	8,271,000	6,906,328
Charges for Services	3,163,000	2,890,665
Fines and Forfeitures	550,000	455,217
Interest	4,000	9,146
Miscellaneous	200,000	140,030
Total Revenues	<u>24,599,000</u>	<u>22,474,175</u>
<b>Expenditures</b>		
General Government	7,060,316	5,865,465
Public Safety	15,567,545	15,693,191
Public Works	2,623,700	2,548,748
Community Development	-	4,691
Capital Outlay	26,500	162,837
Debt Service		
Principal Retirement	-	171,378
Interest and Fiscal Charges	-	33,632
Total Expenditures	<u>25,278,061</u>	<u>24,479,942</u>
<b>Excess (Deficiency) Of Revenue</b>		
<b>Over (Under) Expenditures</b>	<u>(679,061)</u>	<u>(2,005,767)</u>
<b>Other Financing Sources (Uses)</b>		
Disposal of Capital Assets	100,000	-
Transfers Out	(555,569)	(552,969)
Total Other Financing Source (Uses)	<u>(455,569)</u>	<u>(552,969)</u>
<b>Net Change In Fund Balance</b>	<u>(1,134,630)</u>	<u>(2,558,736)</u>
<b>Fund Balance - Beginning</b>		<u>(57,586,274)</u>
<b>Fund Balance - Ending</b>		<u>\$ (60,145,010)</u>

See accompanying notes to financial statements

**CITY OF HARVEY, ILLINOIS**  
**MOTOR FUEL TAX - SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED APRIL 30, 2020**

	<u>Budget</u> <u>Original and</u> <u>Final</u>	<u>Actual</u>
<b>Revenues</b>		
Intergovernmental		
Motor Fuel Tax Allotments	\$ 1,100,000	\$ 935,681
<b>Expenditures</b>		
Public Works		
Personnel Services	327,000	411,821
Commodities	23,000	99,422
Contractual Services	750,000	637,667
Capital Outlay	-	129,000
Total Expenditures	<u>1,100,000</u>	<u>1,277,910</u>
<b>Net Change In Fund Balance</b>	<u>-</u>	<u>(342,229)</u>
<b>Fund Balance - Beginning</b>		<u>5,155,613</u>
<b>Fund Balance - Ending</b>		<u>\$ 4,813,384</u>

See accompanying notes to financial statements

## **OTHER SUPPLEMENTARY INFORMATION**

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

Such statements and schedules include:

- Budgetary Comparison Schedules – Major Governmental Funds
- Combining Statements – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Nonmajor Governmental Funds
- Budgetary Comparison Schedule – Major Enterprise Fund
- Combining Statements – Nonmajor Enterprise Funds
- Budgetary Comparison Schedules – Nonmajor Enterprise Funds
- Combining Statements – Pension Trust Funds

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

## **Major Governmental Funds**

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### **GENERAL FUND**

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

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### **SPECIAL REVENUE FUND**

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

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

The Motor Fuel Tax Fund is used to account for the operations of street maintenance programs and capital projects as authorized by the Illinois Department of Transportation. Financing is provided by the City's share of gasoline taxes. (See page 86.)

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### **DEBT SERVICE FUND**

The Debt Service Fund is used to account for the accumulation of financial resources for the payment of principal and interest on the City's long-term debt.

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### **CAPITAL PROJECTS FUNDS**

The Capital Projects Funds are used to account for all resources used for the acquisition of capital facilities by a governmental unit except those financed by Proprietary Funds.

#### **Capital Projects Fund**

The Capital Projects Fund is used to account for the proceeds of debt used for the acquisition of construction of capital projects. (No budget. See page 20.)

#### **TIF I Dixie Square Fund**

The TIF I Dixie Square Fund is used to account for the incremental property taxes of the Dixie Square Tax Incremental Financing District and the use of those funds.

#### **TIF II Center Street Fund**

The TIF II Center Street Fund is used to account for the incremental property taxes of the TIF II Tax Incremental Financing District and the use of those funds.

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

## **Nonmajor Governmental Funds Capital Projects Funds**

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### **Hotel/Motel Fund**

The Hotel Motel Fund is used to account for the proceeds of the debt issuance and the uses of those funds.

### **TIF III Cresco Business Park Fund**

The TIF III Cresco Business Park Fund is used to account for the incremental property taxes of the Cresco Business Park Tax Incremental Financing District and the use of those funds.

### **TIF IV Dixie Sibley Fund**

The TIF IV Dixie Sibley Capital Project Fund is used to account for the incremental property taxes of the Dixie Sibley Tax Incremental Financing District and the use of those funds.

### **TIF V RPM Wyman Gordon Fund**

The TIF V RPM Wyman Gordon Fund is used to account for the incremental property taxes of the TIF V RPM Business Park Tax Incremental Financing District and the use of those funds.

### **TIF VI Dixie Highway Corridor Fund**

The TIF VI Dixie Highway Corridor Fund is used to account for the incremental property taxes of the TIF VI Dixie Highway Corridor Tax Incremental Financing District and the use of those funds. (No budget. See page 27.)

### **TIF VII Arco/147th Street Fund**

The TIF VII Arco/147th Street Fund is used to account for the incremental property taxes of the TIF VII Arco/147th Street Tax Incremental Financing District and the use of those funds.

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

### **Enterprise Funds**

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

#### **Major Enterprise Fund**

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##### **Water Fund**

The Water Fund is used to account for the provision of water to the residents of the City. All activity necessary to provide such services is accounted for in this fund including, but not limited to, administration, operation, maintenance, financing and related debt service and billing and collection.

