

CITY OF HARVEY, ILLINOIS
ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
APRIL 30, 2022

JK John Kasperek Co.
CERTIFIED PUBLIC ACCOUNTANTS

CITY OF HARVEY, ILLINOIS
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INTRODUCTORY SECTION

CITY OF HARVEY, ILLINOIS
LIST OF PRINCIPAL OFFICIALS
APRIL 30, 2022

Christopher Clark, Honorable Mayor

CITY COUNCIL

Shirley Drewenski, Alderman

Colby Chapman, Alderman

Telanee Smith, Alderman

Tracy L. Key, Alderman

Dominique Randel-El, Alderman

Tyrone Rogers, Alderman

ADMINISTRATION

Aisha Pickett, Treasurer

Rosa M. Arambula, City Clerk

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Unmodified, Qualified and Disclaimer of Opinions

We have audited the accompanying financial statements of the Motor Fuel Tax Fund, Debt Service Fund, Capital Projects Fund, TIF I Dixie Square Fund, TIF II Center Street Fund and aggregate remaining fund information and we were engaged to audit the financial statements of the governmental activities, business-type activities, General Fund and Water Fund of the City of Harvey, Illinois (the City) as of and for the year ended April 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Disclaimer
Business-Type Activities	Disclaimer
General Fund	Disclaimer
Motor Fuel Tax Fund ^{a, b}	Qualified
Debt Service Fund	Unmodified
Capital Projects Fund	Unmodified
TIF I Dixie Square Fund	Unmodified
TIF II Center Street Fund	Unmodified
Water Fund	Disclaimer
Aggregate Remaining Fund Information ^{b, c}	Qualified

Unmodified Opinions on the Debt Service Fund, Capital Projects Fund, TIF I Dixie Square Fund and TIF II Center Street Fund

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Debt Service Fund, Capital Projects Fund, TIF I Dixie Square Fund and TIF II Center Street Fund of the City, as of April 30, 2022, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Qualified Opinions on the Motor Fuel Tax Fund and Aggregate Remaining Fund Information

In our opinion, based on our audit and the report of other auditors, except for the possible effects of the matters described in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the Motor Fuel Tax Fund and aggregate remaining fund information of the City, as of April 30, 2022, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Firefighters' Pension Fund, which represents 25 percent of the assets and 39 percent of the revenues/additions of the aggregate remaining fund information as of and for the year ended April 30, 2022, respectively. Those statements were audited by other auditors, whose report has been furnished to us, and our opinions, insofar as they relate to the amounts included for the Firefighters' Pension Fund, are based solely on the report of the other auditors.

Disclaimer of Opinions on the Governmental Activities, Business-Type Activities, General Fund and Water Fund

We do not express opinions on the financial statements of the governmental activities, business-type activities, General Fund and Water Fund of the City. Because of the significance of the matters described in the Basis for Disclaimer of Opinions section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for opinions on the financial statements of the governmental activities, business-type activities, General Fund and Water Fund.

Basis for Qualified and Unmodified Opinions

We conducted our audit of the financial statements of the Motor Fuel Tax Fund, Debt Service Fund, Capital Projects Fund, TIF I Dixie Square Fund, TIF II Center Street Fund and aggregate remaining fund information in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified audit opinions.

Matters Giving Rise to Qualified Opinions on the Motor Fuel Tax Fund and Aggregate Remaining Fund Information

Management of the City was unable to provide support for certain transactions as follows:

- ^a Management of the City was unable to provide support for certain payments to employees and did not adopt a methodology for allocating fringe benefits across funds and departments for the year ended April 30, 2022.
- ^b Management of the City was unable to provide support for any of its debit card transactions for the year ended April 30, 2022.
- ^c Management of the City was unable to provide support for the Police Pension Fund receivable balance at April 30, 2022.

The amount by which these departures would affect the assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, net position, revenues, expenditures/expenses and disclosures has not been determined.

Basis for Disclaimer of Opinions

Management of the City was unable to provide support for numerous account balances and transactions reported by the governmental activities, business-type activities, General Fund and Water Fund. As a result of these matters, we were unable to determine whether any adjustments might have been found necessary for the amounts included in the financial statements of the governmental activities, business-type activities, General Fund and Water Fund.

Emphasis of Matter – Deficit Fund Balance

As discussed in Note 2 of the financial statements, the City has an accumulated unassigned deficit fund balance in the General Fund of approximately \$61 million as of April 30, 2022. The City has borrowed extensively from other funds without an apparent means of repayment. Additionally, the City has defaulted on several bond payments and has experienced ongoing difficulties in meeting its financial obligations. The situation raises significant liquidity risks. Our opinions are not modified with respect to this matter.

Emphasis of Matter – Adoption of New Accounting Standard

As discussed in Note 1 to the financial statements, the City has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, for the year ended April 30, 2022. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Auditor's Responsibilities for the Audit of the Governmental Activities, Business-Type Activities, General Fund and Water Fund

Our responsibility is to conduct an audit of the City's financial statements in accordance with GAAS and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for audit opinions on the financial statements of the governmental activities, business-type activities, General Fund and Water Fund.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit.

Auditor's Responsibilities for the Audit of the Motor Fuel Tax Fund, Debt Service Fund, Capital Projects Fund, TIF I Dixie Square Fund, TIF II Center Street Fund and Aggregate Remaining Fund Information

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules, as listed in the table of contents, and the Illinois Grant Accountability and Transparency Act Consolidated Year-End Financial Report are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Because of the significance of the matters described in the Basis for Disclaimer of Opinions section of our report, we have not been able to obtain sufficient evidence to provide a basis for opinions and accordingly we do not opine on the combining and individual fund financial statements and schedules, as listed in the table of contents, and the Illinois Grant Accountability and Transparency Act Consolidated Year-End Financial Report.

We have also previously audited, in accordance with GAAS, the City's basic financial statements for the year ended April 30, 2021, which are not presented with the accompanying financial statements and we expressed qualified opinions on the respective financial statements of the governmental activities, the business-type activities, and the Water Fund, as we were unable to obtain sufficient appropriate audit evidence about the carrying amount of the City's compensated absences balances. We expressed unmodified opinions on the respective financial statements of the remaining major funds and aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The 2021 actual amounts in the schedules of revenues, expenditures (expenses) and changes in fund balance (net position) – budget and actual are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2021 basic financial statements. The information was subjected to the audit procedures applied in the audit of those 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 GAAS. In our opinion, based on our audit and the report of the other auditors, except for the effects on the supplementary information of the qualified opinions on the basic financial statements as explained in the Basis for the Qualified and Unmodified Opinions section of our report, the 2021 actual amounts in the schedules of revenues, expenditures (expenses), and changes in fund balance (net position) – budget and actual, are fairly stated in all material respects, in relation to the basic financial statements from which they have been derived.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and other information, as listed in the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

A handwritten signature in black ink that reads "John Kasperek Co, Inc." The signature is fluid and cursive, with "John" and "Kasperek" being the most prominent parts.

Calumet City, Illinois
December 31, 2025

CITY OF HARVEY, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2022

The City of Harvey, Illinois (the City) offers readers of its financial statements this narrative overview and analysis of the financial activity of the City for the year ended April 30, 2022. Please read it in conjunction with the City's financial statements.

Financial Highlights

- The City's overall net position increased as a result of this year's operations. Net position of governmental activities increased by \$5,632,470, and net position of the business-type activities increased by \$861,217.
- During the year, government-wide revenues for the primary government totaled \$52,851,543, while expenses totaled \$46,357,856, resulting in an increase to net position of \$6,493,687.
- The City's net position totaled (\$135,145,822) on April 30, 2022, which includes \$678,980 net investment in capital assets, \$6,832,064 subject to external restrictions, and a deficit in unrestricted net position of \$142,656,866.
- The General Fund reported a net change in fund balance this year of \$182,169, resulting in a deficit fund balance of \$61,456,349.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The statement of net position and the statement of activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City 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's finances, in a manner similar to a private-sector business. The statement of net position reports information on all the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between them 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 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.

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). The government-wide financial statements distinguish functions of the City 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 include general government, community and economic development, public works, and public safety. The business-type activities of the City include water, sewer, and parking lot operations.

CITY OF HARVEY, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2022

USING THIS ANNUAL REPORT (CONTINUED)

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City 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, unlike the government-wide financial statements, 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 year. Such information may be useful in evaluating the City'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 this comparison between governmental funds and governmental activities.

The City maintains fourteen 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, and TIF II Center Street, all of which are considered to be major funds. Data from the other eight governmental funds are aggregated into a single 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 adopts an annual appropriated budget for all of the governmental funds. A budgetary comparison schedule for these funds has been provided to demonstrate compliance with this budget.

Proprietary Funds

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

Proprietary funds 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, Sewer Fund, Pace Bus Terminal Parking Fund, and Commuter Parking Fund, which only the Water Fund is considered to be a major fund of the City.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The method of accounting used for fiduciary funds is similar to that used by proprietary funds.

CITY OF HARVEY, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2022

USING THIS ANNUAL REPORT (CONTINUED)

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.

Required Supplementary Information, Supplementary Information, and Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's other postemployment benefit liability and IMRF, police and fire pension liabilities. The required supplementary information also contains the budgetary comparison schedules for the General Fund and the major special revenue fund. Supplementary information includes the combining statements referred to earlier in connection with nonmajor governmental funds and the Illinois Grant Accountability and Transparency Act Consolidated Year-End Financial Report. Other information consists of long-term debt requirements.

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, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$135,145,822.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ (182,308)	\$ (4,202,669)	\$ 44,774,318	\$ 41,415,967	\$ 44,592,010	\$ 37,213,298
Capital assets	6,242,701	5,372,356	4,585,565	5,212,559	10,828,266	10,584,915
Total Assets	6,060,393	1,169,687	49,359,883	46,628,526	55,420,276	47,798,213
Deferred outflows	9,671,350	13,686,117	416,748	480,714	10,088,098	14,166,831
Total Assets and Deferred Outflows	15,731,743	14,855,804	49,776,631	47,109,240	65,508,374	61,965,044
Current and other liabilities	18,948,704	14,630,644	10,122,084	8,306,063	29,070,788	22,936,707
Long-term debt	116,482,033	121,737,242	32,653,821	33,003,698	149,135,854	154,740,940
Total Liabilities	135,430,737	136,367,886	42,775,905	41,309,761	178,206,642	177,677,647
Deferred inflows	21,482,616	25,301,998	964,938	624,908	22,447,554	25,926,906
Total Liabilities and Deferred Inflows	156,913,353	161,669,884	43,740,843	41,934,669	200,654,196	203,604,553
Net Position						
Net investment in capital assets	-	(12,912,969)	678,980	(662,121)	678,980	(13,575,090)
Restricted	6,832,064	30,375,784	-	-	6,832,064	30,375,784
Unrestricted (deficit)	(148,013,674)	(164,276,895)	5,356,808	5,836,692	(142,656,866)	(158,440,203)
Total Net Position	<u>\$ (141,181,610)</u>	<u>\$ (146,814,080)</u>	<u>\$ 6,035,788</u>	<u>\$ 5,174,571</u>	<u>\$ (135,145,822)</u>	<u>\$ (141,639,509)</u>

A portion of the City's net position, \$678,980, reflects its investment in capital assets (for example, land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City'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.

CITY OF HARVEY, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

An additional portion, \$6,832,064, of the City's net position represents resources that are subject to external restrictions on how they may be used, including restrictions for public safety of \$269,175, capital projects of \$9,785, and economic development of \$6,553,104. The remaining net position is reported as a deficit in unrestricted net position of \$142,656,866. Unrestricted net position represents amounts that may be used to meet the government's ongoing obligations to citizens and creditors.

	Changes in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues						
Charges for services	\$ 4,755,349	\$ 4,549,651	\$ 17,357,086	\$ 19,476,586	\$ 22,112,435	\$ 24,026,237
Operating grants/contrib.	1,256,530	1,740,904	-	-	1,256,530	1,740,904
Capital grants/contrib.	567,298	833,092	-	-	567,298	833,092
General Revenues						
Property taxes	15,099,275	12,698,102	-	-	15,099,275	12,698,102
Income taxes	3,370,916	3,284,168	-	-	3,370,916	3,284,168
Utility taxes	1,415,581	1,238,047	-	-	1,415,581	1,238,047
Sales taxes	3,954,351	3,910,105	-	-	3,954,351	3,910,105
Other intergovernmental	4,538,963	2,644,881	-	-	4,538,963	2,644,881
Interest	583	1,373	5	-	588	1,373
Other general revenues	534,880	131,557	726	-	535,606	131,557
Total Revenues	<u>35,493,726</u>	<u>31,031,880</u>	<u>17,357,817</u>	<u>19,476,586</u>	<u>52,851,543</u>	<u>50,508,466</u>
Expenses						
General government	9,876,398	6,365,928	-	-	9,876,398	6,365,928
Community and economic development	-	(450)	-	-	-	(450)
Public works	3,326,663	3,980,280	-	-	3,326,663	3,980,280
Public safety	15,223,039	13,026,935	-	-	15,223,039	13,026,935
Interest on long-term debt and fiscal charges	1,435,156	1,447,718	-	-	1,435,156	1,447,718
Water	-	-	16,402,544	19,969,413	16,402,544	19,969,413
Sewer	-	-	93,968	121,204	93,968	121,204
Parking	-	-	88	2,600	88	2,600
Total Expenses	<u>29,861,256</u>	<u>24,820,411</u>	<u>16,496,600</u>	<u>20,093,217</u>	<u>46,357,856</u>	<u>44,913,628</u>
Change in net position	5,632,470	6,211,469	861,217	(616,631)	6,493,687	5,594,838
Net position-beginning	<u>(146,814,080)</u>	<u>(153,025,549)</u>	<u>5,174,571</u>	<u>5,791,202</u>	<u>(141,639,509)</u>	<u>(147,234,347)</u>
Net position-ending	<u>\$ (141,181,610)</u>	<u>\$ (146,814,080)</u>	<u>\$ 6,035,788</u>	<u>\$ 5,174,571</u>	<u>\$ (135,145,822)</u>	<u>\$ (141,639,509)</u>

Net position of the City's governmental activities increased from the prior year deficit of \$146,814,080 to a deficit of \$141,181,610 in 2022. Net position of business-type activities increased by \$861,217.

Governmental Activities

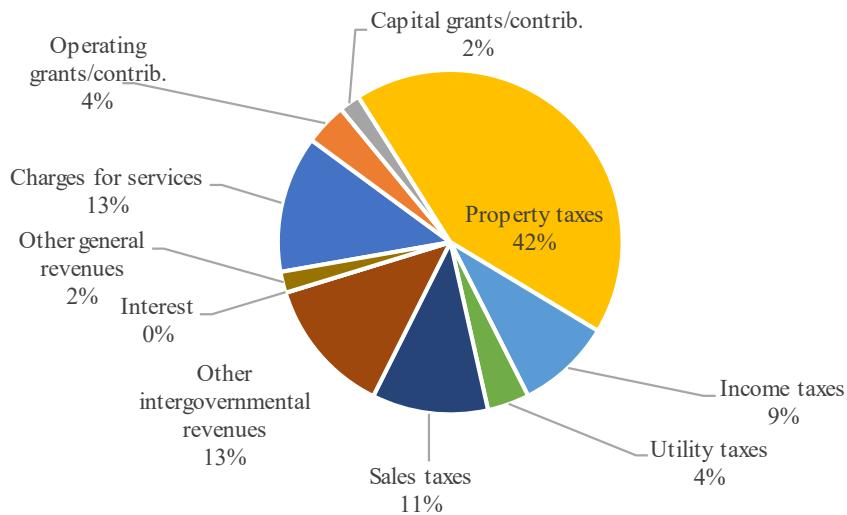
Revenues for governmental activities totaled \$35,493,726 while the cost of all governmental functions totaled \$29,861,256. This resulted in a surplus of \$5,632,470. Governmental revenues increased by 14%, and expenses increased by 20% from the prior year.

CITY OF HARVEY, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

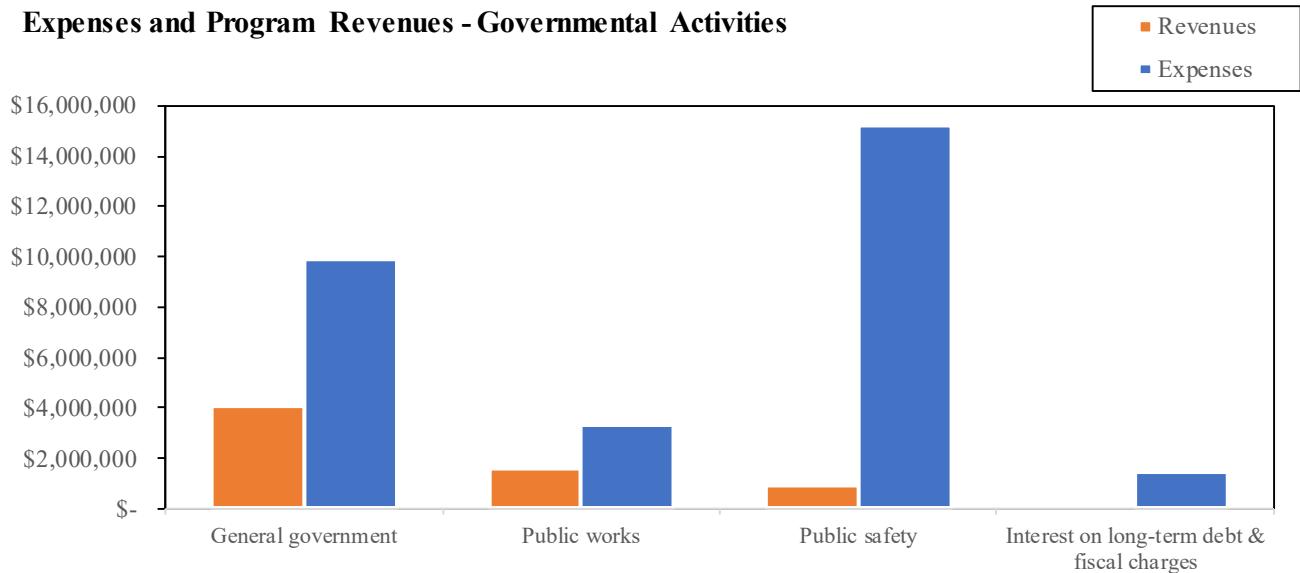
The following table graphically depicts the major revenue sources of the City. It depicts very clearly the reliance of property taxes, charges for services and intergovernmental taxes (sales, income, other intergovernmental) to fund governmental activities.

Revenues by Source - Governmental Activities



The following table summarizes the revenue and expenses of the governmental activities and identifies those governmental functions where program expenses greatly exceed revenues. Community and economic development activity was excluded from the table below due to minimal activity.

Expenses and Program Revenues - Governmental Activities

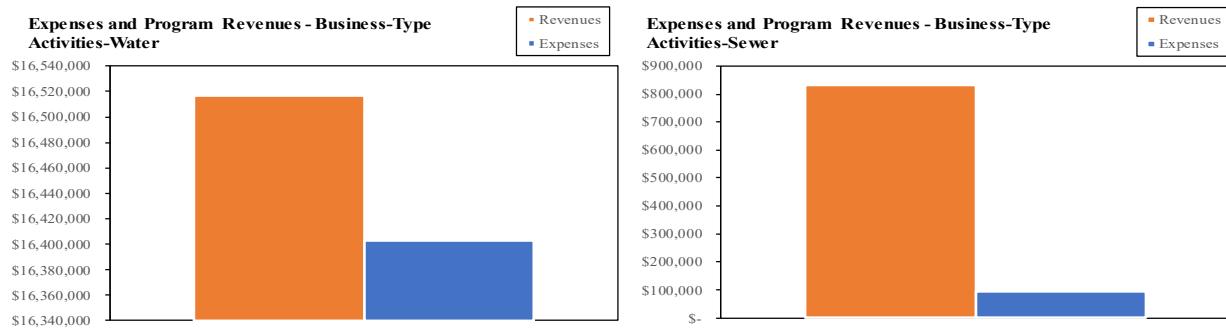


CITY OF HARVEY, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Business-Type Activities

Business-type activities reported total revenues of \$17,357,817, while the cost of all business-type activities totaled \$16,496,600. The business-type activities net position increased by \$861,217. The primary contributing factor to the increase took place within the Sewer Fund, where revenues exceeded expenses by \$737,335. The decrease in net position within the Water Fund was due primarily to the interest expense incurred on the amount owed to the City of Chicago and the defaulted bonds of \$1,950,620. In the subsequent fiscal year, the City is working to refund and consolidate its outstanding debt to reduce its interest expenses.



The above table compares program revenues to expenses for business-type operations for the Water Fund and Sewer Fund. The Pace Bus Terminal Parking and Commuter Parking fund were excluded from the table above as there was a combined total revenue of \$8,659 and \$88 combined total expenses within the funds.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unrestricted 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's governmental funds reported combined ending deficit fund balances of \$33,452,872 which is an increase of \$2,097,407 from last year's deficit total of \$35,550,279. At April 30, 2022, the total unrestricted fund balance for the governmental funds is reported as (\$67,572,864).

The General Fund reported an increase in fund balance for the year of \$182,169. The fund balance increase was largely due to Other Financing Uses of \$821,809, resulting from lease proceeds.

The Motor Fuel Tax Fund reported an increase in fund balance for the year of \$426,962.

The Debt Service Fund reported a decrease in fund balance for the year of \$98,067, which increased the total deficit fund balance in the Debt Service Fund to \$4,101,854. The decrease for the year was due to the insufficient property tax revenue to fund the City's annual debt service obligations.

CITY OF HARVEY, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2022

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (CONTINUED)

Governmental Funds (Continued)

The Capital Project Fund is reported as a major fund of the City and reports the City's capital improvements and the replacement of City equipment. During the fiscal year, the Capital Project Fund reported a deficit for the year of \$455 resulting in an ending fund balance of \$2,555,737.

The Tax Incrementing Financing (TIF) I Dixie Square reported a decrease in fund balance of \$9,969, which consisted solely of contractual obligations paid out of the TIF, resulting in an ending fund balance of \$5,166,668.

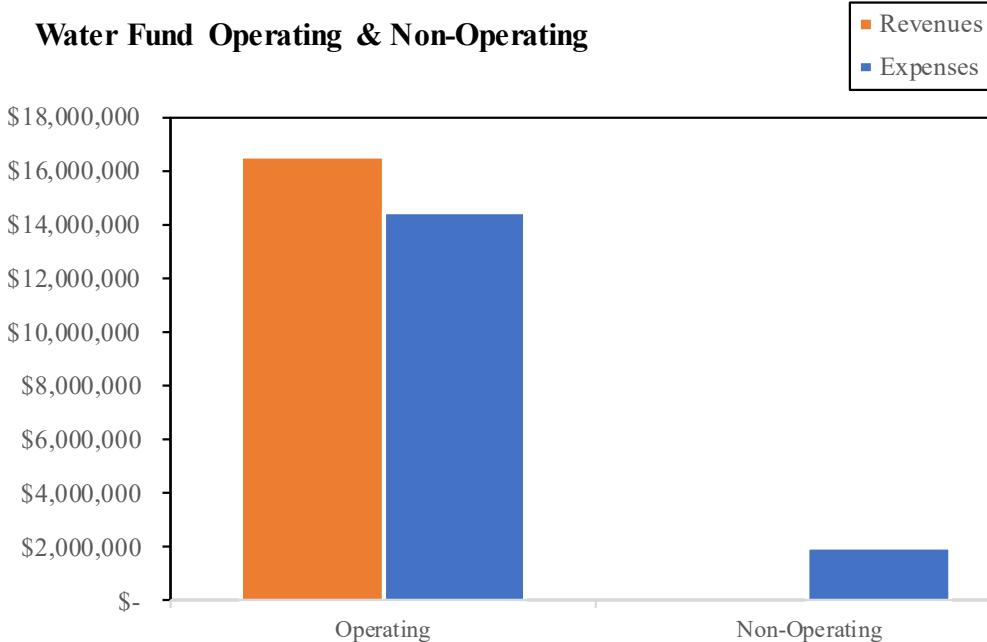
The Tax Incrementing Financing (TIF) II Center Street reported an increase in fund balance of \$10,284 because real estate taxes received from the properties within the TIF were greater than the contractual obligations paid out of the TIF. The increase in fund balance resulted in an ending fund balance of \$10,366,538.

