

VILLAGE OF LINCOLNWOOD, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
APRIL 30, 2020

VILLAGE OF LINCOLNWOOD, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED APRIL 30, 2020

Prepared by:

Finance Department

Robert J. Merkel
Director of Finance

VILLAGE OF LINCOLNWOOD, ILLINOIS

TABLE OF CONTENTS

PAGE

INTRODUCTORY SECTION

| | |
|--|-------|
| List of Principal Officials | 1 |
| Organizational Chart | 2 |
| Transmittal Letter | 3 - 7 |
| Certificate of Achievement for Excellence in Financial Reporting | 8 |

FINANCIAL SECTION

| | |
|-------------------------------------|--------|
| INDEPENDENT AUDITORS' REPORT | 9 - 10 |
|-------------------------------------|--------|

| | |
|---|---------|
| MANAGEMENT'S DISCUSSION AND ANALYSIS | 11 - 21 |
|---|---------|

BASIC FINANCIAL STATEMENTS

| | |
|--|---------|
| Government-Wide Financial Statements | |
| Statement of Net Position | 22 - 23 |
| Statement of Activities | 24 - 25 |
| Fund Financial Statements | |
| Balance Sheet – Governmental Funds | 26 - 27 |
| Reconciliation of Total Governmental Fund Balance to the Statement of Net Position – Governmental Activities | 28 |
| Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds | 29 - 30 |
| Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities – Governmental Activities | 31 |
| Statement of Net Position – Proprietary Fund | 32 - 33 |
| Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Fund | 34 |
| Statement of Cash Flows – Proprietary Fund | 35 |
| Statement of Fiduciary Net Position | 36 |
| Statement of Changes in Fiduciary Net Position | 37 |
| Notes to Financial Statements | 38 - 81 |

REQUIRED SUPPLEMENTARY INFORMATION

| | |
|---|---------|
| Schedule of Employer Contributions | |
| Illinois Municipal Retirement Fund | 82 |
| Police Pension Fund | 83 |
| Schedule of Changes in the Employer's Net Pension Liability | |
| Illinois Municipal Retirement Fund | 84 - 85 |
| Police Pension Fund | 86 - 87 |

VILLAGE OF LINCOLNWOOD, ILLINOIS

TABLE OF CONTENTS

| | PAGE |
|--|-------------|
| <u>FINANCIAL SECTION - Continued</u> | |
| REQUIRED SUPPLEMENTARY INFORMATION - Continued | |
| Schedule of Investment Returns | |
| Police Pension Fund | 88 |
| Schedule of Changes in the Employer's Total OPEB Liability | |
| Retiree Benefits Plan | 89 |
| Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual | |
| General Fund | 90 |
| Northeast Industrial District Tax Increment Financing – Special Revenue Fund | 91 |
| Motor Fuel Tax – Special Revenue Fund | 92 |
| OTHER SUPPLEMENTARY INFORMATION | |
| Schedule of Revenues – Budget and Actual – General Fund | 93 - 94 |
| Schedule of Expenditures – Budget and Actual – General Fund | 95 - 97 |
| Schedule of Revenues, Expenditures and Changes in Fund Balance | |
| Budget and Actual – Debt Service Fund | 98 |
| Combining Balance Sheet – Nonmajor Governmental Funds | 99 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances | |
| Nonmajor Governmental Funds | 100 |
| Combining Balance Sheet – Nonmajor Governmental – Special Revenue Funds | 101 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances | |
| Nonmajor Governmental – Special Revenue Funds | 102 |
| Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual | |
| Transportation Improvement – Special Revenue Fund | 103 |
| Lincoln/Touhy Tax Increment Financing - Special Revenue Fund | 104 |
| Devon/Lincoln Tax Increment Financing – Special Revenue Fund | 105 |
| Combining Balance Sheet – Nonmajor Governmental – Capital Projects Funds | 106 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances | |
| Nonmajor Governmental – Capital Projects Funds | 107 |
| Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual | |
| PEP – Capital Projects Fund | 108 |
| Private Water Line Assistance – Capital Projects Fund | 109 |
| Schedule of Revenues, Expenditures and Changes in Net Position | |
| Budget and Actual – Water and Sewer – Enterprise Fund | 110 |
| Schedule of Changes in Fiduciary Net Position – Budget and Actual | |
| Police Pension – Pension Trust Fund | 111 |
| Consolidated Year-End Financial Report | 112 |