#### **Nonmajor Enterprise Funds**

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##### **Pace Bus Terminal Parking Fund**

The Pace Bus Terminal Parking Fund is used to account for the receipt of parking charges and for related expenses.

##### **Commuter Parking Fund**

The Commuter Parking Lot Fund is used to account for the receipt of parking charges at the 155th Street lot and for related expenses.

##### **Sewer Fund**

The Sewer Fund is used to account for the provision of sewer services to residents of the City. All activities necessary to provide such services are accounted for in this fund, including administration, operations and maintenance, billing, and collections.

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### **PENSION TRUST FUNDS**

#### **Police Pension Fund**

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

#### **Firefighters Pension Fund**

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



**CITY OF HARVEY, ILLINOIS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED APRIL 30, 2020**

	<u>Budget</u>	
	<u>Original and</u>	
	<u>Final</u>	<u>Actual</u>
<b>Taxes</b>		
Property	\$ 7,300,000	\$ 8,043,475
RE Transaction	100,000	89,274
Utility	1,300,000	1,212,382
Telecommunication	400,000	315,239
Video Gaming	95,000	113,495
Casino	1,400,000	1,178,362
Franchise	130,000	125,748
Hotel/Motel	140,000	93,144
Total Taxes	<u>10,865,000</u>	<u>11,171,119</u>
<b>Licenses and Permits</b>		
Licenses		
Vehicles	400,000	266,321
Liquor	134,000	108,125
Business	250,000	57,364
Vending Machines	60,000	36,863
Contractors	60,000	65,891
Permits		
Building	600,000	343,621
Electric	12,000	6,097
Plumbing	10,000	7,527
Other	20,000	9,861
Total Licenses and Permits	<u>1,546,000</u>	<u>901,670</u>
<b>Intergovernmental</b>		
Federal/State Grant	1,841,000	321,435
Replacement Tax	760,000	778,624
State Sales Tax	2,300,000	2,428,625
State Income Tax	2,600,000	2,486,701
State Use Tax	770,000	890,943
Total Intergovernmental	<u>8,271,000</u>	<u>6,906,328</u>

See accompanying notes to financial statements

**CITY OF HARVEY, ILLINOIS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED APRIL 30, 2020**

	<u>Budget</u>	
	<u>Original and</u>	
	<u>Final</u>	<u>Actual</u>
<b>Charges for Services</b>		
Debris Usage/Mowing Fees	\$ -	\$ 2,066
Refuse Collection Fees	1,900,000	1,857,402
Towing Collection Fees	250,000	82,561
Vacant Property Registration Fees	100,000	81,162
Public Safety Registration	208,000	65,418
Inspection Point of Sale	90,000	57,412
Birth/Death Certificate Fees	30,000	26,019
Fire Service Fees	250,000	250,000
Fuel Tax Distributors	150,000	78,278
Rental Unit Inspections	60,000	82,786
Photostats	25,000	28,251
Rents	60,000	31,709
Special Events	15,000	2,450
911 Tax on Users	-	169,376
Other	25,000	75,775
Total Charges for Services	<u>3,163,000</u>	<u>2,890,665</u>
<b>Fines and Forfeitures</b>		
Housing Court	80,000	99,075
Police	470,000	356,142
Total Fines and Forfeitures	<u>550,000</u>	<u>455,217</u>
<b>Interest Income</b>		
Investment Income	<u>4,000</u>	<u>9,146</u>
<b>Miscellaneous</b>		
Refunds/Reimbursements	180,000	86,364
Miscellaneous	20,000	53,666
Total Miscellaneous	<u>200,000</u>	<u>140,030</u>
<b>Total Revenues</b>	<u><u>\$ 24,599,000</u></u>	<u><u>\$ 22,474,175</u></u>

See accompanying notes to financial statements

**CITY OF HARVEY, ILLINOIS**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED APRIL 30, 2020**

	<u>Budget</u> <u>Original and</u> <u>Final</u>	<u>Actual</u>
<b>General Government</b>		
Mayor		
Personnel Services	\$ 77,394	\$ 74,024
Other Services/Expenditures	30,500	19,698
Total Mayor	<u>107,894</u>	<u>93,722</u>
Mayor's Office		
Personnel Services	510,509	650,601
Commodities	20,000	49,420
Contractual Services	161,500	396,105
Other Services/Expenditures	45,000	50,617
Equipment	25,000	130,712
Total Mayor's Office	<u>762,009</u>	<u>1,277,455</u>
Legal Department		
Contractual Services	<u>625,000</u>	<u>559,002</u>
Total Legal Department	<u>625,000</u>	<u>559,002</u>
Aldermen		
Personnel Services	288,000	301,973
Other Services/Expenditures	150,000	78,474
Total Alderman	<u>438,000</u>	<u>380,447</u>
City Clerk		
Personnel Services	161,443	168,683
Commodities	4,000	4,573
Contractual Services	63,900	13,013
Other Services/Expenditures	1,700	3,597
Total City Clerk	<u>231,043</u>	<u>189,866</u>
City Treasurer		
Personnel Services	27,500	28,197
Contractual Services	250	36,060
Other Services/Expenditures	1,150	909
Total City Treasurer	<u>28,900</u>	<u>65,166</u>