Proprietary Funds

The proprietary fund statements share the same focus as the government-wide financial statements, reporting both short-term and long-term information about financial status.

The City's proprietary funds include the Water, Sewer, Pace Bus Terminal Parking, and Commuter Parking Lot Funds. All activities necessary to provide such services are accounted for in these funds, including, but not limited to, administration, operations and maintenance, financing and related debt service, billing and collection.

The Water Fund reported an increase in net position of \$115,311. The Sewer, Pace Bus Terminal Parking, Commuter Parking Lot fund reporting operating surpluses of \$737,335, \$1,795, and \$6,776, respectively.



As depicted in the chart above, the Water Fund operating expenses were sufficiently funded by operating revenues. The non-operating expenses resulted in the Water Fund decrease in net position. The Water Fund and Sewer Fund reported depreciation and amortization expense of \$588,474 and \$38,520, respectively.

CITY OF HARVEY, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2022

GENERAL FUND BUDGETARY HIGHLIGHTS

The City made no amendments to the General Fund budget in 2022. Actual revenues reported in the General Fund exceeded the budget by \$3,222,117. The City budgeted \$11,015,000 in intergovernmental and received \$9,721,640, a \$1,293,360 decrease. The large increase was primarily due to sales and use taxes and state income tax revenues greatly exceeding budgeted amounts.

On the expenditure side, General Fund expenditures were \$29,174,225 versus the original and final budget of \$30,049,384. The expenditure variance was largely due to public safety. With respect to public safety, total police and fire department expenditures were over the budget by \$178,510 and \$1,257,841. The amounts over budgeted related to personnel services which consists of salaries and pension contributions. The General Fund public safety over-budgeted amounts were offset by general government expenditures being \$2,615,778 under budget.

A condensed summary of the General Fund budget to actual variances follows:

**CONDENSED SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL, YEAR ENDED APRIL 30, 2022**

Fund	Budget	Actual	Actual to Budget Variance
Revenues			
Taxes	\$ 9,896,812	\$ 14,072,929	\$ 4,176,117
Intergovernmental	11,015,000	9,721,640	(1,293,360)
Licenses & permits	1,056,000	1,089,366	33,366
Charge for services	3,380,000	2,731,386	(648,614)
Fines & forfeitures	400,000	934,597	534,597
Interest	-	131	131
Miscellaneous	<u>115,000</u>	<u>534,880</u>	<u>419,880</u>
Total revenues	<u>25,862,812</u>	<u>29,084,929</u>	<u>3,222,117</u>
Expenditures:			
General government	9,291,366	6,675,588	(2,615,778)
Public safety	17,061,075	18,497,426	1,436,351
Public works	3,021,943	2,713,623	(308,320)
Capital outlay	675,000	1,214,295	539,295
Debt Service	<u>-</u>	<u>73,293</u>	<u>73,293</u>
Total expenditures	<u>30,049,384</u>	<u>29,174,225</u>	<u>(875,159)</u>
Excess of revenues over expenditures	<u>(4,186,572)</u>	<u>(89,296)</u>	<u>4,097,276</u>
Other financing sources (uses):			
Transfers (out)	(550,344)	(550,344)	-
Lease proceeds	<u>-</u>	<u>821,809</u>	<u>821,809</u>
Net change in fund balance	<u>\$ (4,736,916)</u>	<u>\$ 182,169</u>	<u>\$ 4,919,085</u>

CITY OF HARVEY, ILLINOIS
 MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
 APRIL 30, 2022

CAPITAL ASSET AND DEBT ADMINISTRATION

Assets

The City's capital assets, net of accumulated depreciation and amortization for its governmental and business-type activities as of April 30, 2022, was \$10,828,266. This investment in capital assets includes land, buildings, equipment, improvements, etc.

	Capital Assets - Net of Depreciation and Amortization					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Land	\$ 227,134	\$ 227,134	\$ 608,738	\$ 608,738	\$ 835,872	\$ 835,872
Construction in progress	144,018	-	-	-	144,018	-
Buildings and Property	1,180,731	1,135,968	848,568	888,918	2,029,299	2,024,886
Machinery and Equipment	593,585	498,293	301,354	508,362	894,939	1,006,655
Vehicles	243,870	311,706	-	-	243,870	311,706
Infrastructure	3,099,954	3,199,255	2,826,905	3,206,541	5,926,859	6,405,796
Lease assets - vehicles	753,409	-	-	-	753,409	-
Total	\$ 6,242,701	\$ 5,372,356	\$ 4,585,565	\$ 5,212,559	\$ 10,828,266	\$ 10,584,915

During the fiscal year, capital asset additions were \$1,374,228 and were all recognized in governmental activities. The City also recognized depreciation and amortization expense of \$503,883 and \$626,994 for governmental activities and business-type activities, respectively.

Debt Administration

Outstanding general obligation debt as of April 30, 2022 is as follows:

	Long-Term Debt Outstanding					
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
General obligation bonds	\$ 24,711,146	\$ 25,475,981	\$ 5,624,317	\$ 5,874,680	\$ 30,335,463	\$ 31,350,661
Revenue bonds	3,040,000	3,370,000	-	-	3,040,000	3,370,000
Installment contracts	-	-	26,980,429	26,980,429	26,980,429	26,980,429
Total	\$ 27,751,146	\$ 28,845,981	\$ 32,604,746	\$ 32,855,109	\$ 60,355,892	\$ 61,701,090

Economic Factors Bearing on the City's Future

The City intends to continue to closely monitor expenditures and allocate resources to areas that best meet the needs of its citizens. The City has aggressively sought out grants and focused on identifying uncollected revenues.

Since the April 30, 2022, the City is no longer in default on the 2002B, 2002C, 2007A or 2007B bonds. Bonds were issued in exchange for all outstanding bonds in August 2023 and those bonds that were not exchanged were paid off in January 2024.

Request for Information

This financial report is designed to provide a general overview of the City's finances, comply with finance related laws and regulations, provide transparency to the public, and demonstrate the City's commitment to financial accountability. Questions concerning the information provided in this report or requests for additional information should be directed to the City's Administrator's Office at 15320 Broadway Avenue, Harvey, Illinois 60426.

BASIC FINANCIAL STATEMENTS

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CITY OF HARVEY, ILLINOIS
STATEMENT OF NET POSITION
APRIL 30, 2022

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 13,979,253	\$ 2,846,324	\$ 16,825,577
Receivables - net of allowances	9,499,713	4,807,953	14,307,666
Internal balances	(35,231,765)	35,231,765	-
Prepays	139,589	8,153	147,742
Inventories	12,000	-	12,000
Capital assets not being depreciated	371,152	608,738	979,890
Capital assets (net of accumulated depreciation and amortization)	5,871,549	3,976,827	9,848,376
Net pension asset	11,418,902	1,880,123	13,299,025
 Total Assets	 6,060,393	 49,359,883	 55,420,276
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	4,858,092	6,720	4,864,812
Other postemployment benefits related	4,813,258	410,028	5,223,286
 Total Deferred Outflows of Resources	 9,671,350	 416,748	 10,088,098
 Total Asset and Deferred Outflows of Resources	 \$ 15,731,743	 \$ 49,776,631	 \$ 65,508,374
LIABILITIES			
Accounts payable and other accrued expenses	\$ 4,387,104	\$ 4,152,759	\$ 8,539,863
Accrued salaries and related expenses	521,727	20,128	541,855
Accrued interest payable	4,224,828	4,644,513	8,869,341
Deposits payable	392,551	225,755	618,306
Short-term financing agreement	57,895	-	57,895
Unearned revenue related to grants	1,681,029	-	1,681,029
Due to other governments	343,389	-	343,389
Noncurrent liabilities			
Due within one year	7,340,181	1,078,929	8,419,110
Due in more than one year	116,482,033	32,653,821	149,135,854
 Total Liabilities	 135,430,737	 42,775,905	 178,206,642
DEFERRED INFLOWS OF RESOURCES			
Property taxes	5,796,905	-	5,796,905
Pension related	12,630,177	704,646	13,334,823
Other postemployment benefits related	3,055,534	260,292	3,315,826
 Total Deferred Inflows of Resources	 21,482,616	 964,938	 22,447,554
NET POSITION			
Net investment in capital assets	-	678,980	678,980
Restricted for			
Public safety	269,175	-	269,175
Capital projects	9,785	-	9,785
Economic development	6,553,104	-	6,553,104
Unrestricted	(148,013,674)	5,356,808	(142,656,866)
 Total Net Position (Deficit)	 (141,181,610)	 6,035,788	 (135,145,822)
 Total Liabilities, Deferred Inflows of Resources and Net Position (Deficit)	 \$ 15,731,743	 \$ 49,776,631	 \$ 65,508,374

The accompanying notes are an integral part of the financial statements.

CITY OF HARVEY, ILLINOIS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2022

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities				
General government	\$ 9,876,398	\$ 3,810,304	\$ 248,670	\$ 11,904
Public works	3,326,663	1,724	1,007,860	555,394
Public safety	15,223,039	943,321	-	-
Interest on long-term debt and fiscal charges	1,435,156	-	-	-
Total governmental activities	<u>29,861,256</u>	<u>4,755,349</u>	<u>1,256,530</u>	<u>567,298</u>
Business-type activities				
Water	16,402,544	16,517,124	-	-
Pace bus terminal parking	-	1,795	-	-
Commuter parking lot	88	6,864	-	-
Sewer	93,968	831,303	-	-
Total business-type activities	<u>16,496,600</u>	<u>17,357,086</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u><u>\$ 46,357,856</u></u>	<u><u>\$ 22,112,435</u></u>	<u><u>\$ 1,256,530</u></u>	<u><u>\$ 567,298</u></u>

The accompanying notes are an integral part of the financial statements.

CITY OF HARVEY, ILLINOIS
STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED APRIL 30, 2022

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-type Activities	Total
Primary Government			
Governmental activities			
General government	\$ (5,805,520)	\$ -	\$ (5,805,520)
Public works	(1,761,685)	-	(1,761,685)
Public safety	(14,279,718)	-	(14,279,718)
Interest on long-term debt and fiscal charges	(1,435,156)	-	(1,435,156)
Total governmental activities	(23,282,079)	-	(23,282,079)
Business-type activities			
Water	-	114,580	114,580
Pace bus terminal parking	-	1,795	1,795
Commuter parking lot	-	6,776	6,776
Sewer	-	737,335	737,335
Total business-type activities	-	860,486	860,486
Total Primary Government	(23,282,079)	860,486	(22,421,593)
General Revenues			
Property taxes	15,099,275	-	15,099,275
Intergovernmental			
Income tax	3,370,916	-	3,370,916
Utility tax	1,415,581	-	1,415,581
Sales tax	3,954,351	-	3,954,351
Other	4,538,963	-	4,538,963
Interest income	583	5	588
Miscellaneous	534,880	726	535,606
Total	28,914,549	731	28,915,280
Change in net position	5,632,470	861,217	6,493,687
Net position (deficit) at beginning of year	(146,814,080)	5,174,571	(141,639,509)
Net position (deficit) at end of year	<u><u>\$ (141,181,610)</u></u>	<u><u>\$ 6,035,788</u></u>	<u><u>\$ (135,145,822)</u></u>

The accompanying notes are an integral part of the financial statements.

CITY OF HARVEY, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
APRIL 30, 2022

	<u>General</u>	<u>Motor Fuel Tax</u>	<u>Debt Service</u>	<u>Capital Projects</u>
ASSETS				
Cash and investments	\$ 3,001,869	\$ 264,367	\$ 4,121,385	\$ 9,785
Receivables - net of allowances				
Property taxes	4,850,190	-	1,422,821	-
Other taxes	2,199,691	84,837	-	-
Accounts	300,027	-	-	-
Other	642,147	-	-	-
Advances to other funds	540,440	6,520,164	847,743	2,545,952
Inventory	12,000	-	-	-
Prepays	<u>139,589</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u><u>\$ 11,685,953</u></u>	<u><u>\$ 6,869,368</u></u>	<u><u>\$ 6,391,949</u></u>	<u><u>\$ 2,555,737</u></u>
LIABILITIES				
Accounts payable	\$ 3,000,891	\$ 1,333,751	\$ -	\$ -
Accrued salaries and related expenditures	509,326	12,401	-	-
Due to other governments	343,389	-	-	-
Deposits payable	392,551	-	-	-
Short-term financing agreement	57,895	-	-	-
Unearned revenue related to grants	1,681,029	-	-	-
Principal and interest due	-	-	8,671,062	-
Advances from other funds	<u>62,682,243</u>	<u>-</u>	<u>500,814</u>	<u>-</u>
Total Liabilities	<u><u>68,667,324</u></u>	<u><u>1,346,152</u></u>	<u><u>9,171,876</u></u>	<u><u>-</u></u>
DEFERRED INFLOWS OF RESOURCES				
Property taxes	<u>4,474,978</u>	<u>-</u>	<u>1,321,927</u>	<u>-</u>
Total Deferred Inflows of Resources	<u><u>4,474,978</u></u>	<u><u>-</u></u>	<u><u>1,321,927</u></u>	<u><u>-</u></u>
FUND BALANCES				
Nonspendable				
Inventory	12,000	-	-	-
Prepays	139,589	-	-	-
Interfund loans	-	6,520,164	346,929	2,545,952
Restricted				
Public safety	269,175	-	-	-
Capital projects	-	-	-	9,785
Economic development	-	-	-	-
Unassigned	<u>(61,877,113)</u>	<u>(996,948)</u>	<u>(4,448,783)</u>	<u>-</u>
Total Fund Balances (Deficits)	<u><u>(61,456,349)</u></u>	<u><u>5,523,216</u></u>	<u><u>(4,101,854)</u></u>	<u><u>2,555,737</u></u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u>\$ 11,685,953</u></u>	<u><u>\$ 6,869,368</u></u>	<u><u>\$ 6,391,949</u></u>	<u><u>\$ 2,555,737</u></u>

The accompanying notes are an integral part of the financial statements.

CITY OF HARVEY, ILLINOIS
BALANCE SHEET (CONTINUED)
GOVERNMENTAL FUNDS
APRIL 30, 2022

	TIF I Dixie Square	TIF II Center Street	Nonmajor Governmental Funds	Total
ASSETS				
Cash and investments	\$ 211,828	\$ 3,358,526	\$ 3,011,493	\$ 13,979,253
Receivables - net of allowances				
Property taxes	-	-	-	6,273,011
Other taxes	-	-	-	2,284,528
Accounts	-	-	-	300,027
Other	-	-	-	642,147
Advances to other funds	4,964,584	7,008,012	5,750,698	28,177,593
Inventory	-	-	-	12,000
Prepays	-	-	-	139,589
 Total Assets	 \$ 5,176,412	 \$ 10,366,538	 \$ 8,762,191	 \$ 51,808,148
LIABILITIES				
Accounts payable	\$ 9,744	\$ -	\$ 42,718	\$ 4,387,104
Accrued salaries and related expenditures	-	-	-	521,727
Due to other governments	-	-	-	343,389
Deposits payable	-	-	-	392,551
Short-term financing agreement	-	-	-	57,895
Unearned revenue related to grants	-	-	-	1,681,029
Principal and interest due	-	-	-	8,671,062
Advances from other funds	-	-	226,301	63,409,358
 Total Liabilities	 9,744	 -	 269,019	 79,464,115
DEFERRED INFLOWS OF RESOURCES				
Property taxes	-	-	-	5,796,905
 Total Deferred Inflows of Resources	 -	 -	 -	 5,796,905
FUND BALANCES				
Nonspendable				
Inventory	-	-	-	12,000
Prepays	-	-	-	139,589
Interfund loans	4,964,584	7,008,012	5,750,698	27,136,339
Restricted				
Public safety	-	-	-	269,175
Capital projects	-	-	-	9,785
Economic development	202,084	3,358,526	2,992,494	6,553,104
Unassigned	-	-	(250,020)	(67,572,864)
 Total Fund Balances (Deficits)	 5,166,668	 10,366,538	 8,493,172	 (33,452,872)
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 \$ 5,176,412	 \$ 10,366,538	 \$ 8,762,191	 \$ 51,808,148

The accompanying notes are an integral part of the financial statements.

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CITY OF HARVEY, ILLINOIS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
APRIL 30, 2022

Total fund balances of governmental funds	\$ (33,452,872)
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 governmental funds.	6,242,701
Deferred outflows and inflows of resources related to the pensions not reported in the governmental funds:	
Deferred outflows and inflows - IMRF	(4,238,841)
Deferred outflows and inflows - Police pension	(2,797,779)
Deferred outflows and inflows - Firefighters' pension	(735,465)
Deferred outflows and inflows - Other postemployment benefits	1,757,724
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
General obligations bonds	(24,711,146)
Unamortized premium on general obligation bonds	(282,632)
Revenue bonds	(3,040,000)
Self-insurance claims payable	(9,602,195)
Compensated absences	(2,920,803)
Lease liability	(766,015)
Less:	
Defaulted bond principal reported in the governmental funds	4,986,055
Defaulted bond interest reported in the governmental funds	3,685,007
Interest on long-term liabilities is not accrued in the governmental funds, but is recognized as an expenditure when due:	
Accrued interest payable	(4,224,828)
Net pension assets and liabilities and total other postemployment benefits liability are not due and payable in the current period and are therefore not reported in the governmental funds:	
Net pension asset - IMRF	11,418,902
Net pension liability - Police pension	(14,936,095)
Net pension liability - Firefighters' pension	(54,502,052)
Total other postemployment benefits liability	<u>(13,061,276)</u>
Net position of governmental activities	<u><u>\$ (141,181,610)</u></u>

CITY OF HARVEY, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2022

	General	Motor Fuel Tax	Debt Service	Capital Projects
REVENUES				
Taxes	\$ 14,072,929	\$ -	\$ 2,914,148	\$ -
Intergovernmental	9,721,640	1,563,254	-	-
Licenses and permits	1,089,366	-	-	-
Charges for services	2,731,386	-	-	-
Fines and forfeitures	934,597	-	-	-
Interest	131	-	460	(8)
Miscellaneous	<u>534,880</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>29,084,929</u>	<u>1,563,254</u>	<u>2,914,608</u>	<u>(8)</u>
EXPENDITURES				
Current				
General government	6,675,588	-	2,149	447
Public works	2,713,623	1,120,377	-	-
Public safety	18,497,426	-	-	-
Capital outlay	1,214,295	15,915	-	-
Debt service				
Principal retirement	55,794	-	1,731,751	-
Interest and fiscal charges	<u>17,499</u>	<u>-</u>	<u>1,278,775</u>	<u>-</u>
Total Expenditures	<u>29,174,225</u>	<u>1,136,292</u>	<u>3,012,675</u>	<u>447</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(89,296)</u>	<u>426,962</u>	<u>(98,067)</u>	<u>(455)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers (out)	(550,344)	-	-	-
Lease proceeds	<u>821,809</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>271,465</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	182,169	426,962	(98,067)	(455)
Fund balances (deficits) at beginning of year	(61,638,518)	5,096,254	(4,003,787)	2,556,192
Fund balances (deficits) at end of year	<u>\$ (61,456,349)</u>	<u>\$ 5,523,216</u>	<u>\$ (4,101,854)</u>	<u>\$ 2,555,737</u>

The accompanying notes are an integral part of the financial statements.

CITY OF HARVEY, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2022

	TIF I Dixie Square	TIF II Center Street	Nonmajor Governmental Funds	Total
REVENUES				
Taxes	\$ -	\$ 25,020	\$ 1,894,019	\$ 18,906,116
Intergovernmental	-	-	11,904	11,296,798
Licenses and permits	-	-	-	1,089,366
Charges for services	-	-	-	2,731,386
Fines and forfeitures	-	-	-	934,597
Interest	-	-	-	583
Miscellaneous	-	-	-	534,880
Total Revenues	<u>-</u>	<u>25,020</u>	<u>1,905,923</u>	<u>35,493,726</u>
EXPENDITURES				
Current				
General government	-	-	-	6,678,184
Public works	9,969	14,736	175,422	4,034,127
Public safety	-	-	-	18,497,426
Capital outlay	-	-	144,018	1,374,228
Debt service				
Principal retirement	-	-	330,000	2,117,545
Interest and fiscal charges	-	-	220,344	1,516,618
Total Expenditures	<u>9,969</u>	<u>14,736</u>	<u>869,784</u>	<u>34,218,128</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,969)</u>	<u>10,284</u>	<u>1,036,139</u>	<u>1,275,598</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	550,344	550,344
Transfers (out)	-	-	-	(550,344)
Lease proceeds	-	-	-	821,809
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>550,344</u>	<u>821,809</u>
Net change in fund balances	<u>(9,969)</u>	<u>10,284</u>	<u>1,586,483</u>	<u>2,097,407</u>
Fund balances (deficits) at beginning of year	<u>5,176,637</u>	<u>10,356,254</u>	<u>6,906,689</u>	<u>(35,550,279)</u>
Fund balances (deficits) at end of year	<u>\$ 5,166,668</u>	<u>\$ 10,366,538</u>	<u>\$ 8,493,172</u>	<u>\$ (33,452,872)</u>

The accompanying notes are an integral part of the financial statements.

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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 YEAR ENDED APRIL 30, 2022

Net change in fund balances - total governmental funds	\$ 2,097,407
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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 these assets are allocated over their estimated useful lives and reported as depreciation and amortization expense:

Capital outlay reported in governmental funds	1,374,228
Depreciation and amortization expense reported in the statement of activities	(503,883)

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

Issuance of lease	(821,809)
Principal payments	2,117,545

Certain expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures of the governmental funds:

Change in deferred outflows and inflows - IMRF	(1,770,304)
Change in deferred outflows and inflows - Police pension	1,969,549
Change in deferred outflows and inflows - Firefighters' pension	(3,442,347)
Change in deferred outflows and inflows - Other postemployment benefits	(2,788,674)
Amortization of premium on general obligation bonds	26,712
Change in net pension asset - IMRF	3,678,934
Change in net pension liability - Police pension	1,211,371
Change in net pension liability - Firefighters' pension	3,717,681
Change in total other postemployment benefits liability	2,117,459
Change in self-insured claims payable	(3,406,149)
Change in accrued interest	54,750

Change in net position of governmental activities	\$ 5,632,470
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CITY OF HARVEY, ILLINOIS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
APRIL 30, 2022

	Water	Nonmajor Enterprise Funds	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 2,022,818	\$ 823,506	\$ 2,846,324
Accounts receivable - net of allowances	4,686,161	121,792	4,807,953
Advances to other funds	31,276,016	4,269,888	35,545,904
Prepaid items	8,153	-	8,153
	<hr/>	<hr/>	<hr/>
Total current assets	<hr/> <u>37,993,148</u>	<hr/> <u>5,215,186</u>	<hr/> <u>43,208,334</u>
Noncurrent assets			
Capital assets			
Nondepreciable	126,488	482,250	608,738
Depreciable	19,108,830	7,077,672	26,186,502
Less: accumulated depreciation	(15,328,733)	(6,880,942)	(22,209,675)
Net pension asset	1,880,123	-	1,880,123
	<hr/>	<hr/>	<hr/>
Total noncurrent assets	<hr/> <u>5,786,708</u>	<hr/> <u>678,980</u>	<hr/> <u>6,465,688</u>
	<hr/>	<hr/>	<hr/>
Total Assets	<hr/> <u>\$ 43,779,856</u>	<hr/> <u>\$ 5,894,166</u>	<hr/> <u>\$ 49,674,022</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	\$ 6,720	\$ -	\$ 6,720
Other postemployment benefits related	<hr/> <u>410,028</u>	<hr/> <u>-</u>	<hr/> <u>410,028</u>
	<hr/>	<hr/>	<hr/>
Total Deferred Outflows of Resources	<hr/> <u>416,748</u>	<hr/> <u>-</u>	<hr/> <u>416,748</u>
	<hr/>	<hr/>	<hr/>
Total Assets and Deferred Outflows of Resources	<hr/> <u>\$ 44,196,604</u>	<hr/> <u>\$ 5,894,166</u>	<hr/> <u>\$ 50,090,770</u>
LIABILITIES			
Current Liabilities			
Accounts payable	4,023,622	129,137	4,152,759
Accrued salaries	20,128	-	20,128
Accrued interest payable	4,644,513	-	4,644,513
Due to other funds	314,139	-	314,139
Deposits payable	225,755	-	225,755
Current portion OF long-term liabilities	1,078,929	-	1,078,929
	<hr/>	<hr/>	<hr/>
Total current liabilities	<hr/> <u>10,307,086</u>	<hr/> <u>129,137</u>	<hr/> <u>10,436,223</u>

The accompanying notes are an integral part of the financial statements.