VILLAGE OF LINCOLNWOOD, ILLINOIS

TABLE OF CONTENTS

PAGE

FINANCIAL SECTION - Continued

OTHER SUPPLEMENTARY INFORMATION - Continued

| | |
|--|-----------|
| Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i> | 113 - 114 |
|--|-----------|

SUPPLEMENTAL SCHEDULES

| | |
|---|-----|
| Long-Term Debt Requirements | |
| General Obligation Bonds of 2019 | 115 |
| Illinois Finance Authority Loan Payable of 2009 | 116 |
| Illinois Environmental Protection Agency Loan Payable of 2008 | 117 |

STATISTICAL SECTION (Unaudited)

| | |
|---|-----------|
| Net Position by Component – Last Ten Fiscal Years | 118 - 119 |
| Change in Net Position – Last Ten Fiscal Years | 120 - 121 |
| Fund Balances of Governmental Funds – Last Ten Fiscal Years | 122 - 123 |
| Changes in Fund Balances for Governmental Funds – Last Ten Fiscal Years | 124 - 125 |
| Sales Tax by Category – Last Ten Calendar Years | 126 - 127 |
| Home Rule Sales Tax by Category- Last Ten Calendar Years | 128 - 129 |
| Assessed Value and Actual Value of Taxable Property – Last Ten Tax Levy Years | 130 |
| Direct and Overlapping Property Tax Rates – Last Ten Tax Levy Years | 131 - 132 |
| Principal Property Tax Payers – Current Fiscal Year and Nine Fiscal Years Ago | 133 |
| Property Tax Levies and Collections – Last Ten Fiscal Years | 134 |
| Ratios of Outstanding Debt by Type – Last Ten Fiscal Years | 135 |
| Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years | 136 |
| Schedule of Direct and Overlapping Governmental Activities Debt | 137 |
| Direct and Overlapping Sales Tax Rates – Last Ten Fiscal Years | 138 - 139 |
| Retailers' Occupation, Service Occupation and Use Tax Distribution Last Ten Fiscal Years | 140 |
| Schedule of Legal Debt Margin – Last Ten Fiscal Years | 141 |
| Demographic and Economic Statistics – Last Ten Fiscal Years | 142 |
| Construction – Last Ten Fiscal Years | 143 |
| Principal Employers – Current Fiscal Year and Nine Fiscal Years Ago | 144 |
| Full-Time Equivalent Village Government Employees by Function Last Ten Fiscal Years | 145 - 146 |
| Operating Indicators by Function/Program – Last Ten Fiscal Years | 147 - 148 |
| Capital Asset Statistics by Function/Program – Last Ten Fiscal Years | 149 - 150 |
| Surety Bonds of Principal Officials | 151 |

INTRODUCTORY SECTION

This section includes miscellaneous data regarding the Village of Lincolnwood:

- List of Principal Officials
- Organizational Chart
- Transmittal Letter
- Certificate of Achievement for Excellence in Financial Reporting