**CITY OF HARVEY, ILLINOIS**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED APRIL 30, 2020**

	<u>Budget</u> <u>Original and</u> <u>Final</u>	<u>Actual</u>
Finance Department		
Commodities	\$ 600	\$ 682
Contractual Services	430,000	584,378
Other Services/Expenditures	72,000	72,927
Total Finance Department	<u>502,600</u>	<u>657,987</u>
Planning and Development		
Personnel Services	341,970	501,017
Commodities	5,000	1,558
Contractual Services	297,400	255,824
Other Services/Expenditures	8,500	33,879
Equipment	12,000	-
Total Planning and Development	<u>664,870</u>	<u>792,278</u>
Miscellaneous Appropriations/Specific Purpose		
Personnel Services	100,000	229,882
Contractual Services	2,400,000	729,984
Other Services/Expenditures	1,200,000	889,676
Total Miscellaneous Appropriations/ Specific Purpose	<u>3,700,000</u>	<u>1,849,542</u>
<b>Total General Government</b>	<b><u>7,060,316</u></b>	<b><u>5,865,465</u></b>
<b>Public Safety</b>		
Police Department		
Personnel Services	8,157,900	8,560,723
Commodities	132,000	93,545
Contractual Services	491,000	475,390
Other Services/Expenditures	60,000	89,287
Equipment	24,000	19,666
Total Police Department	<u>8,864,900</u>	<u>9,238,611</u>

**CITY OF HARVEY, ILLINOIS**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED APRIL 30, 2020**

	<u>Budget</u>	
	<u>Original and</u>	
	<u>Final</u>	<u>Actual</u>
Fire Department		
Personnel Services	\$ 5,918,120	\$ 6,023,824
Commodities	15,600	37,324
Contractual Services	228,925	236,119
Other Services/Expenditures	33,000	38,661
Equipment	15,000	3,968
Total Fire Department	<u>6,210,645</u>	<u>6,339,896</u>
E911 Emergency Surcharge		
Personnel Services	478,800	95,170
Contractual Services	12,000	19,514
Other Services/Expenditures	1,200	-
Total E911 Emergency Surcharge	<u>492,000</u>	<u>114,684</u>
<b>Total Public Safety</b>	<b><u>15,567,545</u></b>	<b><u>15,693,191</u></b>
<b>Public Works</b>		
Streets Administration		
Personnel Services	169,900	166,971
Total Streets Administration	<u>169,900</u>	<u>166,971</u>
Street Maintenance Department		
Personnel Services	382,400	517,885
Commodities	131,400	154,786
Contractual Services	1,940,000	1,694,964
Other Services/Expenditures	-	31
Total Street Maintenance Department	<u>2,453,800</u>	<u>2,367,666</u>
Public Property/Utility Maintenance		
Personnel Services	-	4,625
Contractual Services	-	9,486
Total Public Property/Utility Maintenance	<u>-</u>	<u>14,111</u>
<b>Total Public Works</b>	<b><u>2,623,700</u></b>	<b><u>2,548,748</u></b>

**CITY OF HARVEY, ILLINOIS**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED APRIL 30, 2020**

	<u>Budget</u> <u>Original and</u> <u>Final</u>	<u>Actual</u>
<b>Community Development</b>		
Community Center		
Personnel Services	\$ -	\$ 1,664
Contractual Services	-	3,027
Total Community Center	<u>-</u>	<u>4,691</u>
<b>Total Community Development</b>	<u>-</u>	<u>4,691</u>
<b>Capital Outlay</b>		
General Government		
Equipment	-	14,671
Public Safety		
Vehicles	-	78,198
Public Works		
Equipment	-	58,108
Vehicles	<u>26,500</u>	<u>11,860</u>
Total Capital Outlay	<u>26,500</u>	<u>162,837</u>
<b>Debt Service</b>		
Principal	-	171,378
Interest and Fiscal Charges	<u>-</u>	<u>33,632</u>
	<u>-</u>	<u>205,010</u>
<b>Total Expenditures</b>	<u><u>\$ 25,278,061</u></u>	<u><u>\$ 24,479,942</u></u>

**CITY OF HARVEY, ILLINOIS**  
**DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED APRIL 30, 2020**

	<u>Budget</u> <u>Original and</u> <u>Final</u>	<u>Actual</u>
<b>Revenues</b>		
Taxes		
Property	\$ 1,200,000	\$ 1,839,800
Interest	-	11,706
	<u>1,200,000</u>	<u>1,851,506</u>
<b>Expenditures</b>		
General Government		
Other Services/Expenditures	2,000	1,925
Debt Service		
Principal Retirement	1,240,000	1,232,750
Interest and Fiscal Charges	1,228,677	1,486,427
Total Expenditures	<u>2,470,677</u>	<u>2,721,102</u>
<b>Excess (Deficiency) of Revenues Over</b>		
<b>    (Under) Expenditures</b>	<u>(1,270,677)</u>	<u>(869,596)</u>
<b>Other Financing (Uses)</b>		
Transfers In	<u>(415,397)</u>	<u>-</u>
<b>Net Change In Fund Balance</b>	<u>(1,686,074)</u>	<u>(869,596)</u>
<b>Fund Balance - Beginning</b>		<u>(2,306,807)</u>
<b>Fund Balance - Ending</b>		<u>\$ (3,176,403)</u>

See accompanying notes to financial statements

**CITY OF HARVEY, ILLINOIS**  
**TIF I DIXIE SQUARE - CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED APRIL 30, 2020**

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	<u>Budget</u> <u>Original and</u> <u>Final</u>	<u>Actual</u>
<b>Revenues</b>		
Taxes		
Property	\$ 395,000	\$ 463,108
<b>Expenditures</b>		
Public Works	2,200	-
<b>Net Change In Fund Balance</b>	<u>392,800</u>	<u>463,108</u>
<b>Fund Balance - Beginning</b>		<u>4,511,629</u>
<b>Fund Balance - Ending</b>		<u>\$ 4,974,737</u>

See accompanying notes to financial statements



**CITY OF HARVEY, ILLINOIS**  
**TIF II CENTER STREET - CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED APRIL 30, 2020**