CITY OF HARVEY, ILLINOIS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS (CONTINUED)
APRIL 30, 2022

	Water	Nonmajor Enterprise Funds	Total
LIABILITIES (Continued)			
Noncurrent Liabilities			
Compensated absences payable	\$ 15,350	\$ -	\$ 15,350
Bonds payable	4,545,388	-	4,545,388
Installment contract payable	26,980,429	-	26,980,429
Total OPEB liability	1,112,654	-	1,112,654
 Total noncurrent liabilities	 32,653,821	 -	 32,653,821
 Total Liabilities	 42,960,907	 129,137	 43,090,044
DEFERRED INFLOWS OF RESOURCES			
Pension related	704,646	-	704,646
Other postemployment benefits related	260,292	-	260,292
 Total Deferred Inflows of Resources	 964,938	 -	 964,938
NET POSITION			
Net investment in capital assets	-	678,980	678,980
Unrestricted	270,759	5,086,049	5,356,808
 Total Net Position	 270,759	 5,765,029	 6,035,788
 Total Liabilities, Deferred Inflows of Resources and Net Position	 \$ 44,196,604	 \$ 5,894,166	 \$ 50,090,770

The accompanying notes are an integral part of the financial statements.

CITY OF HARVEY, ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED APRIL 30, 2022

	Water	Nonmajor Enterprise Funds	Total
OPERATING REVENUES			
Charges for services	\$ 16,517,124	\$ 839,962	\$ 17,357,086
Interest income	5	-	5
Miscellaneous	726	-	726
 Total Operating Revenues	 16,517,855	 839,962	 17,357,817
OPERATING EXPENSES			
Administration	966,620	-	966,620
Operations	12,896,830	55,536	12,952,366
Depreciation	588,474	38,520	626,994
 Total Operating Expenses	 14,451,924	 94,056	 14,545,980
 Operating income	 2,065,931	 745,906	 2,811,837
NON-OPERATING INCOME (EXPENSE)			
Interest expense	(1,950,620)	-	(1,950,620)
 Total Non-Operating Income (Expense)	 (1,950,620)	 -	 (1,950,620)
 Change in net position	 115,311	 745,906	 861,217
 Net position at beginning of year	 155,448	 5,019,123	 5,174,571
 Net position at end of year	 \$ 270,759	 \$ 5,765,029	 \$ 6,035,788

CITY OF HARVEY, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED APRIL 30, 2022

	Water	Nonmajor Enterprise Funds	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 15,678,717	\$ 875,955	\$ 16,554,672
Payments to suppliers	(12,777,927)	(52,449)	(12,830,376)
Payments to employees	(957,960)	-	(957,960)
Net Cash from Operating Activities	<u>1,942,830</u>	<u>823,506</u>	<u>2,766,336</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Receipts on interfund loans	<u>314,139</u>	-	<u>314,139</u>
Net Cash from Noncapital Financing Activities	<u>314,139</u>	-	<u>314,139</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal payments	(250,363)	-	(250,363)
Interest payments	(63,776)	-	(63,776)
Net Cash from Capital and Related Financing Activities	<u>(314,139)</u>	-	<u>(314,139)</u>
Change in cash and cash equivalents	1,942,830	823,506	2,766,336
Cash and cash equivalents at			
Beginning of year	<u>79,988</u>	-	<u>79,988</u>
End of year	<u>\$ 2,022,818</u>	<u>\$ 823,506</u>	<u>\$ 2,846,324</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES			
Operating income	\$ 2,065,931	\$ 745,906	\$ 2,811,837
Adjustment to reconcile operating income to net cash from operating activities			
Depreciation	588,474	38,520	626,994
Net change in pension and OPEB related items	9,949	-	9,949
Changes in asset and liabilities			
Change in accounts receivable	(835,054)	35,993	(799,061)
Change in prepaid items	106,575	-	106,575
Change in accounts payable	12,328	3,087	15,415
Change in accrued salaries	(1,289)	-	(1,289)
Change in deposits payable	<u>(4,084)</u>	-	<u>(4,084)</u>
Net Cash from Operating Activities	<u>\$ 1,942,830</u>	<u>\$ 823,506</u>	<u>\$ 2,766,336</u>

The accompanying notes are an integral part of the financial statements.

CITY OF HARVEY, ILLINOIS
STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
APRIL 30, 2022

	Pension Trust Funds
ASSETS	
Cash and short-term investments	\$ 6,503,062
Investments, at fair value	
U.S. Treasury securities	5,960,239
Mutual funds and equity (stock) securities	14,208,704
Pooled investments	8,828,450
Accrued interest	33,270
Prepaid expense	5,621
Due from municipality	19,467,284
Allowance for uncollectibles	<u>(19,467,284)</u>
Total Assets	<u>35,539,346</u>
LIABILITIES	
Accounts payable and accrued expenses	<u>28,779</u>
Total Liabilities	<u>28,779</u>
NET POSITION	
Net position restricted for pensions	<u>\$ 35,510,567</u>

The accompanying notes are an integral part of the financial statements.

CITY OF HARVEY, ILLINOIS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
FOR THE YEAR ENDED APRIL 30, 2022

	<u>Pension Trust Funds</u>
ADDITIONS	
Contributions	
Employer	\$ 6,961,175
Plan members	<u>491,940</u>
Total contributions	<u>7,453,115</u>
Investment income	
Net depreciation in fair value of investments	(2,492,084)
Interest	1,041,728
Investment fees	<u>(84,341)</u>
Net investment income	<u>(1,534,697)</u>
Total Additions	<u>5,918,418</u>
DEDUCTIONS	
Pension benefits and refunds	5,632,208
Administrative expenses	<u>689,194</u>
Total Deductions	<u>6,321,402</u>
Net change in plan net position	(402,984)
Net position restricted for pensions at beginning of year	<u>35,913,551</u>
Net position restricted for pensions at end of year	<u>\$ 35,510,567</u>

The accompanying notes are an integral part of the financial statements.

CITY OF HARVEY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Harvey, Illinois (the City) was incorporated in 1890. The City is located in Cook County and covers an area of approximately 6.21 square miles. 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 Mayor serves a four-year term and the Alderman serve four year overlapping terms. Services provided by the City include police protection, fire protection, public improvements, road and bridge maintenance, and general administration.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City's significant accounting policies are described below.

A. REPORTING ENTITY

The accompanying financial statements present the financial information of the City (the primary government) and its component units. The financial information of the following component units are included in the City's basic financial statements because of the significance of their operational or financial relationships with the City.

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 *Illinois Compiled Statutes* (ILCS) 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 City's reporting entity 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 exercised over the PPERS. The PPERS does not issue separate financial statements.

Firefighters' Pension Employees Retirement System

The City's firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the City's Mayor, one elected pension beneficiary and two elected firefighter employees constitute the pension board. The City and FPERS participants are obligated to fund all 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 City's reporting entity because its sole purpose is to provide retirement benefits for the City's firefighters. The FPERS is reported as a fiduciary fund, and specifically a pension trust fund, due to the fiduciary responsibility exercised over the FPERS. The City issues separate fiduciary component unit financial statements for its firefighters' pension trust fund. A copy of this report can be obtained by writing to the City at 15600 Center Avenue, Harvey, Illinois 60426.

CITY OF HARVEY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. BASIS OF PRESENTATION

Government-Wide Financial 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, with the exception of fiduciary activities. 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, sewer, and parking lot 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 assets and deferred outflows of resources as well as liabilities and deferred inflows of resources .

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

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

CITY OF HARVEY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. BASIS OF PRESENTATION (CONTINUED)

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 of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or 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. Nonmajor funds by category are summarized into a single column.

Governmental funds are used to account for all or most of the City's general activities, including the collection and disbursement of restricted or committed monies (special revenue funds), the funds committed, restricted or assigned for the acquisition or construction of capital assets (capital projects funds), the funds committed, restricted or assigned for the servicing of long-term debt (debt service funds) and the management of funds held in trust where the interest earnings can be used for governmental services (permanent fund). The General Fund is used to account for all activities of the general government not accounted for in another fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. The City utilizes pension trust funds to account for assets that the City holds in a fiduciary capacity.

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 City reports the following major governmental funds:

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

The Motor Fuel Tax Fund accounts for motor fuel allotments from the State and the spending of these funds on street improvements in the City.

The Debt Service Fund is used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt.

CITY OF HARVEY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. BASIS OF PRESENTATION (CONTINUED)

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary and Trust Funds) and replacement of City equipment. The City maintains nine additional capital projects funds, two of which are considered major funds.

- The TIF I Dixie Square 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 is used to account for the restricted incremental property taxes of the TIF II Center Street Tax Increment Financing District and the use of those funds.

The City reports four proprietary funds, of which the Water Fund is a major fund:

The Water Fund accounts for the provision of water services 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.

The City reports pension trust funds to account for assets held in a trustee capacity for pension benefit payments. The Police Pension Fund accounts for the accumulation of resources to be used for disability and retirement annuity payments to employees covered by the plan. The Firefighters' Pension Fund accounts for the accumulation of resources to be used for disability and retirement payments to employees covered by the plan. Since by definition these assets of the fiduciary funds are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the City, these funds are not incorporated into the government-wide statements.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus applied. On the government-wide statement of net position and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined below.

In the fund financial statements, the current financial resources measurement focus or the economic resources measurement focus is used as appropriate. All governmental funds utilize a current financial resources measurement focus. Only current financial assets, deferred outflows of resources, liabilities, and deferred inflows of resources are generally included on the governmental funds balance sheets. The governmental funds operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

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

CITY OF HARVEY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

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 this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. The City recognizes property taxes when they become both measurable and available. 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.

D. 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.

CITY OF HARVEY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. INTERFUND RECEIVABLES, PAYABLES, AND ACTIVITY

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

F. 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 utility charges as their major receivables. Fiduciary fund receivables consist of accrued interest from cash and investments and amounts due from the City relating to litigation settlement for unpaid pension contributions and personal property replacement tax and interest accrued at 6 percent.

G. PREPAIDS

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

H. INVENTORIES

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The cost of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

I. 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. 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 are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

CITY OF HARVEY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. CAPITAL ASSETS (CONTINUED)

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

The following estimated useful lives are used to compute depreciation on a straight-line basis:

Asset Class	Estimated Useful Life
Buildings and property	5 - 30 years
Machinery and equipment	5 - 15 years
Vehicles	3 - 20 years
Infrastructure	20 - 50 years
Lease assets	Term of agreement

J. COMPENSATED ABSENCES

The City accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. 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.

K. LONG-TERM LIABILITIES

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

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.

L. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense or expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

CITY OF HARVEY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. FUND BALANCE AND 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 amortization and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

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

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

In the government-wide and proprietary fund financial statements, restricted net position is legally restricted by outside parties for a specific purpose. A portion of governmental activities’ net position is restricted for the same purposes as governmental fund balances. A portion of the business-type activities’ and the Proprietary Fund’s net position is restricted for bond and interest reserves. Net investment in capital assets represents the City’s investment in the book value of capital assets, less any outstanding debt that was issued to construct or acquire the capital assets. Unrestricted net position consists of net position that does not meet the definition of restricted or net investment in capital assets.

The components of fund balance include the following line items:

Nonspendable – Consists of amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted fund balance – Consists of externally enforceable limitations on use, such as limitations imposed by creditors, grantors, contributors, or laws and regulations of other governments as well as limitations imposed by law through constitutional provision or enabling legislation.

Committed fund balance – Consists of a self-imposed limitation set in place prior to the end of the period. The limitations are imposed at the highest level of decision making that requires formal action at the same level. For the City, the City Council is the highest level of decision making, and an ordinance by the City Council would be required to establish, modify or rescind a fund balance commitment.

Assigned fund balance – Consists of limitations resulting from intended use, where the intended use is established by the City Council. It also includes all remaining amounts that are reported in governmental funds, other than the General Fund, that are not classified as non-spendable and are neither classified as restricted or committed.

Unassigned fund balance – Consists of the total fund balance in the general fund in excess of nonspendable, restricted, committed, and assigned fund balance. This also includes any negative fund balance in other funds.

If there is an expenditure incurred for purposes for which committed, assigned, or unassigned fund balance classifications could be used, then the City will consider committed fund balance to be spent first, then assigned fund balance and finally unassigned fund balance. If there is an expenditure incurred for purposes for which restricted or unrestricted fund balance could be used, then the City will consider restricted fund balance to be spent first, then unrestricted fund balance.

CITY OF HARVEY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. ADOPTION OF NEW ACCOUNTING STANDARDS

Effective May 1, 2021, the City implemented the provisions of GASB Statement No. 87, *Leases*. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments by establishing a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, the City is required to recognize a lease liability and an intangible right-to-use lease asset with no changes to the beginning net position. Implementation of this Statement resulted in the recording of a right-to-use lease asset and related lease liability on the government-wide financial statements.

NOTE 2. DEFICIT FUND BALANCES AND LIQUIDITY RISK

Deficit Fund Balances

The following Funds have deficit balances as of April 30, 2022:

Fund	Deficit
General	\$ (61,456,349)
Debt Service	\$ (4,101,854)
TIF VIII Transit Oriented Development	\$ (101,975)
Grants and Capital Projects	\$ (138,595)

Funding of these deficits are expected to be repaid from future tax revenues, transfers from other funds, and a reduction of future operating expenditures.

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 abilities 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 services. 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 years, the City had an accumulated General Fund deficit fund balance of \$61,456,349 as of April 30, 2022.

In addition, the City's General Fund has borrowed a total of \$62.7 million from other City funds, such as the Water Fund and TIF Funds (See Note 6 Interfund Receivables, Payables, and Transfers), over the past several years to provide additional liquidity. Due to the General Fund being unable to pay back the Water Fund, the City had also been unable to maintain its payments to the City of Chicago for the current water invoices and settlement payments (See Note 7 Long-term Liabilities - City of Chicago Agreement). Also, the lack of payments to the pension funds has caused the pension fund to file litigation against the City (See Note 9 Commitments and Contingent Liabilities - Litigation). In addition, the City defaulted on several bond payments during the year (See Note 9 Commitments and 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 improvements 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.

On October 16, 2025, the City Council passed Ordinance No. 2025-3517 to pursue assistance from the state of Illinois under the Financially Distressed City Law.

CITY OF HARVEY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 3. DEPOSITS AND INVESTMENTS

City Deposits

At year-end, the carrying amount of the City's deposits for governmental and business-type activities totaled \$16,825,577 and the bank balances totaled \$17,24,520. Included in the above, the City has \$22,740 invested in IMET at year-end, which is measured at net asset value per share as determined by the Pool.

Custodial Credit Risk – Deposits – 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 states deposits in excess of FDIC limits be secured by some form of collateral, witnessed by a written agreement and held by an independent third-party institution. As of April 30, 2022, the bank balance of \$3,876,192 was not covered by collateral, federal depository or equivalent insurance.

City Investments

Permitted Deposits and Investments – ILCS 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 Illinois Metropolitan Investment Fund.

The Illinois Metropolitan Investment Fund (IMET) is a not-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.

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. The City's investment in IMET Investment Trust 1-3 Year Fund was rated AAAf from Moody's.

Custodial Credit Risk – In the case of 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 investments in IMET is not subject to custodial credit risk.

Concentration of Credit 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 investments portfolio.

Police Pension Fund Deposits

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Police Pension Fund's (PPF) deposits may not be returned to them. Flow-through FDIC insurance is available for the PPF's deposits with financial institutions. The PPF's limits its exposure to custodial risk by utilizing an independent, third party institution, to act as custodian for its securities.

At year end, the carrying amount of the PPF's deposits totaled \$5,681,220 and the bank balance was \$5,810,103.

CITY OF HARVEY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Police Pension Fund Deposits (Continued)

Any deposit of an employee benefit plan in an insured depository institution shall be insured on a “pass-through” basis, in the amount of up to the standard maximum deposit insurance amount for the non-contingent interest of each plan participant. The value of an employee’s non-contingent interest in a defined benefit plan shall be deemed to be the present value of the employee’s interest in the plan, evaluated in accordance with the method of calculation ordinary used under such plan, as of the date of default of the insured depository institution.

Police Pension Fund Investments

The PPF is authorized to invest in bonds, notes, and other obligations of the U.S. Government; corporate debentures and obligations; insured mortgage notes and loans; common and preferred stocks; stock options; and other investment vehicles as set forth in the ILCS.

The primary investment policies of the PPF, in the order of priority are as follows:

- a. Safety – Investments shall be undertaken in a manner that seeks to ensure the preservation of capital. Each investment that is made shall seek to insure that capital losses are avoided, whether they are from default or erosion of market values.
- b. Liquidity – The investment portfolio will remain sufficiently liquid to enable the pension fund to pay all necessary benefits and meet all operating requirements which might be reasonably anticipated.
- c. Diversification – The investment portfolio shall diversify investments to avoid incurring unreasonable risks from the practice of concentrating investments in specific security types and/or individual financial institutions.
- d. Return on Investment – The investment portfolio shall be designed with the purpose of outperforming the designated benchmarks. The investment program shall seek returns above these benchmarks, consistent with risk limitation identified herein and in ILCS.
- e. Public Confidence – The investment portfolio will avoid any transaction that might impair public confidence. 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. Such standards, therefore, avoid unwarranted speculation. Trading securities for capital gain is permissible provided the purchase is justifiable in a buy and hold scenario where the long-term benefit meets established investment parameters established by the PPF.

The PPF’s performance objective is to meet or exceed the return of the blended market indices for the entire fund and to measure performance of each individual asset class based upon the following:

Asset Class	Target Index	Blended Percentage
Equities		
Domestic Equities	Russell 3000	42%
International Equities	EAFE (Europe, Asia & Far East)	15%
REITs	DJ Wilshire REIT	3%
Fixed Income		
Governmental	Barclays Intermediate Government	35%
Corporate	Barclays A+ 1-5 Year Corporate	5%

CITY OF HARVEY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Police Pension Fund Investments (Continued)

The PPF's investment policy defines fixed income investments as U.S. Government or U.S. Government agency bonds, certificates of deposit, municipal bonds, dollar denominated investment grade corporate bonds, fixed annuities or guarantee investment contracts of any insurance company and commingled trust accounts, which only invest in the above-described investment vehicles. Investments made in contracts and agreements of life insurance companies licensed to do business in the State of Illinois shall be rated at least A+ by A.M. Best Company, Aa rated by Moody's, and AA+ rated by Standard and Poor's rating service at the time of purchase. Notwithstanding, the portfolio of the general account of the insurance company shall not invest more than 10 percent of the portfolio in real estate and/or more than 10 percent of the portfolio in bonds. Securities issued by the State of Illinois, or any county, township or municipal corporation of the State of Illinois may be held in portfolio. Issuers that are downgraded to less than investment grade by one of the two largest rating services must be sold.

Per the PPF's investment policy, domestic equity investments shall be defined as investments in preferred or common stocks created or existing under the laws of the United States and are listed on a national securities exchange, board of trade or are quoted in the National Association of Securities Dealers Automated Quotations System National Market System. Said issuers shall have been in existence for at least five years. Domestic equities shall also be defined as mutual funds managed by an investment company as defined and registered under the Federal Investment Company Act of 1940 and registered under the Illinois Securities Law of 1953, have been in operation for at least five years, have total assets of \$250 million or more and invest in a diversified portfolio of common or preferred stocks, bonds, or money market instruments and exchange traded funds which invest in diversified portfolio of domestic equities.

The PPF's investment policy in accordance with ILCS establishes the following target allocation across asset classes:

Asset Class	Portfolio Target Percentage	Long-term Expected Rate of Return
Fixed Income:		
Government	36%	2.90%
Investment Grade Corporate Bonds	4%	0.79%
Equity:		
Domestic	45%	8.75%
International	15%	-0.29%
<u>100%</u>		

The investment policy limits the amount of equity investments to 65 percent of the total investment portfolio based upon the PPF's Net Present Assets stated in its most recent annual filing with the Illinois Department of Insurance.

The long-term expected rate of return on the PPF's investments was determined using an asset allocation study conducted by the PPF's investment management consultant in which best-estimate ranges of geometric future real rates of return (net of pension plan investment expense and inflation of 3.45 percent) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the PPF's target asset allocation as of April 30, 2022 are listed in the table above.

CITY OF HARVEY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Police Pension Fund Investments (Continued)

At April 30, 2022, the PPF's investments are as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>				
		<u>Less than One Year</u>	<u>One to Five Years</u>	<u>Six to Ten Years</u>	<u>Greater than Ten Years</u>	
U.S. Treasuries	\$ 4,562,465	\$ 660,847	\$ 3,829,348	\$ 72,270	\$ -	
U.S. Agencies	54,021	-	-	-	-	54,021
U.S. Securities	165,670	165,670	-	-	-	
Corporate Bonds	1,178,083	55,472	860,817	261,794	-	
 Total	 \$ 5,960,239	 \$ 881,989	 \$ 4,690,165	 \$ 334,064	 \$ 54,021	

The PPF has the following recurring fair value measurements as of April 30, 2022: U.S. Treasuries, Agencies and Securities and corporate bonds are valued using quoted matrix pricing models (Level 2 inputs). Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Interest Rate Risk – Inherent rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment, by structuring the portfolio to provide liquidity for all reasonably anticipated operating requirements while providing a reasonable rate of return based on the current market. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. To the extent possible, the PPF attempts to match the maturity schedule of its investments with anticipated cash flow requirements. The PPF does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Credit risk is the risk that the issuers of a debt security will not pay its par value upon maturity, by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government, state and local obligations and in corporate bonds rated at investment grade by two or more nationally recognized rating agencies. The PPF's investment policy stresses the safety of principal but does not specifically address credit risk.

The PPF's investment policy requires investments be rated as investment grade by one of the largest rating services. Investment grade is defined as BBB- or higher for Standard & Poor's and Baa3 or higher by Moody's Investors Service.

For the year ended April 30, 2022, the PPF's investments in the securities of the U.S. government agencies were rated Aaa and corporate bonds were rated Baa2 or higher by Moody's Investors Services. Standard & Poor's ratings for U.S. government agencies and corporate bonds were all BBB+ or higher ratings.

CITY OF HARVEY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Police Pension Fund Investments (Continued)

Custodial Credit Risk – In the case of investments this is the risk that, in the event of the failure of the counterparty, the PPF will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The PPF’s policy is that all bank time deposits which exceed FDIC insurance limits shall be collateralized by the institution holding said assets in an amount of 110 percent of said assets. Collateral shall consist of U.S. Government Treasury Securities and/or U.S. Government Agency Notes or Bonds as authorized by the Public Funds Investment Act, but excluding the government sponsored agencies prohibited by the Department of Insurance.

Concentration of Credit Risk – This is the risk of loss attributed to the magnitude of the PPF’s investment in a single issuer. Agency investments represent a large portion of the portfolio; however, the investments are diversified by maturity date and are backed by the issuing organization. Although unlike 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 PPF’s investment policy limits the amount invested in any one entity for life insurance companies and mutual funds to not exceed 10 percent.