VILLAGE OF LINCOLNWOOD, ILLINOIS

**List of Principal Officials
April 30, 2020**

LEGISLATIVE

Village Board of Trustees

Barry I. Bass, Village President

Ronald S. Cope, Trustee

Jean Ikezoe-Halevi, Trustee

Craig Klatzco, Trustee

Georjean Hlepas Nickell, Trustee

Jesal B. Patel, Sr., Trustee

Atour Sargon, Trustee

Beryl Herman, Village Clerk

APPOINTED OFFICIAL

Eric Biljetina, Village Treasurer

ADMINISTRATIVE

Anne Marie Gaura, Village Manager

Charles Meyer, Assistant Village Manager

Steven Elrod, Village Attorney

Jason Parrott, Chief of Police

Michael Hansen, Fire Chief

Stephen McNellis, Director of Community Development

Robert J. Merkel, Director of Finance

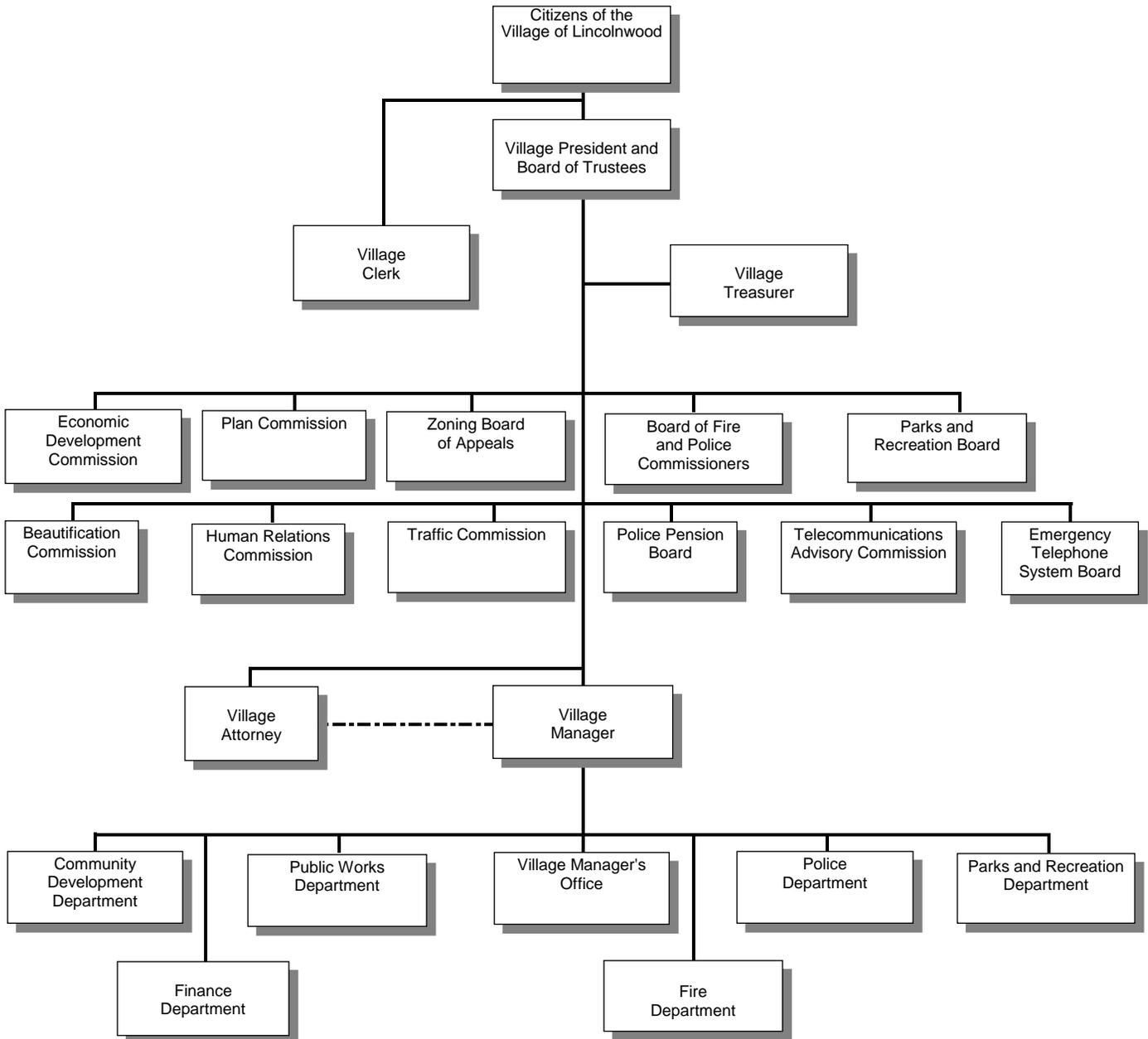
Melissa Rimdzius, Director of Parks and Recreation

Andrew Letson, Director of Public Works



Village of Lincolnwood, Illinois

Organizational Chart
April 30, 2020



VILLAGE PRESIDENT
Barry I. Bass

VILLAGE CLERK
Beryl Herman

VILLAGE MANAGER
Anne Marie Gaura



TRUSTEES
Ronald S. Cope
Jean Ikezoe-Halevi
Craig L. Klatzco
Georjean Hlepas Nickell
Jesal B. Patel, Sr.
Atour Toma Sargon