	<u>Budget</u> <u>Original and</u> <u>Final</u>	<u>Actual</u>
<b>Revenues</b>		
Taxes		
Property	\$ 2,300,000	\$ 2,151,356
Interest	40,000	36,935
Total Revenues	<u>2,340,000</u>	<u>2,188,291</u>
<b>Expenditures</b>		
Public Works	51,000	84,886
Debt Service		
Principal Retirement	1,150,000	1,150,000
Interest and Fiscal Charges	86,250	86,250
Total Expenditures	<u>1,287,250</u>	<u>1,321,136</u>
<b>Net Change In Fund Balance</b>	<u>1,052,750</u>	867,155
<b>Fund Balance - Beginning</b>		<u>8,291,421</u>
<b>Fund Balance - Ending</b>		<u>\$ 9,158,576</u>

See accompanying notes to financial statements

**CITY OF HARVEY, ILLINOIS**  
**NONMAJOR GOVERNMENTAL - CAPITAL PROJECTS FUNDS**  
**COMBINING BALANCE SHEET**  
**APRIL 30, 2020**

	<b>Hotel/ Motel</b>	<b>TIF III Cresco Business Park</b>	<b>TIF IV Dixie Sibley</b>	<b>TIF V RPM Wyman Gordon</b>	<b>TIF VI Dixie Highway Corridor</b>	<b>TIF VII Arco/147th Street</b>	<b>Totals</b>
<b>Assets</b>							
Cash and Investments	\$ -	\$ 272,673	\$ 158,927	\$ 28,791	\$ 3	\$ 257,385	\$ 717,779
Advances to Other Funds	697	1,361,988	2,538,830	782,096	-	816,087	5,499,698
Total Assets	<u>697</u>	<u>1,634,661</u>	<u>2,697,757</u>	<u>810,887</u>	<u>3</u>	<u>1,073,472</u>	<u>6,217,477</u>
<b>Liabilities</b>							
Advances from Other Funds	-	-	-	-	4,980	-	4,980
<b>Fund Balances</b>							
Restricted	697	1,634,661	2,697,757	810,887	-	1,073,472	6,217,474
Unassigned	-	-	-	-	(4,977)	-	(4,977)
Total Fund Balances	<u>697</u>	<u>1,634,661</u>	<u>2,697,757</u>	<u>810,887</u>	<u>(4,977)</u>	<u>1,073,472</u>	<u>6,212,497</u>
Total Liabilities and Fund Balances	<u>\$ 697</u>	<u>\$ 1,634,661</u>	<u>\$ 2,697,757</u>	<u>\$ 810,887</u>	<u>\$ 3</u>	<u>\$ 1,073,472</u>	<u>\$ 6,217,477</u>

See accompanying notes to financial statements

**CITY OF HARVEY, ILLINOIS**  
**NONMAJOR GOVERNMENTAL - CAPITAL PROJECTS FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE FISCAL YEAR ENDED APRIL 30, 2020**

	Hotel/ Motel	TIF III Cresco Business Park	TIF IV Dixie Sibley	TIF V RPM Wyman Gordon	TIF VI Dixie Highway Corridor	TIF VII Arco/147th Street	Totals
<b>Revenues</b>							
Taxes	\$ -	\$ 184,683	\$ 260,054	\$ 21,684	\$ -	\$ 510,917	\$ 977,338
Interest	-	-	-	-	3	-	3
Total Revenues	<u>-</u>	<u>184,683</u>	<u>260,054</u>	<u>21,684</u>	<u>3</u>	<u>510,917</u>	<u>977,341</u>
<b>Expenditures</b>							
Debt Service							
Principal Retirement	290,000	-	-	-	-	-	290,000
Interest and Fiscal Charges	<u>262,969</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>262,969</u>
Total Expenditures	<u>552,969</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>552,969</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(552,969)</u>	<u>184,683</u>	<u>260,054</u>	<u>21,684</u>	<u>3</u>	<u>510,917</u>	<u>424,372</u>
<b>Other Financing Sources</b>							
Transfers In	<u>552,969</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>552,969</u>
<b>Net Change In Fund Balance</b>	-	184,683	260,054	21,684	3	510,917	977,341
<b>Fund Balance - Beginning</b>	<u>697</u>	<u>1,449,978</u>	<u>2,437,703</u>	<u>789,203</u>	<u>(4,980)</u>	<u>562,555</u>	<u>5,235,156</u>
<b>Fund Balance - Ending</b>	<u>\$ 697</u>	<u>\$ 1,634,661</u>	<u>\$ 2,697,757</u>	<u>\$ 810,887</u>	<u>\$ (4,977)</u>	<u>\$ 1,073,472</u>	<u>\$ 6,212,497</u>

See accompanying notes to financial statements

**CITY OF HARVEY, ILLINOIS**  
**HOTEL/MOTEL - CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED APRIL 30, 2020**

	<u>Budget</u> <u>Original and</u> <u>Final</u>	<u>Actual</u>
<b>Revenues</b>		
Interest	\$ -	\$ -
<b>Expenditures</b>		
Public Works	2,600	-
Debt Service		
Principal Retirement	290,000	290,000
Interest and Fiscal Charges	262,969	262,969
Total Expenditures	<u>555,569</u>	<u>552,969</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(555,569)</u>	<u>(552,969)</u>
<b>Other Financing (Uses)</b>		
Transfers In	<u>555,569</u>	<u>552,969</u>
<b>Net Change In Fund Balance</b>	<u>-</u>	<u>-</u>
<b>Fund Balance - Beginning</b>		<u>697</u>
<b>Fund Balance - Ending</b>		<u>\$ 697</u>