Investments (other than United States Government guaranteed obligations) in any one organization that represent 5 percent or more of Fund’s investments as of April 30, 2022 are as follows:

	Investment	
	Amount	% of Assets
T ROWE PRICE NEW AMERICA	\$ 991,901	5.55%
VANGUARD TOTAL STOCK ADMIRAL	\$ 1,270,628	7.11%

Rate of Return – For the year ended April 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -5.39 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The PPF’s investments are reported at fair value in the accompanying statement of fiduciary net position. Gains and losses (realized and unrealized) included in changes in fiduciary net position for the years ended April 30, 2022, are reported in net appreciation in fair value of investments.

Firefighters’ Pension Fund Deposits

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank’s failure, the Firefighters’ Pension Fund’s (FPF) deposits may not be returned to them. Flow-through FDIC insurance is available for the FPF’s deposits with financial institutions.

At April 30, 2022, the entire carrying amount of the FPF’s deposits was insured or collateralized.

Any deposit of an employee benefit plan in an insured depository institution shall be insured on a “pass-through” basis, in the amount of up to the standard maximum deposit insurance amount for the non-contingent interest of each plan participant. The value of an employee’s non-contingent interest in a defined benefit plan shall be deemed to be the present value of the employee’s interest in the plan, evaluated in accordance with the method of calculation ordinary used under such plan, as of the date of default of the insured depository institution.

CITY OF HARVEY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Firefighters' Pension Fund Investments

The Illinois Firefighters' Pension Investment Fund (IFPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate firefighter pension funds. IFPIF was created by Public Act 101-0610, and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds. Participation in IFPIF by Illinois suburban and downstate firefighter pension funds is mandatory. Investments of the FPF are combined in a commingled external investment pool and held by IFPIF. A schedule of investment expenses is included in IFPIF's annual report. For additional information on IFPIF's investments, please refer to their annual report as of June 30, 2021. A copy of that report can be obtained from IFPIF at 1919 South Highland Avenue, Building A, Suite 237, Lombard, Illinois 60148 or at www.ifpif.org. The FPF transferred all eligible assets to the IFPIF during the year ended April 30, 2022.

Deposits – The FPF retains all its available cash with one financial institution. Available cash is determined to be that amount which is required for the current expenditure of the FPF. The excess of available cash is required to be transferred to IFPIF for purposes of the long-term investment for the FPF. At year end, the carrying amount of the FPF's cash on hand totaled \$42,146 and the bank balance totaled \$42,295.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rate will adversely affect the fair value of an investment. The IFPIF's investment policy does not address interest rate risk. The FPF has no investments subject to interest rate risk.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The FPF's investment policy establishes criteria for allowable investments, consistent with the requirements as described in Chapter 40 of the ILCS, 40 ILC 5/1-113.1 through 113.4(a), and as amended by P/A 101-610 for the Firefighters' Pension Investment Fund. As of April 30, 2022, the FPF's investment in the IFPIF is not rated.

Custodial Credit Risk – In the case of deposits, this is the risk that in the event of a bank failure, the FPF's deposits may not be returned to it. For an investment, this is the risk that in the event of the failure of the counterparty, the FPF will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The IFPIF's investment policy does not address custodial credit rate risk.

Investments – At April 30, 2022, the FPF has \$8,828,450 invested in IFPIF, which is measured at the Net Asset Value (NAV) per share as determined by the pool. The pooled investments consist of the investments noted in the target allocation table available at www.ifpif.org.

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

At year end, the FPF does not have any investments over 5 percent of net plan position available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments.)

A separate financial report for IFPIF is prepared in accordance with GASB. Copies of the report can be obtained from <https://ifpif.org/policies-publications/>.

For the year ended April 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -2.71 percent. 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 FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 4. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2022, was as follows:

	Beginning Balance	Increases	Decreases/ Transfers	Ending Balance
Governmental Activities				
Capital assets not being depreciated or amortized				
Land	\$ 227,134	\$ -	\$ -	\$ 227,134
Construction in progress	-	<u>144,018</u>	-	<u>144,018</u>
Total capital assets not being depreciated or amortized	<u>227,134</u>	<u>144,018</u>	-	<u>371,152</u>
Capital assets being depreciated or amortized				
Buildings and property	7,943,103	110,601	-	8,053,704
Machinery and equipment	5,095,037	215,590	-	5,310,627
Vehicles	7,568,061	82,210	-	7,650,271
Infrastructure	3,756,398	-	-	3,756,398
Lease assets - vehicles	-	<u>821,809</u>	-	<u>821,809</u>
Total capital assets being depreciated or amortized	<u>24,362,599</u>	<u>1,230,210</u>	-	<u>25,592,809</u>
Less accumulated depreciation and amortization				
Buildings and property	6,807,135	65,838	-	6,872,973
Machinery and equipment	4,596,744	120,298	-	4,717,042
Vehicles	7,256,355	150,046	-	7,406,401
Infrastructure	557,143	99,301	-	656,444
Lease assets - vehicles	-	<u>68,400</u>	-	<u>68,400</u>
Total accumulated depreciation and amortization	<u>19,217,377</u>	<u>503,883</u>	-	<u>19,721,260</u>
Total capital assets being depreciated or amortized, net	<u>5,145,222</u>	<u>726,327</u>	-	<u>5,871,549</u>
Governmental activities capital assets, net	<u>\$ 5,372,356</u>	<u>\$ 870,345</u>	<u>\$ -</u>	<u>\$ 6,242,701</u>

Depreciation and amortization expense was charged to functions/programs of the governmental activities as follows:

General government	\$ 75,165
Public works	181,867
Public safety	<u>246,851</u>
Total depreciation and amortization - governmental activities	<u>\$ 503,883</u>

CITY OF HARVEY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 4. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases/ Transfers	Ending Balance
Business-type Activities				
Capital assets not being depreciated				
Land	\$ 608,738	\$ -	\$ -	\$ 608,738
Total capital assets not being depreciated	<u>608,738</u>	<u>-</u>	<u>-</u>	<u>608,738</u>
Capital assets being depreciated:				
Buildings and property	1,690,738	-	-	1,690,738
Machinery and equipment	3,163,673	-	-	3,163,673
Infrastructure	21,332,091	-	-	21,332,091
Total capital assets being depreciated	<u>26,186,502</u>	<u>-</u>	<u>-</u>	<u>26,186,502</u>
Less accumulated depreciation for:				
Buildings and property	801,820	40,350	-	842,170
Machinery and equipment	2,655,311	207,008	-	2,862,319
Infrastructure	18,125,550	379,636	-	18,505,186
Total accumulated depreciation	<u>21,582,681</u>	<u>626,994</u>	<u>-</u>	<u>22,209,675</u>
Total capital assets being depreciated, net	<u>4,603,821</u>	<u>(626,994)</u>	<u>-</u>	<u>3,976,827</u>
Business-type activities capital assets, net	<u>\$ 5,212,559</u>	<u>\$ (626,994)</u>	<u>\$ -</u>	<u>\$ 4,585,565</u>

Depreciation expense was charged to functions/programs of the business-type activities as follows:

Water	\$ 588,474
Sewer	38,520
Commuter parking	-
Total depreciation - business-type activities	<u>\$ 626,994</u>

CITY OF HARVEY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 5. PROPERTY TAXES, RECEIVABLES AND ALLOWANCE FOR UNCOLLECTIBLE

A. PROPERTY TAXES

The City levies property tax each calendar year on all taxable real property located in the City. The City must file its tax levy ordinance on or before the last Tuesday in December of each year. The tax levy ordinance was passed by the City Board on December 13, 2021. Taxes levied in one year become due and payable in two installments, due March 1 and no earlier than August 1 during the following year. The first installment is an estimated bill and is 55 percent of the prior year's tax bill. The second installment is based on the current levy, assessment and equalization, and any changes from the prior year will be reflected in the second installment bill. The levy becomes an enforceable lien against the property as of January 1 of the levy year. The property taxes collected by the City that are due within the current year are recognized as revenue, and net taxes receivable are reflected as deferred revenue. Based upon collection histories, the City has provided an allowance for uncollectible property taxes of 20 percent of the current year's levy. Reserves for uncollectible property taxes are netted against the receivable as follows:

	General Fund	Debt Service Fund	Total
Receivable - gross	\$ 12,027,003	\$ 3,737,260	\$ 15,764,263
Allowance for uncollectibles	<u>(7,176,813)</u>	<u>(2,111,815)</u>	<u>(9,288,628)</u>
Receivable - net	<u><u>\$ 4,850,190</u></u>	<u><u>\$ 1,625,445</u></u>	<u><u>\$ 6,475,635</u></u>

B. PROPRIETARY FUND RECEIVABLES

Trade account receivable, consisting of amounts due from residents/business for water and sewer services, are recorded net of uncollectible amounts, as determined by management. Allowances for uncollectible trade receivables as of April 30, 2022 were as follows:

	Water Fund	Sewer Fund	Total
Receivable - gross	\$ 5,463,312	\$ 121,792	\$ 5,585,104
Allowance for uncollectibles	<u>(777,151)</u>	<u>-</u>	<u>(777,151)</u>
Receivable - net	<u><u>\$ 4,686,161</u></u>	<u><u>\$ 121,792</u></u>	<u><u>\$ 4,807,953</u></u>

C. OTHER RECEIVABLES

Within the General Fund, the City also maintains a receivable for fire services of \$604,107, with an uncollectible amount of \$583,337.

D. FIDUCIARY RECEIVABLES

Due to litigation discussed in Footnote 9, the fiduciary funds report fully reserved receivable balances owed from the City in the following amounts:

	Firefighters' Pension	
	Police Pension Fund	Fund
Receivable - gross	\$ 3,995,780	\$ 15,471,504
Allowance for uncollectibles	<u>(3,995,780)</u>	<u>(15,471,504)</u>
Receivable - net	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF HARVEY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 6. INTERFUND ADVANCES, RECEIVABLES, PAYABLES, AND TRANSFERS

Due to and due from other funds results from the time lag between the dates interfund goods or services are provided or reimbursable expenditures occur and when the payment between funds is made. Also, interfund borrowing has incurred in the current and prior years. No timetable has been set for repayments. The composition of interfund balances as of April 30, 2022, are as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	\$ 226,301 (b)
General	Water	314,139
Motor Fuel Tax	General	6,019,350
Motor Fuel Tax	Debt Service	500,814
Debt Service	General	847,743
Capital Projects	General	2,545,952
TIF I Dixie Square	General	4,964,584
TIF II Center Street	General	7,008,012
Nonmajor Governmental	General	5,750,698 (a)
Water	General	31,276,016
Nonmajor Proprietary	General	<u>4,269,888 (c)</u>
		<u>\$63,723,497</u>

(a) Nonmajor Governmental receivables consist of the following funds:

	Amount
Hotel/Motel	\$ 697
TIF III Cresco Business Park	1,361,988
TIF IV Dixie Sibley	2,538,830
TIF V RPM Wyman Gordon	782,096
TIF VII Arch/147th Street	<u>1,067,087</u>
	<u>\$ 5,750,698</u>

(b) Nonmajor Governmental payable consists of the TIF VI Dixie Highway Corridor \$9,980, TIF VII Transit Oriented Development \$79,086, and Grants and Capital Projects Fund \$137,235.

(c) Nonmajor Proprietary receivables consist of the following funds: Pace Bus Terminal Parking \$93,084, Commuter Parking Lot \$376,996, and Sewer \$3,799,808.

Transfers between funds for the year ended April 30, 2022, were as follows:

Transfer To	Transfer From	Amount
Nonmajor Governmental	General	<u>\$ 550,344</u>
		<u>\$ 550,344</u>

The purpose of the transfer was to fund the Hotel/Motel annual payment which consists of a portion of the revenues the City pledged.

CITY OF HARVEY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 7. LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities during the year ended April 30, 2022:

	Beginning Balance	Additions	Retirements	Ending Balance	Due within one year
Governmental Activities					
General obligation bonds	\$ 25,475,981	\$ -	\$ 764,835	\$ 24,711,146	\$ 6,831,558
Plus: unamortized premium	309,344	-	26,712	282,632	-
Revenue bonds	3,370,000	-	330,000	3,040,000	355,000
Self-insurance claims payable	6,196,046	4,379,520	973,371	9,602,195	-
Compensated absences	2,920,803	-	-	2,920,803	-
Lease liability	-	821,809	55,794	766,015	153,623
Net pension liability - Police pension	16,147,466	-	1,211,371	14,936,095	-
Net pension liability - Firefighters' pension	58,219,733	-	3,717,681	54,502,052	-
Total other postemployment benefit liability	<u>15,178,735</u>	<u>-</u>	<u>2,117,459</u>	<u>13,061,276</u>	<u>-</u>
Total governmental activities	<u><u>\$ 127,818,108</u></u>	<u><u>\$ 5,201,329</u></u>	<u><u>\$ 9,197,223</u></u>	<u><u>\$ 123,822,214</u></u>	<u><u>\$ 7,340,181</u></u>

For governmental activities, payments on the compensated absences, net pension liability, total other postemployment benefit liability, and the claims payable are made by the General Fund. The Debt Service and TIF II Center Street Funds make payments on the general obligation bonds and the Hotel/Motel Fund makes payments on the revenue bonds.

	Beginning Balance	Additions	Retirements	Ending Balance	Due within one year
Business-type Activities					
General obligation bonds	\$ 5,874,680	\$ -	\$ 250,363	\$ 5,624,317	\$ 1,078,929
Installment contract payable	26,980,429	-	-	26,980,429	-
Compensated absences	15,350	-	-	15,350	-
Total other postemployment benefit liability	<u>1,293,034</u>	<u>-</u>	<u>180,380</u>	<u>1,112,654</u>	<u>-</u>
Total business-type activities	<u><u>\$ 34,163,493</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 430,743</u></u>	<u><u>\$ 33,732,750</u></u>	<u><u>\$ 1,078,929</u></u>

For business-type activities, the compensated absences, total other postemployment benefit liability, installment contract payable, and general obligation bonds are being liquidated by the Water Fund. See City of Chicago agreement section for detail related to the installment contract payable.

Lease Liability

The City has entered into an agreement to lease vehicles and recognizes a lease liability and related lease asset. The agreement has a term ending in March 2027, with monthly payments ranging from \$608 to \$15,379.

CITY OF HARVEY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 7. LONG-TERM LIABILITIES (CONTINUED)

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital expenditures. 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 funds. 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	Retired by	Beginning Balance	Increases	Decreases	Ending Balance
General Obligation Bonds of 2002B due in annual installments ranging from \$380,000 to \$420,000 plus interest at 5.25% to 5.60%.	Debt Service Fund	\$ 1,900,000	\$ -	\$ -	\$ 1,900,000
General Obligation Refunding Bonds of 2002C have defaulted through February 2020.	Debt Service Fund	470,981	-	134,835	336,146
General Obligation Refunding Bonds of 2002C have defaulted through February 2020.	Water Fund	874,680	-	250,363	624,317
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 Fund	17,275,000	-	-	17,275,000
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.	Water Fund	5,000,000	-	-	5,000,000
General Obligation Refunding Bonds of 2007B due in annual installments of \$785,000 to \$1,275,000 plus interest at 7.25% to 7.75% through December 1, 2024.	Debt Service Fund	5,830,000	-	630,000	5,200,000
		<u>\$31,350,661</u>	<u>\$ -</u>	<u>\$ 1,015,198</u>	<u>\$30,335,463</u>

CITY OF HARVEY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 7. LONG-TERM LIABILITIES (CONTINUED)

Alternative Revenue Bonds

The City also issues alternate revenue bonds where the City has pledged hotel-motel taxes and sales tax revenues for the payment of bond principal and interest. Alternate revenue bonds are direct obligations and pledge the full faith and credit of the City. Alternate revenue bonds currently outstanding are as follows:

Issue	Retired by	Beginning Balance	Increases	Decreases	Ending Balance
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 Fund	\$ 3,370,000	\$ -	\$ 330,000	\$ 3,040,000
		<u>\$ 3,370,000</u>	<u>\$ -</u>	<u>\$ 330,000</u>	<u>\$ 3,040,000</u>

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		Lease		General Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 1,845,527	\$ 1,165,507	\$ 355,000	\$ 196,797	\$ 153,623	\$ 30,959	\$ 169,473	\$ 262,902
2024	1,520,426	1,044,682	375,000	171,703	160,555	24,029	179,574	253,580
2025	1,693,788	940,808	405,000	144,890	153,534	16,783	121,212	243,704
2026	1,504,534	818,962	430,000	116,187	174,738	9,205	435,466	237,038
2027	1,589,843	736,214	460,000	85,594	123,565	1,865	460,157	213,086
2028-2032	9,368,438	2,255,652	1,015,000	70,985	-	-	2,711,562	652,868
2033	2,202,559	123,890	-	-	-	-	637,417	35,860
Default	4,986,031	3,682,072	-	-	-	-	909,456	689,577
Total	<u>\$ 24,711,146</u>	<u>\$ 10,767,787</u>	<u>\$ 3,040,000</u>	<u>\$ 786,156</u>	<u>\$ 766,015</u>	<u>\$ 82,841</u>	<u>\$ 5,624,317</u>	<u>\$ 2,588,615</u>

Legal Debt Margin

Chapter 65, Section 5/8-5-1 of the ILCS provides, "...no municipality having a population of less than 500,000 shall become indebted in any manner or for any purpose, to an amount, including existing indebtedness in the aggregate exceeding 8.625 percent on the value of the taxable property therein, to be ascertained by the last assessment for state and county purposes, previous to the incurring of the indebtedness or, until January 1, 1983, if greater, the sum that is produced by multiplying the municipality's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979." 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 FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 7. LONG-TERM LIABILITIES (CONTINUED)

City of Chicago Agreement

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 percent 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 percent 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 Chicago.

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 percent 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 percent 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.

On December 18, 2021, the court ordered the discharge of the third-party receiver effective December 31, 2021, thereby returning control to the Water Fund operations to the City.

CITY OF HARVEY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 8. 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, 2022, 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.

During the year ended April 30, 2022, the City reduced its aggregate automobile liability and uninsured and underinsured motorists coverage of \$1,000,000 to automobile liability coverage of \$500,000 and uninsured and underinsured motorists coverage of \$100,000. Additionally, the City no longer carries commercial excess liability coverage. No settlements have exceeded coverage levels in place during the prior three fiscal years.

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. 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.

Changes in the reported liability balances over the past two fiscal years are shown below.

	April 30,	
	2021	2022
Claims payable, beginning of year	\$ 6,216,271	\$ 6,196,046
Claims incurred	1,301,537	4,379,520
Claims paid	<u>(1,321,762)</u>	<u>(973,371)</u>
Claims payable, end of year	<u><u>\$ 6,196,046</u></u>	<u><u>\$ 9,602,195</u></u>

NOTE 9. COMMITMENTS AND CONTINGENT LIABILITIES

A. LITIGATION

The City is a defendant in lawsuits pertaining to material matters, including claims asserted which are incidental to performing routine governmental and other functions. These lawsuits include actions commenced and claims asserted against the City arising out of police activities, breaches of contract, and other violations of law. Management evaluates all pending claims and litigation in consultation with legal counsel.

For a number of matters, management has determined that a loss is probable to occur and that the amount of loss can be reasonably estimated. Accordingly, the City has recorded a liability of \$3,786,348 in the government-wide financial statements as of April 30, 2022. This amount represents management's best estimate of expected settlements or judgments based on currently available information.

Certain additional matters are considered probable to result in a loss; however, management is unable to reasonably estimate the amount or range of the potential losses due to the preliminary status of the proceedings and unresolved factual and legal issues. No liability has been recorded for these matters. The City will recognize a liability when the loss becomes both probable and reasonably estimable.

The City is also subject to claims for which a loss is reasonably possible, but not considered probable. Based on current information, management estimates that potential losses associated with these matters to be approximately \$12,400,000. Because these losses are not considered probable, no accruals have been recorded in the government-wide financial statements.

CITY OF HARVEY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 9. COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)

B. BOND DEFAULT

During fiscal years 2018, 2019, 2021, and 2022, the City defaulted on bond payments. The total principal and interest that remains outstanding due to default is as follows:

- 2002B GO Bonds – \$1,480,000 of principal and \$251,850 interest
- 2002C GO Bonds – \$960,487 of principal
- 2007A GO Bonds – \$1,269,976 of principal and \$3,071,611 interest
- 2007B GO Bonds – \$2,185,000 of principal and \$1,048,188 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, 2022. 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.

C. 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 and the City expects such amounts, if any, to be immaterial.

NOTE 10. EMPLOYEE RETIREMENT SYSTEMS - 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 also a single-employer pension plan. Separate reports are issued for the Firefighter Pension Plan and may be obtained by writing to the City at 15320 Broadway Avenue, Harvey, IL 60426. IMRF does issue a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by ILCS and can only be amended by the Illinois General Assembly.

CITY OF HARVEY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 11. ILLINOIS MUNICIPAL RETIREMENT FUND

Plan Description

The City's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The City's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the benefits provided section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by ILCS and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. 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).

All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pensions 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 percent of the final rate of earnings for the first 15 years of service credit, plus 2 percent for each year of service credit after 15 years to a maximum of 75 percent 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 percent 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 percent of the final rate of earnings for the first 15 years of service credit, plus 2 percent for each year of service credit after 15 years to a maximum of 75 percent 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 percent of the original pension amount or 1/2 of the increase in the Consumer Price Index of the original pension amount.

CITY OF HARVEY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 11. ILLINOIS MUNICIPAL RETIREMENT FUND (CONTINUED)

Employees Covered by Benefit Terms

As of December 31, 2021, the following employees were covered by the benefit terms:

Retirees and Beneficiaries currently receiving benefits	134
Inactive Plan Members entitled to but not yet receiving benefits	78
Active Plan Members	56
Total	<u><u>268</u></u>

Contributions

As set by ILCS, the City's Regular Plan Members are required to contribute 4.5 percent of their annual covered salary. ILCS requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's actuarially determined contribution rate was 1.03 percent of covered-employee payroll. The City also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by ILCS.

Net Pension Liability

The City's net pension liability was measured as of December 31, 2021. The total pension liability(asset) used to calculate the net pension liability(asset) was determined by an actuarial valuation as of that date. The amount is included in the accrued expense on the Statement of Fiduciary Net Position.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2021:

- The Inflation Rate was assumed to be 2.25 percent.
- Salary Increases were expected to be 2.85 percent to 13.75 percent, including inflation.
- The Investment Rate of Return was assumed to be 7.25 percent.
- Retirement Age was from the experience-based table of rates, that are specific to the type of eligibility condition, last updated for the 2021 valuation pursuant to an experience study from years 2017-2019.
- For Non-Disabled Retirees, the Pub-2010, amount-weighted, below-median income General, Retiree, Male (adjusted 106 percent) and Female (adjusted 105 percent) tables, and future mortality improvements projected using scale MP-2021 were used.
- For Disabled Retirees, the Pub-2010, amount-weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.
- For Active Members, the Pub-2010, amount-weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.

CITY OF HARVEY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 11. ILLINOIS MUNICIPAL RETIREMENT FUND (CONTINUED)

Long-term Expected Rate of Return

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 weighing 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 by the following table (most recent available):

Asset Class	Portfolio Target Percentage	Return	Projected Returns/Risk	
			One Year Arithmetic	Ten Year Geometric
Equities	39.00%	24.89%	3.25%	1.90%
International Equities	15.00%	9.78%	4.89%	3.15%
Fixed Income	25.00%	-0.44%	-0.50%	-0.60%
Real Estate	10.00%	21.95%	4.20%	3.30%
Alternatives	10.00%	46.46%		
Private Equity		N/A	8.85%	5.50%
Hedge Funds		N/A	N/A	N/A
Commodities		N/A	2.90%	1.70%
Cash Equivalents	<u>1.00%</u>	2.44%	-0.90%	-0.90%
Total	<u>100.00%</u>			

Discount Rate

A discount rate of 7.25 percent was used to measure the total pension liability as of December 31, 2021. The projection of cash flow used to determine this 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 discount rate reflects:

1. The long-term expected rate of return on pension plan investments (to the extent that the plan's 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 as of the measurement date (to the extent that the plan's fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on plan investments is 7.25 percent, the municipal bond rate is 2.00 percent (based on the daily rate closest to but not later than the measurement date of the "20-Year Municipal GO AA Index"), and the resulting discount rate is 7.25 percent.