October 7, 2020

The Honorable Barry I. Bass, Village President
Members of the Board of Trustees and
Citizens of the Village of Lincolnwood
Village of Lincolnwood, Illinois

The Comprehensive Annual Financial Report (CAFR) of the Village of Lincolnwood, Illinois for the fiscal year ended April 30, 2020 is hereby respectfully submitted. The report consists of management's representations concerning the finances of the Village of Lincolnwood. Local ordinance and State Statute require the Village to issue an annual report on its financial condition and that the financial statements are audited by an independent firm of licensed certified public accountants. This CAFR complies with these requirements. The certified public accounting firm of Lauterbach & Amen, LLP was retained as auditors for fiscal year 2020. They have concluded that there was a reasonable basis for rendering an unmodified opinion that the Village's financial statements for the fiscal year ended April 30, 2020 are fairly presented in conformity with generally accepted accounting principles (GAAP). Their report is presented as the first component of the financial section of this report.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Village. All disclosures to enable the reader to gain an understanding of the Village's financial statements have been included. To provide a reasonable basis for making these representations, management of the Village has established a comprehensive internal control framework that is designed to protect the assets of the government from loss, theft or misuse and to compile sufficient reliable information for the preparation of the Village's financial statements in conformity with GAAP. The cost of internal controls should not outweigh their benefits. Therefore, internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements shall be free from material misstatement.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This transmittal letter is designed to complement the information presented here in conjunction with the additional information that is furnished in the MD&A. The Village's MD&A is located following the independent auditor's report.

VILLAGE OF LINCOLNWOOD PROFILE

The Village of Lincolnwood is a home-rule community as defined by the Illinois State Constitution of 1970 and was incorporated in 1911 as Village of Tessville, Illinois. In 1936, Tessville formally became the Village of Lincolnwood. Lincolnwood is a mature community that is home to approximately 12,600 culturally diverse citizens and located 10 miles northwest of downtown Chicago. The Village provides a complete variety of governmental services. Services include police and fire protection, repairs and maintenance of streets and infrastructure, garbage, yard-waste, and recycling services, property inspections and issuing of permits services, recreational and social services, water and sewer services, and other governmental services. The Village is financially responsible for the Lincolnwood Parks & Recreation Department and therefore has been included as an integral part of the basic financial statements of the Village. The Village operates a municipal water system that provides a reliable source of potable water purchased from the City of Chicago. The Lincolnwood School District # 74 and the Lincolnwood Library are independent legal entities, are not financially dependent on the Village, and are not included in this financial report.



TREE CITY USA

VILLAGE OFFICES • 6900 N. LINCOLN AVENUE • LINCOLNWOOD, ILLINOIS 60712 • 847-673-1540 • FAX: 847-673-9382
WWW.LINCOLNWOODIL.ORG



The Village operates under a Council/Manager form of government with the Village President and the Trustees elected at large serving staggering four-year terms. The Village Clerk is also elected. The Village Treasurer, the Village Manager and the Village Attorney are appointed by the Village Board of Trustees. The Village employs approximately 86 full time, 10 regular part-time, and 250 seasonal summer employees in the parks & recreation and public works departments. The Village's police officers are members of the Illinois Fraternal Order of Police (FOP) Labor Council/Lincolnwood Lodge #23 whose collective bargaining agreement expired April 30, 2020 and is in negotiations. The public works department employees of the Village are members of the Local #700 – Affiliated with the International Brotherhood of Teamsters whose collective bargaining agreement expires April 30, 2021. All other employees of the Village are not represented by any collective bargaining organization. Since 1990 the Village has contracted with Paramedic Services of Illinois (PSI) which provides fire protection and emergency medical services. The current six year contract with PSI will expire on May 1, 2022.