See accompanying notes to financial statements

**CITY OF HARVEY, ILLINOIS**  
**TIF III CRESCO BUSINESS PARK - CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED APRIL 30, 2020**

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	<u>Budget</u> <u>Original and</u> <u>Final</u>	<u>Actual</u>
<b>Revenues</b>		
Taxes		
Property	\$ 185,000	\$ 184,683
<b>Expenditures</b>		
Public Works	2,200	-
<b>Net Change In Fund Balance</b>	<u>182,800</u>	<u>184,683</u>
<b>Fund Balance - Beginning</b>		<u>1,449,978</u>
<b>Fund Balance - Ending</b>		<u>\$ 1,634,661</u>

**CITY OF HARVEY, ILLINOIS**  
**TIF IV DIXIE SIBLEY- CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED APRIL 30, 2020**

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	<u>Budget</u> <u>Original and</u> <u>Final</u>	<u>Actual</u>
<b>Revenues</b>		
Taxes		
Property	<u>\$ 275,000</u>	<u>\$ 260,054</u>
<b>Expenditures</b>		
Public Works	<u>2,200</u>	<u>-</u>
<b>Net Change In Fund Balance</b>	<u><u>272,800</u></u>	<u>260,054</u>
<b>Fund Balance - Beginning</b>		<u>2,437,703</u>
<b>Fund Balance - Ending</b>		<u><u>\$ 2,697,757</u></u>

See accompanying notes to financial statements

**CITY OF HARVEY, ILLINOIS**  
**TIF V RPM WYMAN GORDON - CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED APRIL 30, 2020**

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	<u>Budget</u> <u>Original and</u> <u>Final</u>	<u>Actual</u>
<b>Revenues</b>		
Taxes		
Property	<u>\$     31,000</u>	<u>\$     21,684</u>
<b>Expenditures</b>		
Public Works	<u>          2,200</u>	<u>                  -</u>
<b>Net Change In Fund Balance</b>	<u>         28,800</u>	<u>         21,684</u>
<b>Fund Balance - Beginning</b>		<u>         789,203</u>
<b>Fund Balance - Ending</b>		<u><u>      \$     810,887</u></u>

See accompanying notes to financial statements

**CITY OF HARVEY, ILLINOIS**  
**TIF VII ARCO/147TH STREET - CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED APRIL 30, 2020**

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	<u>Budget</u> <u>Original and</u> <u>Final</u>	<u>Actual</u>
<b>Revenues</b>		
Taxes		
Property	<u>\$ 433,000</u>	<u>\$ 510,917</u>
<b>Expenditures</b>		
Public Works	<u>-</u>	<u>-</u>
<b>Net Change In Fund Balance</b>	<u>433,000</u>	<u>510,917</u>
<b>Fund Balance - Beginning</b>		<u>562,555</u>
<b>Fund Balance - Ending</b>		<u>\$ 1,073,472</u>

See accompanying notes to financial statements



**CITY OF HARVEY, ILLINOIS**  
**WATER - ENTERPRISE FUND**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET**  
**AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED APRIL 30, 2020**

	<u>Budget</u>	
	<u>Original and</u>	
	<u>Final</u>	<u>Actual</u>
<b>Operating Revenues</b>		
Charges for Services		
Water Sales	\$ 16,477,749	\$ 15,875,474
Other	300,000	615,058
Total Operating Revenues	<u>16,777,749</u>	<u>16,490,532</u>
<b>Operating Expenses</b>		
Operations		
Personnel Services	918,600	769,097
Commodities	331,600	487,597
Contractual Services	11,369,872	12,421,046
Other Services/Expenses	75,000	92,981
Equipment	80,000	-
Depreciation and Amortization	397,239	584,231
Total Operating Expenses	<u>13,172,311</u>	<u>14,354,952</u>
<b>Operating Income</b>	<u>3,605,438</u>	<u>2,135,580</u>
<b>Non-Operating Revenues (Expense)</b>		
Interest Expense	<u>(255,447)</u>	<u>(1,930,940)</u>
Total Non-Operating Revenues (Expense)	<u>(255,447)</u>	<u>(1,930,940)</u>
<b>Income (Loss) Before Transfers</b>	3,349,991	204,640
<b>Transfers In</b>	<u>415,397</u>	<u>-</u>
<b>Change in Net Position</b>	<u>3,765,388</u>	<u>204,640</u>
<b>Net Position - Beginning</b>		<u>1,330,321</u>
<b>Net Position - Ending</b>		<u>\$ 1,534,961</u>

See accompanying notes to financial statements

**CITY OF HARVEY, ILLINOIS**  
**NONMAJOR ENTERPRISE FUNDS**  
**COMBINING STATEMENT OF NET POSITION**  
**APRIL 30, 2020**

	Pace Bus Terminal Parking	Commuter Parking Lot	Sewer	Totals
<b>Assets</b>				
Current Assets				
Cash and Investments	\$ -	\$ -	\$ -	\$ -
Receivables - Net of Allowances				
Customer Billings and Unbilled Services	-	-	57,018	57,018
Advances to Other Funds	75,687	373,165	3,115,451	3,564,303
Total Current Assets	<u>75,687</u>	<u>373,165</u>	<u>3,172,469</u>	<u>3,621,321</u>
Noncurrent Assets				
Capital assets				
Nondepreciable	-	482,250	-	482,250
Depreciable	-	1,307,969	5,769,703	7,077,672
Accumulated Depreciation	-	(1,307,969)	(5,495,935)	(6,803,904)
Total Noncurrent Assets	<u>-</u>	<u>482,250</u>	<u>273,768</u>	<u>756,018</u>
Total Assets	<u>75,687</u>	<u>855,415</u>	<u>3,446,237</u>	<u>4,377,339</u>
<b>Liabilities</b>				
Current liabilities				
Accounts Payable	41,068	28,763	51,267	121,098
Total Current Liabilities	<u>41,068</u>	<u>28,763</u>	<u>51,267</u>	<u>121,098</u>
<b>Net Position</b>				
Investment in Capital Assets	-	482,250	273,768	756,018
Unrestricted	34,619	344,402	3,121,202	3,500,223
Total Net Position	<u>\$ 34,619</u>	<u>\$ 826,652</u>	<u>\$ 3,394,970</u>	<u>\$ 4,256,241</u>