CITY OF HARVEY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 11. ILLINOIS MUNICIPAL RETIREMENT FUND (CONTINUED)

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A) - (B)
Balances at beginning of year	\$ 25,394,293	\$ 34,800,717	\$ (9,406,424)
Changes for the year:			
Service Cost	244,675	-	244,675
Interest on the Total Pension Liability	1,787,586	-	1,787,586
Differences Between Expected and Actual			
Experience of the Total Pension Liability	55,525	-	55,525
Changes of Assumptions	-	-	-
Contributions- Employer	-	33,251	(33,251)
Contributions- Employee	-	213,111	(213,111)
Net Investment Income	-	6,140,397	(6,140,397)
Benefit Payments, including Refunds			
of Employee Contribution	(1,720,555)	(1,720,555)	-
Other (Net Transfer)	-	(406,372)	406,372
Net Changes	367,231	4,259,832	(3,892,601)
Balances at end of year	<u>\$ 25,761,524</u>	<u>\$ 39,060,549</u>	<u>\$ (13,299,025)</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability, calculated using a discount rate of 7.25 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percent lower or 1 percent higher:

	Current		
	1% Decrease	Discount Rate	1% Increase
	6.25%	7.25%	8.25%
Net Pension Liability (Asset)	\$ (10,884,023)	\$ (13,299,025)	\$ (15,190,821)

CITY OF HARVEY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 11. ILLINOIS MUNICIPAL RETIREMENT FUND (CONTINUED)

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

For the year ended December 31, 2021, the City recognized pension income of \$1,923,544.

At April 30, 2022, the City reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 40,012	\$ -
Changes of assumptions	-	8,159
Net difference between projected and actual earnings on pension plan investment	<u>-</u>	<u>4,976,145</u>
 Total deferred amounts to be recognized in pension expense in future periods	 <u>40,012</u>	 <u>4,984,304</u>
 Pension contributions made subsequent to the measurement date	 <u>7,525</u>	 <u>-</u>
 Total deferred amounts related to pensions	 <u>\$ 47,537</u>	 <u>\$ 4,984,304</u>

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

Year Ending	Amounts
<u>April 30,</u>	
2023	\$ (1,070,157)
2024	(1,912,553)
2025	(1,224,479)
2026	(737,103)
2027	-
Thereafter	-
Total	<u>\$ (4,944,292)</u>

Deferred outflows of resources for pension contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending April 30, 2023.

CITY OF HARVEY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 12. POLICE PENSION FUND

Plan Description

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 ILCS (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 as of April 30, 2022:

Retirees and Beneficiaries currently receiving benefits	50
Inactive Plan Members entitled to but not yet receiving benefits	7
Active Plan Members	32
Total	<u><u>89</u></u>

Benefits Provided

The following is a summary of the City of Harvey Police Pension Plan as provided for in the ILCS:

Tier 1 employees (those hired before January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 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 ten years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit.

The monthly benefit of a 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 3.0 percent of the original pension and 3.0 percent compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal of the average monthly salary obtained by dividing the total salary of the police officer during the 48 consecutive months of service within the last 60 months in which the total salary was the highest by the number of months in that period; or the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes shall not exceed \$106,800, however that amount shall increase annually by the lesser of $\frac{1}{2}$ of the annual change in the Consumer Price Index or 3.0 percent compounded. 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 75.0 percent of such salary. Employees with at least ten 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. Non-compounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or one-half of the change in the Consumer Price Index for the proceeding calendar year.

CITY OF HARVEY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 12. POLICE PENSION FUND (CONTINUED)

Contributions

Per ILCS, covered employees are required to contribute 9.91 percent of their base salaries. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without interest. The City is required to finance the Fund and the administrative costs as actuarially determined by an enrolled actuary. Effective January 1, 2011, ILCS requires that the City has until the year 2040 to fund 90 percent of the past service costs for the Police Pension Plan. The City's actuarially determined contribution rate was 81.55 percent of covered-employee payroll. The City's actual contributions for the year ended April 30, 2022 were \$3,658,028, 150.28 percent of covered-employee payroll.

Actuarial Assumptions

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

Inflation	2.50 percent
Salary Increases	3.50 percent to 11.00 percent
Cost of Living Adjustments	2.25 percent
Discount Rate	6.75 percent
Investment Rate of Return	6.75 percent

Mortality rates are based on rates developed from experience study performed for the State of Illinois Department of Insurance.

Discount Rate

A discount rate of 6.75 percent was used to measure the total pension liability and 6.75 percent was used in the prior year. The projection of cash flow used to determine the 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. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments of 6.75 percent was applied to all periods of projected benefits payments to determine the total pension liability.

For the purpose of this valuation, the expected rate of return on pension plan investments is 6.75 percent. The municipal bond rate is 1.83 percent (based on the daily rate closest to, but not later than the measurement date of the S&P Municipal Bond 20 Year High Grade Index).

CITY OF HARVEY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 12. POLICE PENSION FUND (CONTINUED)

Changes in Net Pension Liability

	Total	Plan Fiduciary	Net Pension
	Pension Liability	Net Position	Liability
	(A)	(B)	(A) - (B)
Balances at beginning of year	<u>\$ 40,254,462</u>	<u>\$ 24,106,996</u>	<u>\$ 16,147,466</u>
Changes for the year:			
Service Cost	745,426	-	745,426
Interest on the Total Pension Liability	2,685,472	-	2,685,472
Differences Between Expected and Actual			
Experience of the Total Pension Liability	(1,771,580)	-	(1,771,580)
Changes of Assumptions	(156,467)	-	(156,467)
Contributions- Employer	-	3,658,028	(3,658,028)
Contributions- Employee	-	241,221	(241,221)
Net Investment Income	-	(1,008,017)	1,008,017
Benefit Payments, including Refunds			
of Employee Contribution	(2,430,235)	(2,430,235)	-
Administrative Expenses	-	(177,010)	177,010
Net Changes	<u>(927,384)</u>	<u>283,987</u>	<u>(1,211,371)</u>
Balances at end of year	<u>\$ 39,327,078</u>	<u>\$ 24,390,983</u>	<u>\$ 14,936,095</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability, calculated using a discount rate of 6.75 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percent lower or 1 percent higher:

	Current		
	1% Decrease	Discount Rate	1% Increase
	5.75%	6.75%	7.75%
Net Pension Liability	\$ 20,239,968	\$ 14,936,095	\$ 10,596,800

CITY OF HARVEY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 12. POLICE PENSION FUND (CONTINUED)

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

For the year ended April 30, 2022, the City recognized a pension expense of \$477,108. At April 30, 2022, 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
Differences between expected and actual experience	\$ 611,028	\$ 2,124,281
Changes of assumptions	-	2,468,172
Net difference between projected and actual earnings on pension plan investment	<u>1,183,646</u>	-
 Total deferred amounts to be recognized in pension expense in future periods	 <u>\$ 1,794,674</u>	 <u>\$ 4,592,453</u>

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

Year Ending	Amounts
April 30,	
2023	\$ (2,635,007)
2024	(388,326)
2025	(310,215)
2026	535,769
2027	-
Thereafter	-
Total	<u>\$ (2,797,779)</u>

CITY OF HARVEY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 13. FIREFIGHTERS' PENSION FUND

Plan Description

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 ILCS (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 President, one member is elected by pension beneficiaries and two members are elected by active fire employees.

Plan Membership

Plan membership as of April 30, 2022:

Retirees and Beneficiaries currently receiving benefits	73
Inactive Plan Members entitled to but not yet receiving benefits	12
Active Plan Members	<u>35</u>
Total	<u><u>120</u></u>

Benefits Provided

The following is a summary of the City of Harvey Firefighters' Pension Plan as provided for in the ILCS:

Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.0 percent of such salary. Employees with at least ten years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit.

The monthly benefit of a 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 3.0 percent of the original pension and 3.0 percent compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the greater of the average monthly salary obtained by dividing the total salary during the 48 consecutive months of service within the last 60 months in which the total salary was the highest by the number of months in that period; or the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of services within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for pension purposes shall not exceed \$106,800 however, that amount shall increase annually by the lesser of $\frac{1}{2}$ of the annual change in the Consumer Price Index or 3.0 percent compounded. 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 75.0 percent of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., $\frac{1}{2}$ percent for each month under 55).

CITY OF HARVEY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 13. FIREFIGHTERS' PENSION FUND (CONTINUED)

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. Non-compounding increases occur annually, each January thereafter. The increase is the lesser of 3.0 percent or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions

Per ILCS, covered employees are required to contribute 9.455 percent of their base salaries. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without interest. The City is required to contribute the remaining amounts necessary to finance the Plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, ILCS requires that the City has until the year 2040 to fund 90 percent of the past service costs for the Firefighters' Pension Plan. The City's actuarially determined contribution rate was 133.22 percent of covered-employee payroll. The City's actual contributions for the year ended April 30, 2022 were \$3,303,143, 128.06 percent of covered-employee payroll.

Actuarial Assumptions:

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

Actuarial assumptions:

Discount rate	5.34%
Investment rate of return	6.50%
High quality 20 year tax exempt G.O. bond	3.21%
Salary increases	3.50% - 45.98%
Inflation	2.25%
Cost-of-living adjustment	2.25%
Payroll increases	3.25%
Disability rates	100% L&A 2020 Illinois Firefighters Disability Rates 150% L&A 2020 Illinois Firefighters Termination Rates
Termination rates	Pub-2010 adjusted for plan status, demographics, and Illinois public pension data 100% L&A 2020 Illinois Firefighters Retirements Rates capped at age 65
Mortality rates	100% L&A 2020 Illinois Firefighters Retirements Rates capped at age 65
Retirement rates	80% of active members
Martial assumptions	

CITY OF HARVEY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 13. FIREFIGHTERS' PENSION FUND (CONTINUED)

Discount Rate

A discount rate of 5.05 percent was used to measure the total pension liability and 4.91 percent was used in the prior year. The projection of cash flow used to determine this 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 discount rate reflects :

- 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
- The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the long-term expected rate of return on pension plan investments of 6.50 percent was blended with the municipal bond rate of 2.27 percent to arrive at a discount rate of 5.05 percent used to determine the total pension liability.

Changes in Net Pension Liability

	Total	Plan Fiduciary	Net Pension
	Pension Liability	Net Position	Liability
	<u>(A)</u>	<u>(B)</u>	<u>(A) - (B)</u>
Balances at beginning of year	\$ 70,063,993	\$ 11,844,260	\$ 58,219,733
Changes for the year:			
Service Cost	620,348	-	620,348
Interest on the Total Pension Liability	2,727,417	-	2,727,417
Differences Between Expected and Actual			
Experience of the Total Pension Liability	(2,063,775)	-	(2,063,775)
Changes of Assumptions	(2,455,232)	-	(2,455,232)
Contributions- Employer	-	3,303,143	(3,303,143)
Contributions- Employee	-	250,719	(250,719)
Contributions- Other	-	-	-
Net Investment Income	-	(526,678)	526,678
Benefit Payments, including Refunds			
of Employee Contribution	(3,239,679)	(3,239,679)	-
Administrative Expense	-	(480,745)	480,745
Net Changes	<u>(4,410,921)</u>	<u>(693,240)</u>	<u>(3,717,681)</u>
Balances at end of year	<u>\$ 65,653,072</u>	<u>\$ 11,151,020</u>	<u>\$ 54,502,052</u>

CITY OF HARVEY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 13. FIREFIGHTERS' PENSION FUND (CONTINUED)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability, calculated using a discount rate of 5.34 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percent lower or 1 percent higher:

	Current		
	1% Decrease	Discount Rate	1% Increase
	4.34%	5.34%	6.34%
Net Pension Liability	\$ 63,624,862	\$ 54,533,488	\$ 47,043,374

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

For the year ended April 30, 2022, the City recognized a pension expense of \$3,027,809. On April 30, 2022, 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
Differences between expected and actual experience	\$ 96,888	\$ 1,563,091
Changes of assumptions	2,825,666	2,194,975
Net difference between projected and actual earnings on pension plan investments	<u>100,047</u>	<u>-</u>
 Total deferred amounts to be recognized in pension expense in future periods	 <u>\$ 3,022,601</u>	 <u>\$ 3,758,066</u>

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

Year Ending April 30,	Amounts
2023	\$ 381,637
2024	(769,195)
2025	(606,133)
2026	258,226
2027	-
Thereafter	<u>-</u>
 Total	 <u>\$ (735,465)</u>

CITY OF HARVEY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 14. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

In addition to providing the pension benefits described, the City provides postemployment health care insurance benefits (OPEB) for its eligible retired employees through a single employer defined benefit plan. The benefits, benefit levels, employee contributions and 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.

The City provides postemployment health care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the City's retirement plans.

All health care benefits are provided through the City's health insurance plan. The benefit levels are the retirees pay the full cost of coverage including the cost for spousal coverage. Benefits include health, dental, vision, and life insurance. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the City's plan becomes secondary. The City pays 100 percent of the actuarially determined single premium cost to the plan for Firefighters employees who retire during calendar year 2022, 50 percent for calendar year 2023, and 25 percent for calendar year 2024. The City pays the full cost of coverage including the cost for spousal coverage for the life of the disabled pensioner. For the fiscal year ending April 30, 2022, retirees contributed \$60,498. Active employees do not contribute to the plan until retirement.

Funding Policy

There is no funding policy that exists for the postretirement plan at this time, as the total OPEB liability is currently an unfunded obligation.

Eligible Plan Participants

At April 30, 2022, membership consisted of:

Active employees	126
Inactive employees currently receiving benefit payments	41
Total	<u><u>167</u></u>

CITY OF HARVEY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 14. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Total OPEB Liability

The City's total OPEB liability was measured as of April 30, 2022.

	<u>Total OPEB Liability</u>
Balances at beginning of year	<u><u>\$ 16,471,769</u></u>
Changes for the year:	
Service cost	684,548
Interest	366,212
Actual experience	-
Changes of assumptions	(2,670,457)
Contributions- Employer	-
Contributions- Employee	-
Contributions- Other	-
Net Investment Income	-
Benefit payments from the plan	(678,142)
Administrative Expense	-
Net Changes	<u><u>(2,297,839)</u></u>
Balances at end of year	<u><u>\$ 14,173,930</u></u>

Discount Rate

The discount rate used in the determination of the total OPEB liability is based on the combination of the expected long-term rate of return on plan assets and the municipal bond rate. Since the City does not have a trust dedicated exclusively to the payment of OPEB benefits, only the municipal bond rate is used to determine the total OPEB liability. The discount rate used for this valuation is 3.21 percent, which was a change from the discount rate of 2.56 percent that was used as of April 30, 2021.

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

The following table presents the total OPEB liability, calculated using a discount rate of 3.21 percent, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1 percent lower or 1 percent higher:

	1% Decrease	Discount Rate	1% Increase
	2.21%	3.21%	4.21%
Total OPEB Liability	\$ 17,039,040	\$ 14,173,930	\$ 11,969,507

CITY OF HARVEY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 14. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

The following table presents the total OPEB liability, calculated using assumed healthcare cost trend rates, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percent lower or 1 percent higher:

	Healthcare Cost		
	1% Decrease (varies)	Trend Rates (varies)	1% Increase (varies)
Total OPEB Liability	\$ 11,603,715	\$ 14,173,930	\$ 17,591,344

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

For the year ended April 30, 2022, the City recognized OPEB expense of \$1,680,201. At April 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 3,202,810	\$ -
Changes in Assumptions	<u>(1,295,350)</u>	<u>-</u>
Total	<u>\$ 1,907,460</u>	<u>\$ -</u>

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB (Continued)

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

Year Ending <u>April 30,</u>	<u>Amounts</u>
2023	\$ 355,776
2024	355,776
2025	355,776
2026	355,776
2027	355,776
Thereafter	<u>128,580</u>
 Total	 <u>\$ 1,907,460</u>

CITY OF HARVEY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 14. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions

The following actuarial assumptions were used for the most recent valuation of the City's OPEB plan:

Inflation	2.25 percent
Salary Increases	3.00 percent
Discount Rate	2.27 percent

Healthcare Trend Rates:

Period	PPO	HMO	Dental/ Vision	Life Insurance
FY 22 to FY 23	2.10%	2.10%	3.00%	0.00%
FY 23 to FY 24	5.75%	5.25%	3.00%	0.00%
FY 24 to FY 25	5.50%	5.00%	3.00%	0.00%
FY 25 to FY 26	5.50%	5.00%	3.00%	0.00%
FY 26 to FY 27	5.25%	4.75%	3.00%	0.00%
FY 27 to FY 28	5.25%	4.75%	3.00%	0.00%
FY 28 to FY 29	5.00%	4.50%	3.00%	0.00%
FY 29 to FY 30	5.00%	4.50%	3.00%	0.00%
Ultimate	5.00%	4.50%	3.00%	0.00%

NOTE 15. SUMMARY OF PENSION INFORMATION

The summary of pension information is to consolidate the deferrals related to pensions from IMRF (footnote 12), police pension fund (footnote 13) and firefighters' pension fund (footnote 14) and to tie the totals to the Statement of Net Position:

	IMRF	Police Pension	Firefighters' Pension	Total
Deferred outflows of resources	\$ 47,537	\$ 1,794,674	\$ 3,022,601	\$ 4,864,812
Deferred inflows of resources	4,984,304	4,592,453	3,758,066	13,334,823

NOTE 16. SUBSEQUENT EVENTS

On October 27, 2022, the City issued \$1,925,000 of tax anticipation warrants in anticipation of the collection of taxes levied for the year 2022 for corporate purposes, directing Cook County to deposit amounts collected from property taxes directly into a fund held by a tax escrow agent and authorizing the sale of the warrants to Cook County.

In August 2023, the City issued \$25,970,000 Limited Tax General Obligation Refunding Bonds, Series 2023A and \$6,280,000 Limited Tax General Obligation Refunding Bonds, Series 2023B (Taxable). The Series 2023A Bonds were issued in exchange for the City's outstanding General Obligation Bonds, Series 2002B and General Obligation Refunding and Improvement Bonds, Series 2007A. The Series 2023B Bonds were being issued in exchange for the City's outstanding General Obligation Refunding and Improvement Bonds, Series 2007B (Taxable). The Series 2023A Bonds will bear interest rates between 4.0 to 4.5 percent, commencing January 1, 2024, with a maturity date of January 1, 2054. The Series 2023B Bonds will bear an interest rate 5.0 percent, commencing January 1, 2024, with a maturity date of January 1, 2035.

In June 2025, the City settled legal action alleging that police action occurred in the City and resulted in the death of an individual in November 2022. The matter was settled for \$900,000, payable in installments of \$75,000 in the year ending April 30, 2026, \$125,000 in the year ending April 30, 2027 and \$100,000 annually thereafter through April 30, 2033.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF HARVEY, ILLINOIS
SCHEDULE OF CHANGES IN NET PENSION
LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND
LAST EIGHT MEASUREMENT PERIODS

	Measurement Period Ended December 31,			
	2021	2020	2019	2018
TOTAL PENSION LIABILITY				
Service cost	\$ 244,675	\$ 238,847	\$ 245,350	\$ 292,144
Interest	1,787,586	1,768,201	1,761,614	1,757,643
Differences between expected and actual experience	55,525	103,445	(192,219)	(72,492)
Changes in assumptions	-	(103,817)	-	582,979
Benefit payments, including refunds of employee contributions	<u>(1,720,555)</u>	<u>(1,763,870)</u>	<u>(1,677,406)</u>	<u>(1,670,597)</u>
Net change in total pension liability	367,231	242,806	137,339	889,677
Total pension liability - beginning	<u>25,394,293</u>	<u>25,151,487</u>	<u>25,014,148</u>	<u>24,124,471</u>
Total pension liability - ending (A)	<u>\$ 25,761,524</u>	<u>\$ 25,394,293</u>	<u>\$ 25,151,487</u>	<u>\$ 25,014,148</u>
PLAN FIDUCIARY NET POSITION				
Contributions-employer	\$ 33,251	\$ 101,455	\$ 40,584	\$ 52,092
Contributions-employee	213,111	135,865	138,553	116,480
Net investment income	6,140,397	4,676,880	5,441,330	(1,871,649)
Benefit payments, including refunds of employee contributions	<u>(1,720,555)</u>	<u>(1,763,870)</u>	<u>(1,677,406)</u>	<u>(1,670,597)</u>
Other	<u>(406,372)</u>	<u>(19,088)</u>	<u>(108,135)</u>	<u>556,509</u>
Net change in plan fiduciary net position	4,259,832	3,131,242	3,834,926	(2,817,165)
Plan fiduciary net position - beginning	<u>34,800,717</u>	<u>31,669,475</u>	<u>27,834,549</u>	<u>30,651,714</u>
Plan fiduciary net position - ending (B)	<u>\$ 39,060,549</u>	<u>\$ 34,800,717</u>	<u>\$ 31,669,475</u>	<u>\$ 27,834,549</u>
NET PENSION LIABILITY (ASSET) - ENDING (A) - (B)	<u><u>\$ (13,299,025)</u></u>	<u><u>\$ (9,406,424)</u></u>	<u><u>\$ (6,517,988)</u></u>	<u><u>\$ (2,820,401)</u></u>
Plan fiduciary net position as a percentage of the total pension liability	151.62%	137.04%	125.91%	111.28%
Covered-employee payroll	\$ 2,801,300	\$ 2,858,761	\$ 2,563,506	\$ 2,560,937
Net pension liability (asset) as a percentage of covered-employee payroll	-474.74%	-329.04%	-254.26%	-110.13%

Notes to Schedule:

This schedule is intended to illustrate the information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Changes in assumptions

For 2015, changes are primarily from a change in the calculated single discount rate from 7.49% in 2014 to 7.47% in 2015.

For 2016, changes are primarily from a change in the calculated single discount rate from 7.47% in 2015 to 7.50% in 2016.

For 2017, changes are primarily from adopting an IMRF specific mortality tables with fully generational projection scale MP-2017 (base year 2015) developed from the RP-2014 mortality tables.

For 2018, the assumed investment rate of return was lowered from 7.50% to 7.25%.

For 2020, changes are primarily from adopting the Pub-2010, amount weighted, general mortality tables for retirees and active members.

CITY OF HARVEY, ILLINOIS
SCHEDULE OF CHANGES IN NET PENSION
LIABILITY AND RELATED RATIOS (CONTINUED)
ILLINOIS MUNICIPAL RETIREMENT FUND
LAST EIGHT MEASUREMENT PERIODS

	Measurement Period Ended December 31,			
	2017	2016	2015	2014
TOTAL PENSION LIABILITY				
Service cost	\$ 303,898	\$ 325,564	\$ 356,490	\$ 363,143
Interest	1,814,498	1,744,053	1,716,206	1,636,718
Differences between expected and actual experience	(553,605)	315,214	(371,551)	(505,541)
Changes in assumptions	(735,581)	-	-	819,879
Benefit payments, including refunds of employee contributions	(1,492,184)	(1,377,296)	(1,251,483)	(1,250,577)
Net change in total pension liability	(662,974)	1,007,535	449,662	1,063,622
Total pension liability - beginning	<u>24,787,445</u>	<u>23,779,910</u>	<u>23,330,248</u>	<u>22,266,626</u>
Total pension liability - ending (A)	<u>\$ 24,124,471</u>	<u>\$ 24,787,445</u>	<u>\$ 23,779,910</u>	<u>\$ 23,330,248</u>
PLAN FIDUCIARY NET POSITION				
Contributions-employer	\$ 30,593	\$ 68,613	\$ 249,956	\$ 189,788
Contributions-employee	144,510	139,875	143,948	155,726
Net investment income	5,063,740	1,812,338	138,881	1,651,805
Benefit payments, including refunds of employee contributions	(1,492,184)	(1,377,296)	(1,251,483)	(1,250,577)
Other	(944,594)	384,889	(664,991)	(73,127)
Net change in plan fiduciary net position	2,802,065	1,028,419	(1,383,689)	673,615
Plan fiduciary net position - beginning	<u>27,849,649</u>	<u>26,821,230</u>	<u>28,204,919</u>	<u>27,531,304</u>
Plan fiduciary net position - ending (B)	<u>\$ 30,651,714</u>	<u>\$ 27,849,649</u>	<u>\$ 26,821,230</u>	<u>\$ 28,204,919</u>
NET PENSION LIABILITY (ASSET) - ENDING (A) - (B)	<u>\$ (6,527,243)</u>	<u>\$ (3,062,204)</u>	<u>\$ (3,041,320)</u>	<u>\$ (4,874,671)</u>
Plan fiduciary net position as a percentage of the total pension liability	127.06%	112.35%	112.79%	120.89%
Covered-employee payroll	\$ 3,021,932	\$ 3,109,423	\$ 3,199,267	\$ 3,323,783
Net pension liability (asset) as a percentage of covered-employee payroll	-216.00%	-98.48%	-95.06%	-146.66%

See independent auditor's report.