The Village staff prepares an annual operating budget by fund and department and presents the document to the Village Board for adoption. The budget serves as the foundation for the Village's financial planning and provides the operating tool that directs staffs' use of the Village's resources. The Village also adopts an annual appropriations ordinance as mandated by the Illinois Revised Statutes that provides the legal authority and limits for expenditures. Management may exceed budgeted amounts without formal approval of the Board of Trustees provided the amount expended for a budgeted purpose does not exceed the legally adopted appropriation for budgeted item. Budget-to-actual comparisons are presented in the CAFR.

RELEVANT FINANCIAL POLICES

There were no material changes to financial policies during the fiscal year ended April 30, 2020. During the review of the long range financial plan it was discussed that the Village Board would consider available alternate funding for capital improvement projects such as low interest state loans and increasing fund balance reserves to provide resources for capital projects.

SIGNIFICANT ACCOMPLISHMENTS

The Village staff, at the direction of the Village Board, has been involved in the planning and implementation of a number of major projects throughout last year and some will continue into next fiscal year. These projects reflect the Village's commitment to its citizens to ensure they are able to live and work in a desirable community environment. The most significant of these projects follow:

The Village completed Year 1 of the roadway resurfacing program. The Village estimates the program will have all roadways in the Village resurfaced over a 10 year period.

The Village refurbished the Public Works Building. This included replacement of the roof and the HVAC equipment.

The Village replaced the gasoline storage tank which services all of the Village's vehicles.

The Village refurbished the water standpipe. This included both the interior and exterior of the standpipe.

The Village completed the final year of the streetlight replacement program.

The Village started the construction of the new water transmission main to the City of Evanston, the Village's new potable water supplier. The Village also completed the construction of a new outfall sewer which is part of the Village's water management program and should help to minimize flooding in the Village.

The Village issued \$15,450,000 in General Obligation bonds to fund both of the above mentioned programs. The savings from the cost of the water purchases from the new water supplier will fund the portion of the bond attributable to the transmission main. The portion of the bond attributable to the outfall sewer will be

funded by an increase of a ¼% in the Village’s home rule sales tax. The Village also received a grant from the Metropolitan Water Reclamation District to help fund the project.

The Village purchased a new ambulance to service the residents of Lincolnwood.

FACTORS AFFECTING FINANCIAL CONDITION

The information as presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment from within which the Village operates.

Local Economy. The Village is influenced by a number of economic factors that direct its economy. The Village is recovering from the recent economic downturn at a slow pace that is also reflected in the State and Country economies. There are a number of economic factors that influence the economy of a specific community and various measures are used to gauge the economic outlook. Probably the four most notable and objective measurements are the level of retail sales, the employment level of the community, income levels in the community and the building activity. In Illinois, sales taxes are allocated based on the point-of-sale, which represents the sales in the community. Local sales tax receipts experienced an increase this year as auto sales helped to fuel the increase. The Village’s portion of general sales tax receipts is based on a 1% tax rate. The State and County take the balance of 8% of the applicable sales tax rate. The sales tax receipts represent total retail sales of approximately \$458,372,000 for calendar year 2019.

Lincolnwood’s average unemployment rate has been consistently lower than the State average. Lincolnwood’s median family income of \$79,142 as of the 2010 Census is approximately 20% higher than the median income for the State of Illinois. The Village’s 2019 equalized assessed valuation (EAV) experienced a minimal increase from 2018.

Building activity growth could increase in future years due to the development of property in one of the Village’s Tax Increment Financing (TIF) districts. The Village actively encourages economic development and the TIF redevelopment districts have served as catalysts for continued retail growth.

Long-Term Financial Planning. The Village is in the process of reviewing long-range issues and the funding alternatives for major improvements to infrastructure and equipment replacement. The goal of the planning process is to put the Village on firm ground to provide for the planned major upgrades and the continued viability of the infrastructure network.

A tool in managing the long-range planning process of the Village is the Five-Year Capital Improvement Program. This plan outlines the major project improvements and capital expenditures of the Village over the next five years. Over the next five years (2021-2025), it is anticipated that the Village could expend approximately \$72,000,000 in water and sewer, flood control, street, public building, parks and recreation, equipment and other capital improvement projects. In adherence with Village financial policies, staff is constantly seeking public and private grants and other outside sources of revenues to fund these projects. Grants received during the fiscal year ended April 30, 2020 help fund park improvements.