See accompanying notes to financial statements

**CITY OF HARVEY, ILLINOIS**  
**NONMAJOR ENTERPRISE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR FISCAL YEAR ENDED APRIL 30, 2020**

	<b>Pace Bus Terminal Parking</b>	<b>Commuter Parking Lot</b>	<b>Sewer</b>	<b>Totals</b>
<b>Operating Revenues</b>				
Charges for Services	\$ 9,406	\$ 25,868	\$ 850,616	\$ 885,890
<b>Operating Expenses</b>				
Operations				
Personnel Services	-	30,094	-	30,094
Contractual Services	361	-	76,730	77,091
Depreciation and Amortization	-	-	38,518	38,518
Total Operating Expenses	361	30,094	115,248	145,703
<b>Change in Net Position</b>	9,045	(4,226)	735,368	740,187
<b>Net Position - Beginning</b>	25,574	830,878	2,659,602	3,516,054
<b>Net Position - Ending</b>	\$ 34,619	\$ 826,652	\$ 3,394,970	\$ 4,256,241

See accompanying notes to financial statements

**CITY OF HARVEY, ILLINOIS**  
**COMBINING STATEMENT OF CASH FLOWS - NONMAJOR ENTERPRISE FUNDS**  
**FOR THE FISCAL YEAR ENDED APRIL 30, 2020**

	<b>Pace Bus Terminal Parking</b>	<b>Commuter Parking Lot</b>	<b>Sewer</b>	<b>Totals</b>
<b>Cash Flows From Operating Activities</b>				
Receipts from Customers and Users	\$ 9,406	\$ 25,868	\$ 928,939	\$ 964,213
Payments to Employees	-	(27,409)	-	(27,409)
Payments to Suppliers	-	(3,998)	(57,617)	(61,615)
Net Cash Provided by Operating Activities	<u>9,406</u>	<u>(5,539)</u>	<u>871,322</u>	<u>875,189</u>
<b>Cash Flows From Non-capital Financing Activities</b>				
(Increase) Decrease in Advances to Other Funds	<u>(9,406)</u>	<u>5,539</u>	<u>(871,322)</u>	<u>(875,189)</u>
<b>Net Change in Cash and Cash Equivalents</b>	-	-	-	-
<b>Cash and Cash Equivalents - Beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash and Cash Equivalents - Ending</b>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
<b>Reconciliation Of Operating Income to Net Cash Provided (Used) by Operating Activities</b>				
Operating Income (Loss)	9,045	(4,226)	735,368	740,187
Adjustments to Reconcile Operating Income to Net Income to Net Cash Provided by (Used in) Operating Activities				
Depreciation and Amortization Expense	-	-	38,518	38,518
(Increase) Decrease in Receivables	-	-	78,324	78,324
Increase (Decrease) in Accounts Payable	361	-	19,112	19,473
Increase (Decrease) in Accrued Payroll	-	(1,313)	-	(1,313)
<b>Net Cash Provided by Operating Activities</b>	<u><u>\$ 9,406</u></u>	<u><u>\$ (5,539)</u></u>	<u><u>\$ 871,322</u></u>	<u><u>\$ 875,189</u></u>

**CITY OF HARVEY, ILLINOIS**  
**PACE BUS TERMINAL PARKING - ENTERPRISE FUND**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET**  
**POSITION - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED APRIL 30, 2020**

	<u>Budget</u> <u>Original and</u> <u>Final</u>	<u>Actual</u>
<b>Operating Revenues</b>		
Charges for Services	\$ 10,000	\$ 9,406
<b>Operating Expenses</b>		
Operations		
Contractual Services	30,000	361
<b>Change in Net Position</b>	<u>(20,000)</u>	<u>9,045</u>
<b>Net Position - Beginning</b>		<u>25,574</u>
<b>Net Position - Ending</b>		<u>\$ 34,619</u>

See accompanying notes to financial statements

**CITY OF HARVEY, ILLINOIS**  
**COMMUTER PARKING LOT - ENTERPRISE FUND**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET**  
**POSITION - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED APRIL 30, 2020**

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	<u>Budget</u> <u>Original and</u> <u>Final</u>	<u>Actual</u>
<b>Operating Revenues</b>		
Charges for Services	\$ 30,000	\$ 25,868
<b>Operating Expenses</b>		
Operations		
Personnel Services	50,997	30,094
Total Operating Expenses	50,997	30,094
<b>Change in Net Position</b>	<u>(20,997)</u>	<u>(4,226)</u>
<b>Net Position - Beginning</b>		<u>830,878</u>
<b>Net Position - Ending</b>		<u>\$ 826,652</u>

See accompanying notes to financial statements

**CITY OF HARVEY, ILLINOIS**  
**SEWER - ENTERPRISE FUND**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET**  
**POSITION - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED APRIL 30, 2020**