CITY OF HARVEY, ILLINOIS
SCHEDULE OF CHANGES IN NET PENSION
LIABILITY AND RELATED RATIOS
POLICE PENSION FUND
LAST EIGHT MEASUREMENT PERIODS

	Measurement Period Ended April 30,			
	2022	2021	2020	2019
TOTAL PENSION LIABILITY				
Service cost	\$ 745,426	\$ 698,933	\$ 843,533	\$ 1,474,134
Interest	2,685,472	2,550,542	2,589,948	2,119,930
Change of benefit terms	-	-	53,785	-
Differences between expected and actual experience	(1,771,580)	880,630	(1,988,989)	413,250
Changes in assumptions	(156,467)	-	-	(11,754,103)
Benefit payments, including refunds of employee contributions	(2,430,235)	(1,925,049)	(1,949,875)	(2,248,778)
Net change in total pension liability	(927,384)	2,205,056	(451,598)	(9,995,567)
Total pension liability - beginning	<u>40,254,462</u>	<u>38,049,406</u>	<u>38,501,004</u>	<u>48,496,571</u>
Total pension liability - ending (A)	<u>\$ 39,327,078</u>	<u>\$ 40,254,462</u>	<u>\$ 38,049,406</u>	<u>\$ 38,501,004</u>
PLAN FIDUCIARY NET POSITION				
Contributions-employer	\$ 3,658,028	\$ 3,132,375	\$ 3,137,720	\$ 2,890,705
Contributions-employee	241,221	258,106	231,809	277,417
Contributions-other	-	-	-	-
Net investment income	(1,008,017)	4,013,158	(349,250)	1,006,081
Benefit payments, including refunds of employee contributions	(2,430,235)	(1,925,049)	(1,949,875)	(2,248,778)
Administrative expenses	(177,010)	(171,557)	(134,144)	(197,596)
Net change in plan fiduciary net position	283,987	5,307,033	936,260	1,727,829
Plan fiduciary net position - beginning	<u>24,106,996</u>	<u>18,799,963</u>	<u>17,863,703</u>	<u>16,135,874</u>
Plan fiduciary net position - ending (B)	<u>\$ 24,390,983</u>	<u>\$ 24,106,996</u>	<u>\$ 18,799,963</u>	<u>\$ 17,863,703</u>
NET PENSION LIABILITY - ENDING (A) - (B)	<u>\$ 14,936,095</u>	<u>\$ 16,147,466</u>	<u>\$ 19,249,443</u>	<u>\$ 20,637,301</u>
Plan fiduciary net position as a percentage of the total pension liability	62.02%	59.89%	49.41%	46.40%
Covered-employee payroll	\$ 2,434,117	\$ 2,838,119	\$ 2,564,381	\$ 3,034,141
Net pension liability as a percentage of covered-employee payroll	613.61%	568.95%	750.65%	680.17%

Notes to Schedule:

This schedule is intended to illustrate the information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

CITY OF HARVEY, ILLINOIS
SCHEDULE OF CHANGES IN NET PENSION
LIABILITY AND RELATED RATIOS (CONTINUED)
POLICE PENSION FUND
LAST EIGHT MEASUREMENT PERIODS

	Measurement Period Ended April 30,			
	2018	2017	2016	2015
TOTAL PENSION LIABILITY				
Service cost	\$ 1,309,289	\$ 2,399,513	\$ 2,014,804	\$ 1,970,450
Interest	2,272,694	1,868,801	1,830,616	1,764,538
Change of benefit terms	-	-	-	-
Differences between expected and actual experience	(536,895)	(206,516)	667,515	(469,066)
Changes in assumptions	7,644,069	(14,402,209)	2,878,930	-
Benefit payments, including refunds of employee contributions	<u>(1,771,853)</u>	<u>(1,845,994)</u>	<u>(1,584,446)</u>	<u>(1,630,027)</u>
Net change in total pension liability	8,917,304	(12,186,405)	5,807,419	1,635,895
Total pension liability - beginning	<u>39,579,267</u>	<u>51,765,672</u>	<u>45,958,253</u>	<u>44,322,358</u>
Total pension liability - ending (A)	<u><u>\$ 48,496,571</u></u>	<u><u>\$ 39,579,267</u></u>	<u><u>\$ 51,765,672</u></u>	<u><u>\$ 45,958,253</u></u>
PLAN FIDUCIARY NET POSITION				
Contributions-employer	\$ 801,584	\$ 1,105,604	\$ 110,219	\$ 216,675
Contributions-employee	308,865	376,040	324,861	361,391
Contributions-other	75	-	-	-
Net investment income	1,072,235	1,427,291	(292,842)	1,036,455
Benefit payments, including refunds of employee contributions	<u>(1,771,853)</u>	<u>(1,845,994)</u>	<u>(1,584,446)</u>	<u>(1,630,027)</u>
Administrative expenses	<u>(216,111)</u>	<u>(153,766)</u>	<u>(114,811)</u>	<u>(116,692)</u>
Net change in plan fiduciary net position	194,795	909,175	(1,557,019)	(132,198)
Plan fiduciary net position - beginning	<u>15,941,079</u>	<u>15,031,904</u>	<u>16,588,923</u>	<u>16,721,121</u>
Plan fiduciary net position - ending (B)	<u><u>\$ 16,135,874</u></u>	<u><u>\$ 15,941,079</u></u>	<u><u>\$ 15,031,904</u></u>	<u><u>\$ 16,588,923</u></u>
NET PENSION LIABILITY - ENDING (A) - (B)	<u><u>\$ 32,360,697</u></u>	<u><u>\$ 23,638,188</u></u>	<u><u>\$ 36,733,768</u></u>	<u><u>\$ 29,369,330</u></u>
Plan fiduciary net position as a percentage of the total pension liability	33.27%	40.28%	29.04%	36.10%
Covered-employee payroll	\$ 3,102,749	\$ 3,574,929	\$ 3,776,616	\$ 3,645,731
Net pension liability as a percentage of covered-employee payroll	1042.97%	661.22%	972.66%	805.58%

See independent auditor's report.

CITY OF HARVEY, ILLINOIS
SCHEDULE OF CHANGES IN NET PENSION
LIABILITY AND RELATED RATIOS
FIREFIGHTERS' PENSION FUND
LAST EIGHT MEASUREMENT PERIODS

	Measurement Period Ended April 30,			
	2022	2021	2020	2019
TOTAL PENSION LIABILITY				
Service cost	\$ 620,348	\$ 895,648	\$ 943,969	\$ 788,433
Interest	2,727,417	2,746,813	3,407,413	3,102,099
Change of benefit terms	-	-	46,035	-
Differences between expected and actual experience	(2,063,775)	277,988	(379,576)	3,040,688
Changes in assumptions	(2,455,232)	(1,356,107)	9,296,657	(4,177,112)
Benefit payments, including refunds of employee contributions	<u>(3,239,679)</u>	<u>(2,931,701)</u>	<u>(2,658,681)</u>	<u>(2,577,394)</u>
Net change in total pension liability	(4,410,921)	(367,359)	10,655,817	176,714
Total pension liability - beginning	<u>70,063,993</u>	<u>70,431,352</u>	<u>59,775,535</u>	<u>59,598,821</u>
Total pension liability - ending (A)	<u>\$ 65,653,072</u>	<u>\$ 70,063,993</u>	<u>\$ 70,431,352</u>	<u>\$ 59,775,535</u>
PLAN FIDUCIARY NET POSITION				
Contributions-employer	\$ 3,303,143	\$ 2,610,530	\$ 2,356,965	\$ 2,520,393
Contributions-employee	250,719	235,322	258,209	205,315
Contributions-other	-	7,194	11,126	-
Net investment income	(526,678)	2,577,527	150,969	385,779
Benefit payments, including refunds of employee contributions	<u>(3,239,679)</u>	<u>(2,931,701)</u>	<u>(2,658,681)</u>	<u>(2,577,394)</u>
Administrative expenses	<u>(480,745)</u>	<u>(352,656)</u>	<u>(439,137)</u>	<u>(425,107)</u>
Net change in plan fiduciary net position	(693,240)	2,146,216	(320,549)	108,986
Plan fiduciary net position - beginning	<u>11,844,260</u>	<u>9,698,044</u>	<u>10,018,593</u>	<u>9,909,608</u>
Plan fiduciary net position - ending (B)	<u>\$ 11,151,020</u>	<u>\$ 11,844,260</u>	<u>\$ 9,698,044</u>	<u>\$ 10,018,594</u>
NET PENSION LIABILITY - ENDING (A) - (B)	<u>\$ 54,502,052</u>	<u>\$ 58,219,733</u>	<u>\$ 60,733,308</u>	<u>\$ 49,756,941</u>
Plan fiduciary net position as a percentage of the total pension liability	16.98%	16.90%	13.77%	16.76%
Covered-employee payroll	\$ 2,579,305	\$ 2,376,114	\$ 2,909,846	\$ 2,797,720
Net pension liability as a percentage of covered-employee payroll	2113.05%	2450.21%	2087.17%	1778.48%

Notes to Schedule:

This schedule is intended to illustrate the information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

CITY OF HARVEY, ILLINOIS
SCHEDULE OF CHANGES IN NET PENSION
LIABILITY AND RELATED RATIOS (CONTINUED)
FIREFIGHTERS' PENSION FUND
LAST EIGHT MEASUREMENT PERIODS

	Measurement Period Ending April 30,			
	2018	2017	2016	2015
TOTAL PENSION LIABILITY				
Service cost	\$ 1,176,309	\$ 1,734,576	\$ 1,789,745	\$ 1,583,616
Interest	2,835,849	2,963,146	2,149,985	2,290,794
Change of benefit terms	-	-	-	-
Differences between expected and actual experience	(3,809,025)	486,306	255,396	-
Changes in assumptions	(11,971,175)	(6,220,396)	10,044,000	-
Benefit payments, including refunds of employee contributions	(2,322,485)	(2,116,128)	(2,012,611)	(2,011,098)
Net change in total pension liability	(14,090,527)	(3,152,496)	12,226,515	1,863,312
Total pension liability - beginning	<u>73,689,348</u>	<u>76,841,844</u>	<u>64,615,329</u>	<u>62,752,017</u>
Total pension liability - ending (A)	<u>\$ 59,598,821</u>	<u>\$ 73,689,348</u>	<u>\$ 76,841,844</u>	<u>\$ 64,615,329</u>
PLAN FIDUCIARY NET POSITION				
Contributions-employer	\$ 1,756,758	\$ 1,849,026	\$ 398,566	\$ 720,764
Contributions-employee	279,256	277,574	325,795	343,183
Contributions-other	-	4,321	-	-
Net investment income	427,920	705,977	(281,071)	561,902
Benefit payments, including refunds of employee contributions	(2,322,485)	(2,116,128)	(2,012,611)	(2,011,098)
Administrative expenses	(119,277)	(123,936)	(94,296)	(82,327)
Net change in plan fiduciary net position	22,172	596,834	(1,663,617)	(467,576)
Plan fiduciary net position - beginning	<u>9,887,436</u>	<u>9,290,602</u>	<u>10,954,219</u>	<u>11,421,795</u>
Plan fiduciary net position - ending (B)	<u>\$ 9,909,608</u>	<u>\$ 9,887,436</u>	<u>\$ 9,290,602</u>	<u>\$ 10,954,219</u>
NET PENSION LIABILITY - ENDING (A) - (B)	<u>\$ 49,689,213</u>	<u>\$ 63,801,912</u>	<u>\$ 67,551,242</u>	<u>\$ 53,661,110</u>
Plan fiduciary net position as a percentage of the total pension liability	16.63%	13.42%	12.09%	16.95%
Covered-employee payroll	\$ 2,002,048	\$ 3,254,289	\$ 3,297,935	\$ 3,188,558
Net pension liability as a percentage of covered-employee payroll	2481.92%	1960.55%	2048.29%	1682.93%

See independent auditor's report.

CITY OF HARVEY, ILLINOIS
SCHEDULE OF CHANGES IN THE TOTAL OPEB
LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFITS PLAN
LAST FOUR MEASUREMENT PERIODS

	Measurement Period Ended April 30,			
	2022	2021	2020	2019
TOTAL OPEB LIABILITY				
Service cost	\$ 684,548	\$ 721,423	\$ 495,479	\$ 495,479
Interest	366,212	324,829	344,067	328,915
Change of benefit terms	-	-	339,503	-
Differences between expected and actual experience	-	4,045,656	-	-
Changes in assumptions	(2,670,457)	(1,166,580)	2,744,880	311,789
Benefit payments, including refunds of employee contributions	<u>(678,142)</u>	<u>(284,334)</u>	<u>(342,898)</u>	<u>(342,898)</u>
Net change in total OPEB liability	(2,297,839)	3,640,994	3,581,031	793,285
Total OPEB liability - beginning	<u>16,471,769</u>	<u>12,830,775</u>	<u>9,249,744</u>	<u>8,456,459</u>
Total OPEB liability - ending (A)	<u>\$ 14,173,930</u>	<u>\$ 16,471,769</u>	<u>\$ 12,830,775</u>	<u>\$ 9,249,744</u>
Covered-employee payroll	\$ 7,826,576	\$ 7,598,617	\$ -	\$ -
Total OPEB liability as a percentage of covered-employee payroll	181.10%	216.77%	N/A	N/A

Notes to Schedule:

This schedule is intended to illustrate the information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

CITY OF HARVEY, ILLINOIS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND
LAST EIGHT FISCAL YEARS

Fiscal Year Ended April 30,	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered- employee payroll	Contributions as a percentage of covered-employee payroll
2022	\$ 28,011	\$ 25,397	\$ 2,614	\$ 2,728,159	0.93%
2021	24,520	24,520	-	2,746,009	0.89%
2020	25,495	25,495	-	3,011,767	0.85%
2019	20,631	20,631	-	2,409,000	0.86%
2018	26,937	26,937	-	2,937,752	0.92%
2017	49,684	49,684	-	3,073,264	1.62%
2016	147,806	249,956	(102,150)	3,199,267	7.81%
2015	189,788	189,788	-	3,323,783	5.71%

Notes to schedule:

This schedule is intended to illustrate the information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Valuation date:

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

Methods and assumptions used to determine 2021 contribution rates:

Actuarial cost method:	Entry age normal
Amortization method:	Level percentage of payroll (closed)
Remaining amortization period:	22 years
Asset valuation method:	5-year smoothed market; 20% corridor
Wage growth:	3.25%
Price inflation:	2.50%
Salary increases:	3.35% to 14.25%
Investment rate of return:	7.25%
Retirement age:	Experience-based table of rates that are specific to the type of eligible condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.
Mortality:	The IMRF specific rates were developed from the RP-2014 Blue Collar Healthy Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, IMRF specific mortality rates were 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 adjustments that were applied for non-disabled lives. For active members, IMRF specific mortality rates were used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other information:

Notes

There were no benefit changes during the year.

CITY OF HARVEY, ILLINOIS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND
LAST EIGHT FISCAL YEARS

Fiscal Year Ended April 30,	Contributions in relation to the actuarially determined contribution				Covered- employee payroll	Contributions as a percentage of covered-employee payroll
	Actuarially determined contribution		Contribution deficiency (excess)			
2022	\$ 1,984,955	\$ 3,658,028	\$ (1,673,073)	\$ 2,434,117		150.28%
2021	1,919,105	3,132,375	(1,213,270)	2,838,119		110.37%
2020	2,223,718	3,137,720	(914,002)	2,564,381		122.36%
2019	2,059,039	2,890,705	(831,666)	3,034,141		95.27%
2018	1,975,917	735,723	1,240,194	3,102,749		23.71%
2017	1,890,827	1,105,604	785,223	3,574,929		30.93%
2016	1,220,938	110,219	1,110,719	3,776,616		2.92%
2015	1,031,559	216,675	814,884	3,646,731		5.94%

Notes to schedule:

This schedule is intended to illustrate the information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Valuation date:

The actuarially determined contribution is calculated using a May 1, 2021 valuation date.

Methods and assumptions used to determine contribution rates:

Actuarial cost method:	Entry age normal
Amortization method:	Level percentage of payroll, closed
Remaining amortization period:	90% funded over 21 years
Asset valuation method:	5-year smoothed market value
Investment rate of return:	6.75%
Inflation:	2.50%
Total payroll increases:	3.50%
Individual pay increases:	Service-based rates
Mortality table:	PubS-2010 Employee Mortality, projected 5 years past the valuation date with Scale MP-2020. 10% of active deaths are assumed to be in the line of duty.
Retirement rates:	PubS-2010 Healthy Retiree Mortality, projected 5 years pas the valuation date with Scale MP-2020.
Disability rates:	PubS-2010 Disabled Mortality, projected 5 years pas the valuation date with Scale MP-2020.

CITY OF HARVEY, ILLINOIS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FIREFIGHTERS' PENSION FUND
LAST EIGHT FISCAL YEARS

Fiscal Year Ended April 30,	Contributions in relation to the actuarially determined contribution				Contributions as a percentage of covered-employee payroll
	Actuarially determined contribution	actuarially determined contribution	Contribution deficiency (excess)	Covered- employee payroll	
2022	\$ 3,436,166	\$ 3,303,143	\$ 133,023	\$ 2,579,305	128.06%
2021	3,169,462	2,610,530	558,932	2,376,114	109.87%
2020	2,776,314	2,356,965	419,349	2,909,846	81.00%
2019	2,895,120	2,520,393	374,727	2,797,720	90.09%
2018	2,648,040	1,756,758	891,282	2,002,048	87.75%
2017	2,083,797	1,849,026	234,771	3,254,289	56.82%
2016	1,950,025	398,566	1,551,459	3,297,935	12.09%
2015	2,070,500	720,764	1,349,736	3,188,558	22.60%

Notes to schedule:

This schedule is intended to illustrate the information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Valuation date:

The actuarially determined contribution is calculated using a May 1, 2021 valuation date.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected unit credit
Amortization method	Level percentage of payroll, closed
Remaining amortization period	90% funded over 20 years
Asset valuation method	5-year smoothed market value
Investment rate of return	6.50%
Inflation	2.25%
Total payroll increases	3.25%
Individual pay increases	3.50% - 45.98%
Mortality table	RP-2010 adjusted for plan status, demographics, and Illinois Public Pension data, as described
Retirement rates	100% of L&A 2020 Illinois firefighters retirement rates capped at age 65
Disability rates	100% of L&A 2016 Illinois firefighters disability rates
Termination rates	150% of L&A 2020 Illinois firefighters termination rates

CITY OF HARVEY, ILLINOIS
SCHEDULE OF INVESTMENT RETURNS
POLICE PENSION FUND
LAST EIGHT FISCAL YEARS

Fiscal Year Ended April 30,	Annual money-weighted rate of return, net of investment expenses
2022	-5.39%
2021	25.58%
2020	-2.20%
2019	N/A
2018	7.54%
2017	10.04%
2016	-1.63%
2015	4.05%

Notes to Schedule:

This schedule is intended to illustrate the information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

CITY OF HARVEY, ILLINOIS
SCHEDULE OF INVESTMENT RETURNS
FIREFIGHTERS' PENSION FUND
LAST EIGHT FISCAL YEARS

Fiscal Year Ended April 30,	Annual money-weighted rate of return, net of investment expenses
2022	-2.71%
2021	27.19%
2020	1.68%
2019	4.22%
2018	4.49%
2017	7.64%
2016	-2.73%
2015	5.19%

Notes to Schedule:

This schedule is intended to illustrate the information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

CITY OF HARVEY, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2022

	Original and Final Budget	Actual	Variance with Budget Over (Under)
REVENUES			
Taxes	\$ 9,896,812	\$ 14,072,929	\$ 4,176,117
Intergovernmental	11,015,000	9,721,640	(1,293,360)
Licenses and permits	1,056,000	1,089,366	33,366
Charges for services	3,380,000	2,731,386	(648,614)
Fines and forfeitures	400,000	934,597	534,597
Interest	-	131	131
Miscellaneous	<u>115,000</u>	<u>534,880</u>	<u>419,880</u>
Total Revenues	<u>25,862,812</u>	<u>29,084,929</u>	<u>3,222,117</u>
EXPENDITURES			
Current			
General government	9,291,366	6,675,588	(2,615,778)
Public works	3,021,943	2,713,623	(308,320)
Public safety	17,061,075	18,497,426	1,436,351
Capital outlay	675,000	1,214,295	539,295
Debt service			
Principal retirement	-	55,794	55,794
Interest charges	<u>-</u>	<u>17,499</u>	<u>17,499</u>
Total Expenditures	<u>30,049,384</u>	<u>29,174,225</u>	<u>(875,159)</u>
Deficiency of revenues under expenditures	<u>(4,186,572)</u>	<u>(89,296)</u>	<u>4,097,276</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(550,344)	(550,344)	-
Lease proceeds	<u>-</u>	<u>821,809</u>	<u>821,809</u>
Total Other Financing Sources (Uses)	<u>(550,344)</u>	<u>271,465</u>	<u>821,809</u>
Net change in fund balance	<u>\$ (4,736,916)</u>	<u>182,169</u>	<u>\$ 4,919,085</u>
Fund balance (deficit) at beginning of year			<u>(61,638,518)</u>
Fund balance (deficit) at end of year			<u>\$ (61,456,349)</u>

See independent auditor's report.

CITY OF HARVEY, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
MOTOR FUEL TAX FUND
FOR THE YEAR ENDED APRIL 30, 2022

	Original and Final Budget	Actual	Variance with Budget Over (Under)
REVENUES			
Intergovernmental			
Intergovernmental	\$ 1,700,000	\$ 1,563,254	\$ (136,746)
Total Revenues	<u>1,700,000</u>	<u>1,563,254</u>	<u>(136,746)</u>
EXPENDITURES			
Public Works			
Personnel services	504,056	573,609	69,553
Commodities	645,000	495,370	(149,630)
Contractual services	550,000	51,398	(498,602)
Capital outlay	-	15,915	15,915
Total Expenditures	<u>1,699,056</u>	<u>1,136,292</u>	<u>(562,764)</u>
Net change in fund balance	<u><u>\$ 944</u></u>	<u><u>426,962</u></u>	<u><u>\$ 426,018</u></u>
Fund balance at beginning of year		5,096,254	
Fund balance at end of year		<u><u>\$ 5,523,216</u></u>	

See independent auditor's report.

CITY OF HARVEY, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
APRIL 30, 2022

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

Budgets are adopted on a basis consistent with generally accepted accounting principles. The annual appropriation ordinance was passed on October 25, 2021. 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 following May 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted by the City to obtain taxpayer comments.
- The budget is legally enacted on an annual basis through passage of an ordinance.
- Formal budgetary integration is required as a management control device during the year for the General Fund and for certain special revenue funds.
- 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 departments may be made by administrative actions. Amounts to be transferred between funds would require City Council approval. The level of legal control is generally to be the fund budget in total.
- Budgeted amounts are as originally adopted.

SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

MAJOR GOVERNMENTAL FUNDS

General Fund

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. This fund includes the City's primary operations such as general government, public safety, public works, and community development.

Motor Fuel Tax

The Motor Fuel Tax Fund accounts for revenues received from the State of Illinois derived from motor fuel taxes. These funds are restricted to be used for the maintenance, repair, and improvement of streets, roads, and related infrastructure within the City.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. This fund ensures that the City's bonded indebtedness and related obligations are serviced as they become due.

Capital Projects Fund

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary or trust funds) and for the replacement of City equipment. The fund supports major infrastructure and improvement projects throughout the City. This fund does not have a legally adopted budget.

TIF I Dixie Square Fund

The TIF I Dixie Square Fund is used to account for the restricted incremental property taxes generated within the Dixie Square Tax Increment Financing District and the use of those funds for redevelopment and infrastructure improvements within the district.

TIF II Center Street Fund

The TIF II Center Street Fund is used to account for the restricted incremental property taxes generated within the Center Street Tax Increment Financing District and the use of those funds for redevelopment, infrastructure enhancement, and economic development projects within the district. This fund does not have a legally adopted budget.

CITY OF HARVEY, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED APRIL 30, 2021

	2022		Variance with		2021
	Original and		Budget		Actual
	Final Budget	Actual	Over (Under)	Budget	
REVENUES					
Taxes					
Property taxes	\$ 7,176,812	\$ 10,266,088	\$ 3,089,276	\$ 8,290,752	
Real estate transaction	130,000	153,172	23,172	129,446	
Utility	1,300,000	1,415,581	115,581	1,238,047	
Telecommunication	300,000	296,099	(3,901)	288,154	
Video gaming	100,000	183,693	83,693	118,125	
Casino	650,000	1,460,181	810,181	885,744	
Franchise	120,000	137,914	17,914	124,580	
Hotel/motel	120,000	160,201	40,201	119,583	
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total taxes	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	9,896,812	14,072,929	4,176,117	11,194,431	
Intergovernmental					
Federal/State grants	3,700,000	248,670	(3,451,330)	835,705	
Replacement tax	865,000	2,147,703	1,282,703	979,249	
State sales tax	2,400,000	3,054,688	654,688	2,747,933	
State income tax	2,900,000	3,370,916	470,916	3,284,168	
State use tax	1,150,000	899,663	(250,337)	1,162,172	
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total intergovernmental	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	11,015,000	9,721,640	(1,293,360)	9,009,227	
Licenses and permits					
Licenses					
Vehicles	260,000	196,383	(63,617)	231,170	
Liquor	125,000	83,250	(41,750)	123,750	
Business	210,000	88,975	(121,025)	178,431	
Vending machines	-	47,380	47,380	107,674	
Contractors	80,000	80,154	154	84,498	
Permits					
Building	350,000	585,805	235,805	307,264	
Electric	20,000	4,480	(15,520)	22,563	
Plumbing	8,500	1,783	(6,717)	8,441	
Other	2,500	1,156	(1,344)	2,192	
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total licenses and permits	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,056,000	1,089,366	33,366	1,065,983	

See independent auditor's report.

CITY OF HARVEY, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED APRIL 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED APRIL 30, 2021

	2022		Variance with Budget Over (Under)	2021
	Original and Final Budget	Actual		Actual
REVENUES (Continued)				
Charges for services				
Debris usage/mowing fees	\$ -	\$ 1,724	\$ 1,724	\$ 1,947
Refuse collection fees	1,900,000	1,813,916	(86,084)	1,898,923
Towing collection fees	125,000	27,215	(97,785)	124,770
Vacant property registration fees	135,000	90,629	(44,371)	125,989
Public safety registration	145,000	39,107	(105,893)	55,150
Inspection point of sale	60,000	103,513	43,513	87,801
Birth/death certificate fees	30,000	33,023	3,023	27,857
Fire service fees	250,000	20	(249,980)	(83,237)
Fuel tax distributors	120,000	112,903	(7,097)	92,747
Rental unit inspections	60,000	45,433	(14,567)	32,475
Photostats	15,000	15,893	893	11,181
Rents	75,000	103,409	28,409	47,401
Special events	15,000	16,750	1,750	4,350
911 tax on users	300,000	162,547	(137,453)	421,073
Other	<u>150,000</u>	<u>165,304</u>	<u>15,304</u>	<u>234,549</u>
Total charges for services	<u>3,380,000</u>	<u>2,731,386</u>	<u>(648,614)</u>	<u>3,082,976</u>
Fines and forfeitures				
Housing court	100,000	153,843	53,843	85,845
Police	<u>300,000</u>	<u>780,754</u>	<u>480,754</u>	<u>437,887</u>
Total fines and forfeitures	<u>400,000</u>	<u>934,597</u>	<u>534,597</u>	<u>523,732</u>
Interest	-	131	131	243
Miscellaneous				
Retiree health	80,000	60,498	(19,502)	82,749
Penalties	35,000	49,499	14,499	48,808
Other revenue	-	424,883	424,883	-
Total miscellaneous	<u>115,000</u>	<u>534,880</u>	<u>419,880</u>	<u>131,557</u>
Total Revenues	<u>25,862,812</u>	<u>29,084,929</u>	<u>3,222,117</u>	<u>25,008,149</u>

See independent auditor's report.

CITY OF HARVEY, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED APRIL 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED APRIL 30, 2021

	2022		Variance with Budget Over (Under)	2021
	Original and Final Budget	Actual		Actual
EXPENDITURES				
General government				
Mayor				
Personnel services	\$ 79,176	\$ 81,156	\$ 1,980	\$ 83,400
Contractual services	-	600	600	-
Other	<u>30,000</u>	<u>13,638</u>	<u>(16,362)</u>	<u>8,834</u>
Total mayor	<u>109,176</u>	<u>95,394</u>	<u>(13,782)</u>	<u>92,234</u>
Mayor's office				
Personnel services	893,800	892,699	(1,101)	722,536
Contractual services	230,000	205,389	(24,611)	213,727
Other	<u>370,000</u>	<u>477,429</u>	<u>107,429</u>	<u>360,621</u>
Total mayor's office	<u>1,493,800</u>	<u>1,575,517</u>	<u>81,717</u>	<u>1,296,884</u>
Legal department				
Contractual services	<u>750,000</u>	<u>575,400</u>	<u>(174,600)</u>	<u>835,936</u>
Total legal department	<u>750,000</u>	<u>575,400</u>	<u>(174,600)</u>	<u>835,936</u>
Aldermen				
Personnel services	327,338	333,116	5,778	345,939
Other	<u>150,000</u>	<u>40,017</u>	<u>(109,983)</u>	<u>51,186</u>
Total aldermen	<u>477,338</u>	<u>373,133</u>	<u>(104,205)</u>	<u>397,125</u>
City clerk				
Personnel services	200,660	193,948	(6,712)	194,596
Contractual Services	4,500	472	(4,028)	6,960
Other	<u>8,000</u>	<u>10,075</u>	<u>2,075</u>	<u>14,687</u>
Total city clerk	<u>213,160</u>	<u>204,495</u>	<u>(8,665)</u>	<u>216,243</u>
City treasurer				
Personnel services	29,442	30,038	596	32,165
Other	<u>750</u>	<u>1,300</u>	<u>550</u>	<u>1,137</u>
Total city treasurer	<u>30,192</u>	<u>31,338</u>	<u>1,146</u>	<u>33,302</u>

See independent auditor's report.

CITY OF HARVEY, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED APRIL 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED APRIL 30, 2021

	2022		Variance with Budget Over (Under)	2021
	Original and Final Budget	Actual		Actual
EXPENDITURES (Continued)				
Finance department				
Personnel services	\$ 152,800	\$ 79,718	\$ (73,082)	\$ -
Contractual services	659,000	754,905	95,905	622,743
Other	<u>63,500</u>	<u>87,632</u>	<u>24,132</u>	<u>73,009</u>
Total finance department	<u>875,300</u>	<u>922,255</u>	<u>46,955</u>	<u>695,752</u>
Planning and development				
Personnel services	614,000	285,843	(328,157)	370,580
Contractual services	183,000	189,547	6,547	182,537
Other	<u>21,400</u>	<u>8,192</u>	<u>(13,208)</u>	<u>15,140</u>
Total planning and development	<u>818,400</u>	<u>483,582</u>	<u>(334,818)</u>	<u>568,257</u>
Miscellaneous appropriations/ specific purpose				
Personnel services	2,124,000	1,311,243	(812,757)	487,775
Contractual services	<u>2,400,000</u>	<u>1,103,231</u>	<u>(1,296,769)</u>	<u>1,340,385</u>
Total miscellaneous appropriations /specific purpose	<u>4,524,000</u>	<u>2,414,474</u>	<u>(2,109,526)</u>	<u>1,828,160</u>
Total general government	<u>9,291,366</u>	<u>6,675,588</u>	<u>(2,615,778)</u>	<u>5,963,893</u>
Public safety				
Police department				
Personnel services	9,665,420	9,626,590	(38,830)	9,461,639
Commodities	568,000	907,056	339,056	345,251
Other	<u>492,500</u>	<u>370,784</u>	<u>(121,716)</u>	<u>464,877</u>
Total police department	<u>10,725,920</u>	<u>10,904,430</u>	<u>178,510</u>	<u>10,271,767</u>
Fire department				
Personnel services	5,959,559	7,169,239	1,209,680	6,094,233
Commodities	7,000	29,410	22,410	22,797
Other	<u>368,596</u>	<u>394,347</u>	<u>25,751</u>	<u>286,942</u>
Total fire department	<u>6,335,155</u>	<u>7,592,996</u>	<u>1,257,841</u>	<u>6,403,972</u>

See independent auditor's report.

CITY OF HARVEY, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED APRIL 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED APRIL 30, 2021

	2022		Variance with Budget Over (Under)	2021
	Original and Final Budget	Actual		Actual
EXPENDITURES (Continued)				
E911 Emergency Surcharge				
Personnel services	\$ -	\$ -	\$ -	\$ 3,387
Other	- -	- -	- -	22,860
Total E911 emergency surcharge	- -	- -	- -	26,247
Total public safety	<u>17,061,075</u>	<u>18,497,426</u>	<u>1,436,351</u>	<u>16,701,986</u>
Public works				
Streets administration				
Personnel services	180,300	190,556	10,256	179,594
Other	- -	990	990	78
Total streets administration	<u>180,300</u>	<u>191,546</u>	<u>11,246</u>	<u>179,672</u>
Street maintenance department				
Personnel Services	689,043	397,915	(291,128)	482,911
Commodities	1,800,000	1,651,445	(148,555)	1,612,690
Contractual services	75,000	62,262	(12,738)	76,440
Other	277,600	408,627	131,027	468,368
Total street maintenance department	<u>2,841,643</u>	<u>2,520,249</u>	<u>(321,394)</u>	<u>2,640,409</u>
Public property/utility maintenance				
Other	- -	1,828	1,828	1,453
Total public property/utility maintenance	<u>- -</u>	<u>1,828</u>	<u>1,828</u>	<u>1,453</u>
Total public works	<u>3,021,943</u>	<u>2,713,623</u>	<u>(308,320)</u>	<u>2,821,534</u>
Community development				
Community center				
Other	- -	- -	- -	(450)
Total community center	<u>- -</u>	<u>- -</u>	<u>- -</u>	<u>(450)</u>
Total community development	<u>- -</u>	<u>- -</u>	<u>- -</u>	<u>(450)</u>

See independent auditor's report.

CITY OF HARVEY, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED APRIL 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED APRIL 30, 2021

	2022			2021	
	Original and Final Budget	Actual	Variance with Budget Over (Under)	Budget Over (Under)	Actual
EXPENDITURES (Continued)					
Capital outlay					
General government					
Equipment	\$ 60,000	\$ 103,709	\$ 43,709	\$ 62,651	
Vehicles	-	821,809	821,809	-	
Public safety					
Equipment	85,000	68,793	(16,207)	129,639	
Vehicles	-	-	-	24,981	
Public works					
Equipment	50,000	219,984	169,984	245,079	
Vehicles	<u>480,000</u>	<u>-</u>	<u>(480,000)</u>	<u>-</u>	
Total capital outlay	<u>675,000</u>	<u>1,214,295</u>	<u>539,295</u>	<u>462,350</u>	
Debt service					
Principal retirement	-	55,794	55,794	-	
Interest charges	<u>-</u>	<u>17,499</u>	<u>17,499</u>	<u>-</u>	
Total Expenditures	<u>30,049,384</u>	<u>29,174,225</u>	<u>(875,159)</u>	<u>25,949,313</u>	
Deficiency of revenues under expenditures	<u>(4,186,572)</u>	<u>(89,296)</u>	<u>4,097,276</u>	<u>(941,164)</u>	
OTHER FINANCING SOURCES (USES)					
Transfers (out)	(550,344)	(550,344)	-	(552,344)	
Lease proceeds	<u>-</u>	<u>821,809</u>	<u>821,809</u>	<u>-</u>	
Total Other Financing Sources (Uses)	<u>(550,344)</u>	<u>271,465</u>	<u>821,809</u>	<u>(552,344)</u>	
Net change in fund balance	<u>\$ (4,736,916)</u>	<u>182,169</u>	<u>\$ 4,919,085</u>	<u>(1,493,508)</u>	
Fund balance (deficit) at beginning of year		<u>(61,638,518)</u>			<u>(60,145,010)</u>
Fund balance (deficit) at end of year		<u>\$ (61,456,349)</u>			<u>\$ (61,638,518)</u>

See independent auditor's report.

CITY OF HARVEY, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
MOTOR FUEL TAX FUND
FOR THE YEAR ENDED APRIL 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED APRIL 30, 2021

	2022		Variance with Budget Over (Under)	2021
	Original and Final Budget	Actual		Actual
REVENUES				
Intergovernmental				
Intergovernmental	\$ 1,700,000	\$ 1,563,254	\$ (136,746)	\$ 1,738,291
Total Revenues	<u>1,700,000</u>	<u>1,563,254</u>	<u>(136,746)</u>	<u>1,738,291</u>
EXPENDITURES				
Public Works				
Personnel services	504,056	573,609	69,553	491,596
Commodities	645,000	495,370	(149,630)	790,032
Contractual services	550,000	51,398	(498,602)	167,396
Capital outlay	-	15,915	15,915	6,397
Total Expenditures	<u>1,699,056</u>	<u>1,136,292</u>	<u>(562,764)</u>	<u>1,455,421</u>
Net change in fund balance	<u>\$ 944</u>	<u>426,962</u>	<u>\$ 426,018</u>	<u>282,870</u>
Fund balance at beginning of year		<u>5,096,254</u>		<u>4,813,384</u>
Fund balance at end of year		<u>\$ 5,523,216</u>		<u>\$ 5,096,254</u>

See independent auditor's report.

CITY OF HARVEY, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE YEAR ENDED APRIL 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED APRIL 30, 2021

	2022		Variance with Budget Over (Under)	2021
	Original and Final Budget	Actual		Actual
REVENUES				
Property taxes	\$ 3,143,686	\$ 2,914,148	\$ (229,538)	\$ 2,224,848
Interest	1,000	460	(540)	1,075
Total Revenues	3,144,686	2,914,608	(230,078)	2,225,923
EXPENDITURES				
Current				
General government	1,750	2,149	399	31,750
Debt service				
Principal retirement	2,455,000	1,731,751	(723,249)	1,543,176
Interest charges	1,617,110	1,278,775	(338,335)	1,478,381
Total Expenditures	4,073,860	3,012,675	(1,061,185)	3,053,307
Net change in fund balance	(929,174)	(98,067)	831,107	(827,384)
Fund balance (deficit) at beginning of year		(4,003,787)		(3,176,403)
Fund balance (deficit) at end of year		\$ (4,101,854)		\$ (4,003,787)

See independent auditor's report.

CITY OF HARVEY, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED APRIL 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED APRIL 30, 2021

	2022		Variance with Budget Over (Under)	2021	
	Original and Final Budget*	Actual			
	\$	(8)		\$	55
REVENUES					
Interest					
Total Revenues		(8)			55
EXPENDITURES					
General Government					
Miscellaneous		447			-
Total Expenditures		447			-
Net change in fund balance		(455)			55
Fund balance at beginning of year			2,556,192		2,556,137
Fund balance at end of year	\$	<u>2,555,737</u>		\$	<u>2,556,192</u>

*This fund does not have a legally adopted budget.

CITY OF HARVEY, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
TIF I DIXIE SQUARE FUND
FOR THE YEAR ENDED APRIL 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED APRIL 30, 2021

	2022		Variance with Budget Over (Under)	2021
	Original and Final Budget	Actual		Actual
	\$ 395,000	\$ -	\$ (395,000)	\$ 218,649
REVENUES				
Taxes	\$ 395,000	\$ -	\$ (395,000)	\$ 218,649
Total Revenues	<u>395,000</u>	<u>-</u>	<u>(395,000)</u>	<u>218,649</u>
EXPENDITURES				
Public Works				
Contractual	2,200	9,969	7,769	16,715
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>34</u>
Total Expenditures	<u>2,200</u>	<u>9,969</u>	<u>7,769</u>	<u>16,749</u>
Net change in fund balance	<u>\$ 392,800</u>	<u>(9,969)</u>	<u>\$ (402,769)</u>	<u>201,900</u>
Fund balance at beginning of year		<u>5,176,637</u>		<u>4,974,737</u>
Fund balance at end of year		<u>\$ 5,166,668</u>		<u>\$ 5,176,637</u>

See independent auditor's report.

CITY OF HARVEY, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
TIF II CENTER STREET FUND
FOR THE YEAR ENDED APRIL 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED APRIL 30, 2021

	2022		2021
	Original and Final Budget*	Actual	Variance with Budget Over (Under)
REVENUES			
Taxes		\$ 25,020	\$ 1,229,625
Total Revenues		25,020	1,229,625
EXPENDITURES			
Public Works			
Contractual		14,736	31,947
Total Expenditures		14,736	31,947
Net change in fund balance		10,284	1,197,678
Fund balance at beginning of year		10,356,254	9,158,576
Fund balance at end of year		\$ 10,366,538	\$ 10,356,254

*This fund does not have a legally adopted budget.

NONMAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECTS FUNDS

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 Fund is used to account for the incremental property taxes of the TIF IV 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 Wyman Gordon 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. This fund does not have a legally adopted budget.

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.

TIF VIII Transit Oriented Development Fund

The TIF VIII Transit Oriented Development Fund is used to account for the incremental property taxes of the TIF VIII Transit Oriented Development Tax Incremental Financing District and the use of those funds.

Grants and Capital Projects Fund

The Grants and Capital Projects Fund is used to account for financial resources received from federal, state, and local grant programs and for expenditures related to specific capital improvement projects. This fund tracks restricted and committed grant revenues and ensures that grant and capital project expenditures are used for their intended purposes in compliance with grant agreements and applicable regulations. This fund does not have a legally adopted budget.

CITY OF HARVEY, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
APRIL 30, 2022

	Hotel/Motel	TIF III Cresco Business Park	TIF IV Dixie Sibley	TIF V RPM Wyman Gordon
ASSETS				
Cash and investments	\$ -	\$ 900,693	\$ 679,274	\$ 143,609
Advances to other funds	<u>697</u>	<u>1,361,988</u>	<u>2,538,830</u>	<u>782,096</u>
Total Assets	<u><u>697</u></u>	<u><u>2,262,681</u></u>	<u><u>3,218,104</u></u>	<u><u>925,705</u></u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Advances from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable				
Interfund loans	697	1,361,988	2,538,830	782,096
Restricted				
Economic development	-	900,693	679,274	143,609
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances (Deficits)	<u><u>697</u></u>	<u><u>2,262,681</u></u>	<u><u>3,218,104</u></u>	<u><u>925,705</u></u>
Total Liabilities and Fund Balances	<u><u>697</u></u>	<u><u>2,262,681</u></u>	<u><u>3,218,104</u></u>	<u><u>925,705</u></u>

See independent auditor's report.

CITY OF HARVEY, ILLINOIS
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR CAPITAL PROJECTS FUNDS
APRIL 30, 2022

	TIF VI Dixie Highway Corridor	TIF VII Arco/147th Street	TIF VIII Transit Oriented Development	Grants and Capital Projects	Total
ASSETS					
Cash and investments	\$ 336,897	\$ 951,020	\$ -	\$ -	\$ 3,011,493
Advances to other funds	-	1,067,087	-	-	5,750,698
Total Assets	\$ 336,897	\$ 2,018,107	\$ -	\$ -	\$ 8,762,191
LIABILITIES					
Accounts payable	\$ 9,019	\$ -	\$ 32,339	\$ 1,360	\$ 42,718
Advances from other funds	9,980	-	79,086	137,235	226,301
Total Liabilities	18,999	-	111,425	138,595	269,019
FUND BALANCES					
Nonspendable	-	1,067,087	-	-	5,750,698
Interfund loans	-	-	-	-	-
Restricted					
Economic development	317,898	951,020	-	-	2,992,494
Unassigned	-	-	(111,425)	(138,595)	(250,020)
Total Fund Balances (Deficits)	317,898	2,018,107	(111,425)	(138,595)	8,493,172
Total Liabilities and Fund Balances	\$ 336,897	\$ 2,018,107	\$ -	\$ -	\$ 8,762,191

See independent auditor's report.

CITY OF HARVEY, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED APRIL 30, 2022

	Hotel/Motel	TIF III Cresco Business Park	TIF IV Dixie Sibley	TIF V RPM Wyman Gordon
REVENUES				
Property taxes	\$ -	\$ 541,329	\$ 291,922	\$ 53,254
Intergovernmental	- -	- -	- -	- -
Total Revenues	-	541,329	291,922	53,254
EXPENDITURES				
Public works				
Contractual	- -	- -	24,413	- -
Capital outlay	- -	- -	- -	- -
Debt service				
Principal retirement	330,000	- -	- -	- -
Interest and fiscal charges	220,344	- -	- -	- -
Total Expenditures	550,344	- -	24,413	- -
Excess (deficiency) of revenues over (under) expenditures	(550,344)	541,329	267,509	53,254
OTHER FINANCING SOURCES				
Transfers in	550,344	- -	- -	- -
Total Other Financing Sources	550,344	- -	- -	- -
Net changes in fund balances	- -	541,329	267,509	53,254
Fund balances (deficits) at beginning of year	697	1,721,352	2,950,595	872,451
Fund balances (deficits) at end of year	\$ 697	\$ 2,262,681	\$ 3,218,104	\$ 925,705

See independent auditor's report.

CITY OF HARVEY, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED APRIL 30, 2022

	TIF VI Dixie Highway Corridor	TIF VII Arco/147th Street	TIF VIII Transit Oriented Development	Grants and Capital Projects Fund	Total
REVENUES					
Property taxes	\$ 299,492	\$ 708,022	\$ -	\$ -	\$ 1,894,019
Intergovernmental	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,904</u>	<u>11,904</u>
Total Revenues	<u>299,492</u>	<u>708,022</u>	<u>-</u>	<u>11,904</u>	<u>1,905,923</u>
EXPENDITURES					
Public works					
Contractual	35,345	7,208	101,975	6,481	175,422
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>144,018</u>	<u>144,018</u>
Debt service					
Principal retirement	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>330,000</u>
Interest and fiscal charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>220,344</u>
Total Expenditures	<u>35,345</u>	<u>7,208</u>	<u>101,975</u>	<u>150,499</u>	<u>869,784</u>
Excess (deficiency) of revenues over (under) expenditures	<u>264,147</u>	<u>700,814</u>	<u>(101,975)</u>	<u>(138,595)</u>	<u>1,036,139</u>
OTHER FINANCING SOURCES					
Transfers in					
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>550,344</u>
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>550,344</u>
Net changes in fund balances	264,147	700,814	(101,975)	(138,595)	1,586,483
Fund balances (deficits) at beginning of year	<u>53,751</u>	<u>1,317,293</u>	<u>(9,450)</u>	<u>-</u>	<u>6,906,689</u>
Fund balances (deficits) at end of year	<u>\$ 317,898</u>	<u>\$ 2,018,107</u>	<u>\$ (111,425)</u>	<u>\$ (138,595)</u>	<u>\$ 8,493,172</u>

See independent auditor's report.