Cash Management Policies and Practices. The Village’s investment policy seeks to minimize credit and market risks to assure safety of principal while maintaining liquidity at a competitive yield. Investments are transacted under the “prudent person” standard with a safety, liquidity, yield, and legal priority covenant. At April 30, 2020 virtually all of the Village’s deposits were insured or collateralized.

Cash which was temporarily idle during the year was invested as permitted by State statute. Short-term cash is placed in the State of Illinois investment pool (Illinois Funds). Cash invested for up to one year is invested in the Illinois Metropolitan Investment Fund (IMET) or at community banks in a secured certificate of deposit (CD). Village management continues to give priority to local financial institutions whenever possible when placing funds for investment. When placing available funds in CDs the rates are checked to assess which institution is giving the best rate of return at that time. We have seen the rates remain at the same low levels as experienced in the prior year.

It is the Village's position that if banks in the community are competitive then investing locally will benefit all citizens and businesses.

Risk Management. The Village is a member of the Intergovernmental Risk Management Agency (IRMA) for virtually 100% of its property/casualty insurance needs. IRMA is an organization of local municipalities that administers a product of self-insurance and commercial insurance coverage. IRMA also provides property/casualty and workers' compensation claim/litigation management services, unemployment claim administration, risk management/loss control consulting and training programs, and a risk information system and financial reporting service for its members.

In addition, various control techniques including safety training for certain high-risk personnel (police, fire and public works) and other Village employees are in place to minimize accident related losses.

The Village is a member of a group of eleven municipalities that self-insures the medical and dental benefits for all eligible employees. The Village contributes 85% and the employee contributes 15% of the premium to fund the program. Premiums costs have been stable over the last few years. The Village continuously reviews various programs to control these premiums.

Pension and Other Post-employment Benefits. The Village sponsors a single employer defined benefit pension plan for the police officers. The Lincolnwood Police Pension Fund is reviewed each year by the Illinois Department of Insurance and an independent actuary engaged by the Village. The Department of Insurance recommends the annual contribution that the Village must make to the pension plan to ensure that the plan will be able to fully meet its obligations to retired pensioners on a timely basis. As a matter of financial policy, the Village fully funds each year's annual required contribution to the plan as determined by the Fund's actuary. The unfunded liability is being systematically funded as part of the required annual contribution as calculated by the Fund's actuary. The Village's actuary has determined that, at April 30, 2020, the Lincolnwood Pension Fund has an actuarial accrued liability in excess of assets of \$30,714,942 and the funded ratio is 41.72%.

The Village also provides pension benefits for the non-public safety employees through the statewide plan managed by the Illinois Municipal Retirement Fund (IMRF). Benefit provisions and funding requirements are established by the Illinois State Statutes. Participating (employees) members are required to contribute 4.5% of their annual salary and the Village is required to contribute the remaining amounts necessary to fund the future pensions. The Village's contribution rate for the calendar year 2019 (fiscal year 2020) was 7.16% of the annual salary. The Village has no obligation in connection with employee benefits offered through this plan beyond its contractual payments to IMRF.

Additional information on the Village's pension arrangements can be reviewed in Note 4 in the financial statements. The Fund's actuary has determined as of December 31, 2019 which is the latest available date, the Village has an actuarial accrued liability in excess of assets of \$377,776 and the funded ratio is 98.59%.

Further postemployment benefits are offered to retirees to remain in the Village's medical and dental insurance plan at the current group rates. At year end, 10 retirees participated in this plan. Participants pay the entire cost of the premium except employees hired prior to December 31, 2014 who have been employed by the Village for a minimum of 30 years are provided with a Village health insurance subsidy for a period of three years. The Village had an actuarial valuation for the Village of their postretirement health plan in accordance with GASB No. 75 and the related OPEB liability of \$1,688,735 is recorded in the Statement of Net Position for the year ended April 30, 2020.

Additional information on the Village's pension and OPEB arrangements can be found in Note 4 in the financial statements.

LOCAL INITIATIVES

The Mayor, the Trustees and the staff realize that public service is our mission. To this end the Village has undertaken the following initiatives:

Human Services. The Village provides services that directly affect the personal well-being of our citizens. Under the auspices of Police Department, the Village reaches out to those in need of beneficial intervention. A trained counseling professional provides resources for residents in need of family or individual counseling. Seniors receive support services such as blood pressure screening, change batteries in the smoke detectors, ambulance service to residents, a high speed emergency telephone notification system, and a refund of utility taxes to eligible citizens in financial need.