	<u>Budget</u> <u>Original and</u> <u>Final</u>	<u>Actual</u>
<b>Operating Revenues</b>		
Charges for Services	\$ 915,000	\$ 850,616
<b>Operating Expenses</b>		
Operations		
Contractual Services	424,000	76,730
Depreciation	27,426	38,518
Total Operating Expenses	<u>451,426</u>	<u>115,248</u>
<b>Change in Net Position</b>	<u>463,574</u>	<u>735,368</u>
<b>Net Position - Beginning</b>		<u>2,659,602</u>
<b>Net Position - Ending</b>		<u>\$ 3,394,970</u>

See accompanying notes to financial statements

**CITY OF HARVEY, ILLINOIS**  
**PENSION TRUST FUNDS**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**APRIL 30, 2020**

	<u>Police Pension</u>	<u>Firefighters' Pension</u>	<u>Totals</u>
<b>Assets</b>			
Cash and Cash Equivalents	3,706,880	879,918	4,586,798
Investments			
State and Local Government Obligations		471,363	471,363
U.S. Treasuries	4,184,286	789,913	4,974,199
U.S. Agencies	651,193	1,438,371	2,089,564
Corporate Bonds	940,287	644,146	1,584,433
Common Stock	4,381,398	-	4,381,398
Equity Mutual Funds	4,884,360	5,464,142	10,348,502
Total Investments	<u>15,041,524</u>	<u>8,807,935</u>	<u>23,849,459</u>
Receivables			
Accrued Interest	33,257	20,825	54,082
Other	14,405	31,437	45,842
Due from City	6,349,227	15,503,066	21,852,293
Reserve Uncollectible - Interfund	<u>(6,349,227)</u>	<u>(15,503,066)</u>	<u>(21,852,293)</u>
Total Receivables	<u>47,662</u>	<u>52,262</u>	<u>99,924</u>
Prepays	<u>3,897</u>	<u>-</u>	<u>3,897</u>
Total Assets	<u>18,799,963</u>	<u>9,740,115</u>	<u>28,540,078</u>
<b>Liabilities</b>			
Accounts payable	<u>-</u>	<u>42,071</u>	<u>42,071</u>
<b>Net Position</b>			
Net Position Restricted for Pensions	<u>18,799,963</u>	<u>9,698,044</u>	<u>28,498,007</u>

See accompanying notes to financial statements



**CITY OF HARVEY, ILLINOIS**  
**PENSION TRUST FUNDS**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FOR THE FISCAL YEAR ENDED APRIL 30, 2020**

	<u>Police Pension</u>	<u>Firefighters' Pension</u>	<u>Totals</u>
<b>Additions</b>			
Contributions - Employer	3,137,623	2,356,965	5,494,588
Contributions - Plan Members	231,809	269,335	501,144
Total Contributions	<u>3,369,432</u>	<u>2,626,300</u>	<u>5,995,732</u>
Investment Income			
Interest Income	496,459	311,288	807,747
Gain/Loss from Sale of Investments	298,965		298,965
Net Change in Fair Value	<u>(1,079,303)</u>	<u>(134,850)</u>	<u>(1,214,153)</u>
	(283,879)	176,438	(107,441)
Less Investment Expenses	<u>(65,274)</u>	<u>(25,470)</u>	<u>(90,744)</u>
Net Investment Income	<u>(349,153)</u>	<u>150,968</u>	<u>(198,185)</u>
Total Additions	<u>3,020,279</u>	<u>2,777,268</u>	<u>5,797,547</u>
<b>Deductions</b>			
Administration	134,145	439,137	573,282
Benefits and Refunds	<u>1,949,875</u>	<u>2,658,681</u>	<u>4,608,556</u>
Total Deductions	<u>2,084,020</u>	<u>3,097,818</u>	<u>5,181,838</u>
<b>Change in Fiduciary Net Position</b>	936,259	(320,550)	615,709
<b>Net Position Restricted for Pensions</b>			
Beginning	<u>17,863,704</u>	<u>10,018,594</u>	<u>27,882,298</u>
Ending	<u>18,799,963</u>	<u>9,698,044</u>	<u>28,498,007</u>

See accompanying notes to financial statements

## **SUPPLEMENTAL SCHEDULES**

**CITY OF HARVEY, ILLINOIS**  
**LONG-TERM DEBT REQUIREMENTS**  
**GENERAL OBLIGATION BONDS OF 2002B**  
**APRIL 30, 2020**

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Date of Issue:	July 1, 2002
Date of Maturity:	May 1, 2022
Authorized Issue:	\$2,530,000
Denomination of Bonds:	\$5,000
Interest Rates:	5.25% to 5.60%
Interest Dates:	May 1 and November 1
Principal Maturity Date:	May 1
Payable at:	LaSalle Bank National Association, Chicago IL

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

Fiscal Year	Requirements			Interest Due On			
	Principal	Interest	Totals	May 1	Amount	Nov. 1	Amount
2021	380,000	66,820	446,820	2020	33,410	2020	33,410
2022	400,000	45,920	445,920	2021	22,960	2021	22,960
2023	420,000	23,520	443,520	2022	11,760	2022	11,760
Default	700,000	139,110	839,110				
	<u>\$ 1,900,000</u>	<u>\$ 275,370</u>	<u>\$ 2,175,370</u>		<u>\$ 68,130</u>		<u>\$ 68,130</u>

**CITY OF HARVEY, ILLINOIS**  
**LONG-TERM DEBT REQUIREMENTS**  
**GENERAL OBLIGATION REFUNDING BONDS OF 2002C**  
**APRIL 30, 2020**