CITY OF HARVEY, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
HOTEL/MOTEL FUND
FOR THE YEAR ENDED APRIL 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED APRIL 30, 2021

	2022		Variance with Budget Over (Under)	2021
	Original and Final Budget	Actual		Actual
REVENUES				
Total Revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	330,000	330,000	-	310,000
Interest and fiscal charges	230,344	220,344	(10,000)	242,344
Total Expenditures	560,344	550,344	(10,000)	552,344
Deficiency of revenues under expenditures	(560,344)	(550,344)	10,000	(552,344)
OTHER FINANCING SOURCES				
Transfers in	550,344	550,344	-	552,344
Total Other Financing Sources	550,344	550,344	-	552,344
Net change in fund balance	\$ (10,000)	-	\$ 10,000	-
Fund balance at beginning of year		697		697
Fund balance at end of year		<u><u>\$ 697</u></u>		<u><u>\$ 697</u></u>

See independent auditor's report.

CITY OF HARVEY, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
TIF III CRESCO BUSINESS PARK FUND
FOR THE YEAR ENDED APRIL 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED APRIL 30, 2021

	2022		Variance with Budget Over (Under)	2021
	Original and Final Budget	Actual		Actual
REVENUES				
Property taxes	\$ 185,000	\$ 541,329	\$ 356,329	\$ 86,728
Total Revenues	<u>185,000</u>	<u>541,329</u>	<u>356,329</u>	<u>86,728</u>
EXPENDITURES				
Public Works				
Contractual	2,200	-	(2,200)	-
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>37</u>
Total Expenditures	<u>2,200</u>	<u>-</u>	<u>(2,200.00)</u>	<u>37</u>
Net change in fund balance	<u>\$ 182,800</u>	<u>541,329</u>	<u>\$ 358,529</u>	<u>86,691</u>
Fund balance at beginning of year		<u>1,721,352</u>		<u>1,634,661</u>
Fund balance at end of year		<u>\$ 2,262,681</u>		<u>\$ 1,721,352</u>

See independent auditor's report.

CITY OF HARVEY, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
TIF IV DIXIE SIBLEY FUND
FOR THE YEAR ENDED APRIL 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED APRIL 30, 2021

	2022		Variance with Budget Over (Under)	2021
	Original and Final Budget	Actual		Actual
REVENUES				
Property taxes	\$ 275,000	\$ 291,922	\$ 16,922	\$ 261,910
Total Revenues	<u>275,000</u>	<u>291,922</u>	<u>16,922</u>	<u>261,910</u>
EXPENDITURES				
Public Works				
Contractual	26,200	24,413	(1,787)	9,031
Miscellaneous	-	-	-	41
Total Expenditures	<u>26,200</u>	<u>24,413</u>	<u>(1,787)</u>	<u>9,072</u>
Net change in fund balance	<u>\$ 248,800</u>	<u>267,509</u>	<u>\$ 18,709</u>	<u>252,838</u>
Fund balance at beginning of year		<u>2,950,595</u>		<u>2,697,757</u>
Fund balance at end of year		<u>\$ 3,218,104</u>		<u>\$ 2,950,595</u>

See independent auditor's report.

CITY OF HARVEY, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
TIF V RPM WYMAN GORDON FUND
FOR THE YEAR ENDED APRIL 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED APRIL 30, 2021

	2022			2021
	Original and Final Budget	Actual	Variance with Budget Over (Under)	Actual
			Over (Under)	
REVENUES				
Property taxes	\$ 93,000	\$ 53,254	\$ (39,746)	\$ 61,608
Total Revenues	<u>93,000</u>	<u>53,254</u>	<u>(39,746)</u>	<u>61,608</u>
EXPENDITURES				
Public Works				
Contractual	2,200	-	(2,200)	-
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>44</u>
Total Expenditures	<u>2,200</u>	<u>-</u>	<u>(2,200)</u>	<u>44</u>
Net change in fund balance	<u>\$ 90,800</u>	<u>53,254</u>	<u>\$ (37,546)</u>	<u>61,564</u>
Fund balance at beginning of year		<u>872,451</u>		<u>810,887</u>
Fund balance at end of year		<u>\$ 925,705</u>		<u>\$ 872,451</u>

See independent auditor's report.

CITY OF HARVEY, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
TIF VI DIXIE HIGHWAY CORRIDOR FUND
FOR THE YEAR ENDED APRIL 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED APRIL 30, 2021

	2022		2021
	Original and Final Budget*	Actual	Variance with Budget Over (Under)
REVENUES			
Property Taxes		\$ 299,492	\$ 78,324
Total Revenues		299,492	78,324
EXPENDITURES			
Public Works			
Contractual		35,345	19,550
Miscellaneous		-	46
Total Expenditures		35,345	19,596
Net change in fund balance		264,147	58,728
Fund balance (deficit) at beginning of year		53,751	(4,977)
Fund balance at end of year		\$ 317,898	\$ 53,751

*This fund does not have a legally adopted budget.

CITY OF HARVEY, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
TIF VII ARCO/147TH STREET FUND
FOR THE YEAR ENDED APRIL 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED APRIL 30, 2021

	2022			2021
	Original and Final Budget	Actual	Variance with Budget Over (Under)	
			Over (Under)	Actual
REVENUES				
Property taxes	\$ 510,000	\$ 708,022	\$ 198,022	\$ 245,658
Total Revenues	<u>510,000</u>	<u>708,022</u>	<u>198,022</u>	<u>245,658</u>
EXPENDITURES				
Public Works				
Contractual	1,800	7,208	5,408	1,800
Miscellaneous	-	-	-	37
Total Expenditures	<u>1,800</u>	<u>7,208</u>	<u>5,408</u>	<u>1,837</u>
Net change in fund balance	<u>\$ 508,200</u>	<u>700,814</u>	<u>\$ 192,614</u>	<u>243,821</u>
Fund balance at beginning of year		<u>1,317,293</u>		<u>1,073,472</u>
Fund balance at end of year	<u>\$ 2,018,107</u>			<u>\$ 1,317,293</u>

See independent auditor's report.

CITY OF HARVEY, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
TIF VIII TRANSIT ORIENTED DEVELOPMENT FUND
FOR THE YEAR ENDED APRIL 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED APRIL 30, 2021

	2022		Variance with Budget Over (Under)	2021
	Original and Final Budget	Actual		Actual
REVENUES				
Total Revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Public Works				
Contractual	10,000	101,975	91,975	9,450
Total Expenditures	10,000	101,975	91,975	9,450
Net change in fund balance	<u>\$ (10,000)</u>	(101,975)	<u>\$ (91,975)</u>	(9,450)
Fund balance at beginning of year		(9,450)		-
Fund balance (deficit) at end of year	<u>\$ (111,425)</u>			<u>\$ (9,450)</u>

See independent auditor's report.

CITY OF HARVEY, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GRANTS AND CAPITAL PROJECTS FUND
FOR THE YEAR ENDED APRIL 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED APRIL 30, 2021

	2022		2021
	Original and Final Budget*	Actual	Variance with Budget Over (Under)
REVENUES			
Intergovernmental	\$ 11,904		\$ -
Total Revenues	<u>11,904</u>		<u>-</u>
EXPENDITURES			
Public Works			
Contractual	6,481		-
Capital outlay	<u>144,018</u>		<u>-</u>
Total Expenditures	<u>150,499</u>		<u>-</u>
Net change in fund balance	<u>(138,595)</u>		<u>-</u>
Fund balance at beginning of year	-		-
Fund balance at end of year	<u>\$ (138,595)</u>		<u>\$ -</u>

*This fund does not have a legally adopted budget.

CITY OF HARVEY, ILLINOIS
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION - BUDGET AND ACTUAL
WATER FUND
FOR THE YEAR ENDED APRIL 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED APRIL 30, 2021

	2022		Variance with Budget Over (Under)	2021
	Original and Final Budget	Actual		Actual
OPERATING REVENUES				
Charges for services				
Water sales	\$ 18,165,000	\$ 16,517,124	\$ (1,647,876)	\$ 18,588,594
Interest income	-	5	5	-
Other	-	726	726	1,306
Total Operating Revenues	<u>18,165,000</u>	<u>16,517,855</u>	<u>(1,647,145)</u>	<u>18,589,900</u>
OPERATING EXPENSES				
Operations				
Personnel services	1,021,000	966,620	(54,380)	1,481,680
Contractual services	502,000	659,600	157,600	771,586
Commodities	12,841,500	11,798,277	(1,043,223)	14,663,396
Other	388,700	438,953	50,253	551,451
Depreciation and amortization	<u>584,000</u>	<u>588,474</u>	<u>4,474</u>	<u>588,475</u>
Total Operating Expenses	<u>15,337,200</u>	<u>14,451,924</u>	<u>(885,276)</u>	<u>18,056,588</u>
Operating income	<u>2,827,800</u>	<u>2,065,931</u>	<u>(761,869)</u>	<u>533,312</u>
NON-OPERATING INCOME (EXPENSE)				
Interest expense	-	(1,950,620)	(1,950,620)	(1,912,825)
Total Non-Operating Income (Expense)	<u>-</u>	<u>(1,950,620)</u>	<u>(1,950,620)</u>	<u>(1,912,825)</u>
Change in net position	<u>\$ 2,827,800</u>	<u>115,311</u>	<u>\$ (2,712,489)</u>	<u>(1,379,513)</u>
Net position at beginning of year		<u>155,448</u>		1,534,961
Net position at end of year		<u>\$ 270,759</u>		<u>\$ 155,448</u>

See independent auditor's report.

NONMAJOR ENTERPRISE FUNDS

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.

CITY OF HARVEY, ILLINOIS
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
APRIL 30, 2022

	Pace Bus Terminal Parking	Commuter Parking Lot	Sewer	Total
ASSETS				
Current assets				
Cash and cash equivalents	\$ 1,795	\$ 5,071	\$ 816,640	\$ 823,506
Accounts receivable - net of allowances	-	-	121,792	121,792
Advances to	<u>93,084</u>	<u>376,996</u>	<u>3,799,808</u>	<u>4,269,888</u>
Total current assets	<u>94,879</u>	<u>382,067</u>	<u>4,738,240</u>	<u>5,215,186</u>
Noncurrent assets				
Capital assets				
Nondepreciable	-	482,250	-	482,250
Depreciable	-	1,307,969	5,769,703	7,077,672
Less: accumulated depreciation	<u>(1,307,969)</u>	<u>(1,307,969)</u>	<u>(5,572,973)</u>	<u>(6,880,942)</u>
Total noncurrent assets	<u>-</u>	<u>482,250</u>	<u>196,730</u>	<u>678,980</u>
Total Assets	<u>\$ 94,879</u>	<u>\$ 864,317</u>	<u>\$ 4,934,970</u>	<u>\$ 5,894,166</u>
LIABILITIES				
Current Liabilities				
Accounts payable	\$ 43,669	\$ 27,058	\$ 58,410	\$ 129,137
Total current liabilities	<u>43,669</u>	<u>27,058</u>	<u>58,410</u>	<u>129,137</u>
Total Liabilities	<u>43,669</u>	<u>27,058</u>	<u>58,410</u>	<u>129,137</u>
NET POSITION				
Net investment in capital assets	-	482,250	196,730	678,980
Unrestricted	<u>51,210</u>	<u>355,009</u>	<u>4,679,830</u>	<u>5,086,049</u>
Total Net Position	<u>51,210</u>	<u>837,259</u>	<u>4,876,560</u>	<u>5,765,029</u>
Total Liabilities and Net Position	<u>\$ 94,879</u>	<u>\$ 864,317</u>	<u>\$ 4,934,970</u>	<u>\$ 5,894,166</u>

See independent auditor's report.

CITY OF HARVEY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED APRIL 30, 2022

	Pace Bus Terminal Parking	Commuter Parking Lot	Sewer	Total
OPERATING REVENUES				
Charges for services	\$ 1,795	\$ 6,864	\$ 831,303	\$ 839,962
Total Operating Revenues	<u>1,795</u>	<u>6,864</u>	<u>831,303</u>	<u>839,962</u>
OPERATING EXPENSES				
Operations	-	88	55,448	55,536
Depreciation and amortization	<u>-</u>	<u>-</u>	<u>38,520</u>	<u>38,520</u>
Total Operating Expenses	<u>-</u>	<u>88</u>	<u>93,968</u>	<u>94,056</u>
Change in net position	1,795	6,776	737,335	745,906
Net position at beginning of year	<u>49,415</u>	<u>830,483</u>	<u>4,139,225</u>	<u>5,019,123</u>
Net position at end of year	<u><u>\$ 51,210</u></u>	<u><u>\$ 837,259</u></u>	<u><u>\$ 4,876,560</u></u>	<u><u>\$ 5,765,029</u></u>

See independent auditor's report.

CITY OF HARVEY, ILLINOIS
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED APRIL 30, 2022

	Pace Bus Terminal Parking	Commuter Parking Lot	Sewer	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 1,795	\$ 6,864	\$ 867,296	\$ 875,955
Payments to suppliers	- <hr/>	(1,793) <hr/>	(50,656) <hr/>	(52,449) <hr/>
Net Cash from Operating Activities	<hr/> 1,795	<hr/> 5,071	<hr/> 816,640	<hr/> 823,506
Change in cash and cash equivalents	1,795	5,071	816,640	823,506
Cash and cash equivalents at Beginning of year	- <hr/>	- <hr/>	- <hr/>	- <hr/>
End of year	<hr/> \$ 1,795	<hr/> \$ 5,071	<hr/> \$ 816,640	<hr/> \$ 823,506
RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES				
Operating income	\$ 1,795	\$ 6,776	\$ 737,335	\$ 745,906
Adjustment to reconcile operating income to net cash from operating activities	- <hr/>	- <hr/>	38,520 <hr/>	38,520 <hr/>
Depreciation	- <hr/>	- <hr/>	35,993 <hr/>	35,993 <hr/>
Changes in asset and liabilities	- <hr/>	(1,705) <hr/>	4,792 <hr/>	3,087 <hr/>
Change in accounts receivable	- <hr/>	- <hr/>	35,993 <hr/>	35,993 <hr/>
Change in accounts payable	- <hr/>	(1,705) <hr/>	4,792 <hr/>	3,087 <hr/>
Net Cash from Operating Activities	<hr/> \$ 1,795	<hr/> \$ 5,071	<hr/> \$ 816,640	<hr/> \$ 823,506

CITY OF HARVEY, ILLINOIS
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION - BUDGET AND ACTUAL
PACE BUS TERMINAL PARKING FUND
FOR THE YEAR ENDED APRIL 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED APRIL 30, 2021

	2022		Variance with Budget Over (Under)	2021
	Original and Final Budget	Actual		Actual
	\$	\$		\$
OPERATING REVENUES				
Charges for services	\$ 9,500	\$ 1,795	\$ (7,705)	\$ 17,396
Total Operating Revenues	<u>9,500</u>	<u>1,795</u>	<u>(7,705)</u>	<u>17,396</u>
OPERATING EXPENSES				
Operations				
Contractual services	-	-	-	2,600
Total Operating Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,600</u>
Change in net position	<u>\$ 9,500</u>	<u>1,795</u>	<u>\$ (7,705)</u>	<u>14,796</u>
Net position at beginning of year		49,415		34,619
Net position at end of year	<u>\$ 51,210</u>			<u>\$ 49,415</u>

See independent auditor's report.

CITY OF HARVEY, ILLINOIS
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION - BUDGET AND ACTUAL
COMMUTER PARKING LOT FUND
FOR THE YEAR ENDED APRIL 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED APRIL 30, 2021

	2022		2021	
	Original and Final Budget	Actual	Variance with Budget Over (Under)	Actual
OPERATING REVENUES				
Charges for services	\$ 4,000	\$ 6,864	\$ 2,864	\$ 3,831
Total Operating Revenues	<u>4,000</u>	<u>6,864</u>	<u>2,864</u>	<u>3,831</u>
OPERATING EXPENSES				
Operations				
Miscellaneous	-	88	88	-
Total Operating Expenses	<u>-</u>	<u>88</u>	<u>88</u>	<u>-</u>
Change in net position	\$ 4,000	6,776	\$ 2,776	3,831
Net position at beginning of year		<u>830,483</u>		826,652
Net position at end of year		<u>\$ 837,259</u>		<u>\$ 830,483</u>

See independent auditor's report.

CITY OF HARVEY, ILLINOIS
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION - BUDGET AND ACTUAL
SEWER FUND
FOR THE YEAR ENDED APRIL 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED APRIL 30, 2021

	2022		Variance with Budget Over (Under)	2021
	Original and Final Budget	Actual		Actual
	\$	\$		\$
OPERATING REVENUES				
Charges for services	\$ 865,000	\$ 831,303	\$ (33,697)	\$ 865,459
Total Operating Revenues	<u>865,000</u>	<u>831,303</u>	<u>(33,697)</u>	<u>865,459</u>
OPERATING EXPENSES				
Operations				
Contractual services	525,000	29,294	(495,706)	77,235
Miscellaneous	6,100	26,154	20,054	5,451
Depreciation and amortization	-	38,520	38,520	38,518
Total Operating Expenses	<u>531,100</u>	<u>93,968</u>	<u>(437,132)</u>	<u>121,204</u>
Change in net position	<u>\$ 333,900</u>	<u>737,335</u>	<u>\$ 403,435</u>	<u>744,255</u>
Net position at beginning of year		<u>4,139,225</u>		<u>3,394,970</u>
Net position at end of year	<u>\$ 4,876,560</u>			<u>\$ 4,139,225</u>

See independent auditor's report.

CITY OF HARVEY, ILLINOIS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
APRIL 30, 2022

	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and short-term investments	\$ 6,460,916	\$ 42,146	\$ 6,503,062
Investments, at fair value			
U.S. Treasury securities	5,960,239	-	5,960,239
Mutual funds and equity (stock) securities	11,919,757	2,288,947	14,208,704
Pooled investments	-	8,828,450	8,828,450
Accrued interest	33,270	-	33,270
Prepaid expenses	5,138	483	5,621
Due from municipality	3,995,780	15,471,504	19,467,284
Allowance for uncollectibles	<u>(3,995,780)</u>	<u>(15,471,504)</u>	<u>(19,467,284)</u>
Total Assets	<u>24,379,320</u>	<u>11,160,026</u>	<u>35,539,346</u>
LIABILITIES			
Accounts payable and accrued expenses	<u>(11,662)</u>	<u>40,441</u>	<u>28,779</u>
Total Liabilities	<u>(11,662)</u>	<u>40,441</u>	<u>28,779</u>
NET POSITION			
Net position restricted for pensions	<u>\$ 24,390,982</u>	<u>\$ 11,119,585</u>	<u>\$ 35,510,567</u>

See independent auditor's report.

CITY OF HARVEY, ILLINOIS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
FOR THE YEAR ENDED APRIL 30, 2022

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer	\$ 3,658,028	\$ 3,303,147	\$ 6,961,175
Plan members	241,221	250,719	491,940
Total contributions	<u>3,899,249</u>	<u>3,553,866</u>	<u>7,453,115</u>
Investment income			
Net depreciation in fair value of investments	(1,891,543)	(600,541)	(2,492,084)
Interest	953,105	88,623	1,041,728
Investment fees	(69,578)	(14,763)	(84,341)
Net investment income	<u>(1,008,016)</u>	<u>(526,681)</u>	<u>(1,534,697)</u>
Total Additions	<u>2,891,233</u>	<u>3,027,185</u>	<u>5,918,418</u>
DEDUCTIONS			
Pension benefits and refunds	2,392,530	3,239,678	5,632,208
Administrative expenses	177,012	512,182	689,194
Total Deductions	<u>2,569,542</u>	<u>3,751,860</u>	<u>6,321,402</u>
Net change in plan net position	321,691	(724,675)	(402,984)
Net position restricted for pensions at beginning of year	<u>24,069,291</u>	<u>11,844,260</u>	<u>35,913,551</u>
Net position restricted for pensions at end of year	<u>\$ 24,390,982</u>	<u>\$ 11,119,585</u>	<u>\$ 35,510,567</u>

See independent auditor's report.

CITY OF HARVEY, ILLINOIS
ILLINOIS GRANT ACCOUNTABILITY AND TRANSPARENCY ACT
CONSOLIDATED YEAR-END FINANCIAL REPORT
FOR THE YEAR ENDED APRIL 30, 2022

CSFA #	Program Name	State	Federal	Total
420-35-2424	Illinois Connected Communities - Community Technology Center Grant Program	\$ 11,904	\$ -	\$ 11,904
N/A	Assistance to firefighters grant	<u>-</u>	<u>248,670</u>	<u>248,670</u>
	Total expenditures	\$ 11,904	\$ 248,670	\$ 260,574

See independent auditor's report.

OTHER INFORMATION

CITY OF HARVEY, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS OF 2002B
APRIL 30, 2022

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
2023	\$ 420,000	\$ 23,520	\$ 443,520	2022	\$ 11,760	2022	\$ 11,760
Default	<u>1,480,000</u>	<u>251,850</u>	<u>1,731,850</u>				
	<u>\$ 1,900,000</u>	<u>\$ 275,370</u>	<u>\$ 2,175,370</u>		<u>\$ 11,760</u>		<u>\$ 11,760</u>

CITY OF HARVEY, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS OF 2002C
APRIL 30, 2022

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	\$ 960,463	\$ -	\$ 960,463				
	<u>\$ 960,463</u>	<u>\$ -</u>	<u>\$ 960,463</u>				
	336,146	-	336,146				
	624,317	-	624,317				
	<u>\$ 960,463</u>	<u>\$ -</u>	<u>\$ 960,463</u>				
				Governmental Activities			
				Business-type Activities			

CITY OF HARVEY, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS OF 2007A
APRIL 30, 2022

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
2023	\$ 754,958	\$ 1,171,226	\$ 1,926,184	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	2,840,066	159,750	2,999,816	2032	79,875	2032	79,875
Default	1,269,976	3,071,611	4,341,587				
	<u>\$ 22,275,000</u>	<u>\$ 11,531,807</u>	<u>\$ 33,806,807</u>		<u>\$ 4,230,098</u>		<u>\$ 4,230,098</u>
	16,290,139	6,560,882	22,851,021		Governmental Activities		
	4,714,885	1,899,314	6,614,199		Business-Type Activities		
	<u>\$ 21,005,024</u>	<u>\$ 8,460,196</u>	<u>\$ 29,465,220</u>				
	\$ 984,861	\$ 2,382,034	\$ 3,366,895		Governmental Activities-Default		
	285,115	689,577	974,692		Business-type Activities-Default		
	<u>\$ 1,269,976</u>	<u>\$ 3,071,611</u>	<u>\$ 4,341,587</u>				

See independent auditor's report.

CITY OF HARVEY, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS OF 2007B
APRIL 30, 2022

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	1-Dec
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
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	<u>2,185,000</u>	<u>1,048,188</u>	<u>3,233,188</u>				
	<u><u>\$ 5,200,000</u></u>	<u><u>\$ 1,549,225</u></u>	<u><u>\$ 6,749,225</u></u>		<u><u>\$ 250,518</u></u>		<u><u>\$ 250,519</u></u>

CITY OF HARVEY, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
HOTEL-MOTEL TAX AND SALES TAX REVENUE BONDS OF 2008A
APRIL 30, 2022

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
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	<u>525,000</u>	<u>18,047</u>	<u>543,047</u>	2028	<u>18,047</u>		<u>-</u>
	<u>\$ 3,040,000</u>	<u>\$ 786,156</u>	<u>\$ 3,826,156</u>		<u>\$ 445,328</u>		<u>\$ 340,828</u>



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