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Date of Issue:	December 1, 2002
Date of Maturity:	February 1, 2020
Authorized Issue:	\$7,000,000
Denomination of Bonds:	\$5,000
Interest Rates:	2.00% to 5.00%
Interest Dates:	August 1 and February 1
Principal Maturity Date:	February 1
Payable at:	LaSalle Bank National Association, Chicago IL

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

Fiscal Year	Requirements			Interest Due On			
	Principal	Interest	Totals	Aug. 1	Amount	Feb. 1	Amount
Default	1,625,000	113,126	1,738,126				
	<u>\$ 1,625,000</u>	<u>\$ 113,126</u>	<u>\$ 1,738,126</u>				
	568,750	Governmental Activities					
	<u>1,056,250</u>	Business-Type Activities					
	<u><u>1,625,000</u></u>						

**CITY OF HARVEY, ILLINOIS**  
**LONG-TERM DEBT REQUIREMENTS**  
**GENERAL OBLIGATION REFUNDING BONDS OF 2007A**  
**APRIL 30, 2020**

Date of Issue:	July 15, 2007
Date of Maturity:	December 1, 2032
Authorized Issue:	\$22,275,000
Denomination of Bonds:	\$5,000
Interest Rates:	5.50% to 5.625%
Interest Dates:	June 1 and December 1
Principal Maturity Date:	December 1
Payable at:	Depository Trust Company, New York, NY

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

Fiscal Year	Requirements			Interest Due On			
	Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
2021	565,000	1,241,074	1,806,074	2020	620,537	2020	620,537
2022	705,000	1,210,000	1,915,000	2021	605,000	2021	605,000
2023	755,000	1,171,226	1,926,226	2022	585,613	2022	585,613
2024	800,000	1,129,700	1,929,700	2023	564,850	2023	564,850
2025	540,000	1,085,700	1,625,700	2024	542,850	2024	542,850
2026	1,940,000	1,056,000	2,996,000	2025	528,000	2025	528,000
2027	2,050,000	949,300	2,999,300	2026	474,650	2026	474,650
2028	2,160,000	836,550	2,996,550	2027	418,275	2027	418,275
2029	2,280,000	717,750	2,997,750	2028	358,875	2028	358,875
2030	2,410,000	589,500	2,999,500	2029	294,750	2029	294,750
2031	2,545,000	453,938	2,998,938	2030	226,969	2030	226,969
2032	2,685,000	310,782	2,995,782	2031	155,391	2031	155,391
2033	2,840,000	159,750	2,999,750	2032	79,875	2032	79,875
Default	-	2,482,148	2,482,148				
					<u>\$ 5,455,635</u>		<u>\$ 5,455,635</u>
					<u>\$ 5,455,635</u>		<u>\$ 5,455,635</u>

17,275,000	Governmental Activities
5,000,000	Business-Type Activities
<u>22,275,000</u>	

**CITY OF HARVEY, ILLINOIS**  
**LONG-TERM DEBT REQUIREMENTS**  
**GENERAL OBLIGATION REFUNDING BONDS OF 2007B**  
**APRIL 30, 2020**

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Date of Issue:	July 15, 2007
Date of Maturity:	December 1, 2024
Authorized Issue:	\$9,000,000
Denomination of Bonds:	\$5,000
Interest Rates:	7.25% to 7.75%
Interest Dates:	June 1 and December 1
Principal Maturity Date:	December 1
Payable at:	Depository Trust Company, New York, NY

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

Fiscal Year	Requirements			Interest Due On			
	Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
2021	\$ 725,000	\$ 350,688	\$ 1,075,688	2020	\$ 175,344	2020	\$ 175,344
2022	785,000	294,500	1,079,500	2021	147,250	2021	147,250
2023	840,000	233,663	1,073,663	2022	116,831	2022	116,832
2024	900,000	168,562	1,068,562	2023	84,281	2023	84,281
2025	1,275,000	98,812	1,373,812	2024	49,406	2024	49,406
Default	1,305,000	628,913	1,933,913				
	<u>\$ 5,830,000</u>	<u>\$ 1,775,138</u>	<u>\$ 7,605,138</u>		<u>\$ 573,112</u>		<u>\$ 573,113</u>

**CITY OF HARVEY, ILLINOIS**  
**LONG-TERM DEBT REQUIREMENTS**  
**HOTEL-MOTEL TAX AND SALES TAX REVENUE BONDS OF 2008A**  
**APRIL 30, 2020**

Date of Issue:	August 27, 2008
Date of Maturity:	August 1, 2028
Authorized Issue:	\$6,025,000
Denomination of Bonds:	\$5,000
Interest Rates:	6.875%
Interest Dates:	August 1 and February 1
Principal Maturity Date:	August 1
Payable at:	Amalgamated Bank, Chicago IL

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

Fiscal Year	Requirements			Interest Due On			
	Principal	Interest	Totals	Aug. 1	Amount	Feb. 1	Amount
2021	\$ 310,000	\$ 242,344	\$ 552,344	2020	\$ 126,500	2021	\$ 115,844
2022	330,000	220,344	550,344	2021	115,844	2022	104,500
2023	355,000	196,797	551,797	2022	104,500	2023	92,297
2024	375,000	171,703	546,703	2023	92,297	2024	79,406
2025	405,000	144,890	549,890	2024	79,406	2025	65,484
2026	430,000	116,187	546,187	2025	65,484	2026	50,703
2027	460,000	85,594	545,594	2026	50,703	2027	34,891
2028	490,000	52,938	542,938	2027	34,891	2028	18,047
2029	525,000	18,047	543,047	2028	18,047	2029	-
	<u>\$ 3,680,000</u>	<u>\$ 1,248,844</u>	<u>\$ 4,928,844</u>		<u>\$ 687,672</u>		<u>\$ 561,172</u>