The Police Department through a contracted emergency communication center provides to all citizens a high speed emergency notification system. In case of an all-out emergency or catastrophe all citizens will be notified by telephone.

The Parks & Recreation Department facilitates the participation of children, teens, and adults with physical, mental, and emotional disabilities and their families through community recreation agencies. Without these agencies and programs many recreational opportunities would not be available to improve the quality of life for people with disabilities.

These services are provided by the Village free of charge or at a nominal fee to our citizens.

Awards

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Lincolnwood for its comprehensive annual financial report for the fiscal year ended April 30, 2019. In order to receive this prestigious award, the Village published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

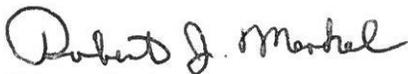
A Certificate of Achievement is valid for a period of one year. We believe that the current comprehensive annual financial report continues to meet the Program's requirements, and we will submit the current report to the GFOA for review to determine the eligibility for a continuing certificate.

ACKNOWLEDGEMENTS

The preparation of the comprehensive annual financial report could not have been accomplished without the efficient and dedicated services of the staff of the Finance Department. I would like to express special appreciation to Ben Harris, Accountant, who contributed greatly to its preparation.

I would like to also acknowledge the Mayor, the Board of Trustees, and the Village Manager for their leadership and support in planning and conducting the financial affairs of the Village in a responsible and progressive manner.

Respectfully submitted,



Robert J. Merkel
Director of Finance



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Village of Lincolnwood
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

April 30, 2019

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

This section includes:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Other Supplementary Information
- Supplemental Schedules

INDEPENDENT AUDITORS' REPORT

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



INDEPENDENT AUDITORS' REPORT

October 7, 2020

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Lincolnwood, Illinois, as of and for the year ended April 30, 2020, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

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

Other Information

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

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF LINCOLNWOOD, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2020

The Village of Lincolnwood (the Village) Management Discussion and Analysis (MD&A) is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Village's financial activity, (3) identify changes in the Village's financial position (its ability to address the next and subsequent year challenges), (4) identify any material deviations from the financial plan (the approved budget), and (5) identify individual fund issues or concerns.

Since the MD&A is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Village's financial statements.

Financial Highlights

- The assets/deferred outflows of the Village exceeded its liabilities/deferred inflows at the close of the most recent fiscal year by \$40,146,786 (*net position*).
- The Village's total net position increased by \$664,904. This reflects the excess of current revenues over current expenses offset by the systematic and planned consumption of the Village's capital assets that is quantified as depreciation expense. Total depreciation expense for the year was \$2,983,058.
- As of the close of the current fiscal year, the Village's governmental funds reported combined fund balances of \$15,536,518, a decrease of \$1,414,295 in comparison with the prior year. Of this amount, \$10,958,508 is available for spending at the Village's discretion (unassigned fund balance).
- At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$11,096,291, or 51%, of total General Fund expenditures during the current year.
- The Village's total debt increased by \$17,405,963 (48%) during the current fiscal year. This was mainly due to the issuance of \$15,450,000 General Obligation Bonds and an increase of \$978,638 in the net pension liabilities.

USING THE FINANCIAL SECTION OF THE COMPREHENSIVE ANNUAL REPORT

The principal focus of local government financial statements in the past has been by fund type data. This method of presentation has been modified to present two differing views of the Village's financial statements. The new financial statements' focus is on both the Village as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year-to-year or government-to-government) and enhance the Village's accountability.

VILLAGE OF LINCOLNWOOD, ILLINOIS MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)

Government-Wide Financial Statements

The government-wide financial statements (see pages 22-25) are designed to emulate the corporate sector in that all governmental and business-type activities are consolidated into columns which add to a total for the Primary Government. The focus of the Statement of Net Position (see pages 22-23) is designed to be similar to bottom line results for the Village and its governmental and business-type activities. This statement combines and consolidates the governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus.

The Statement of Activities (see pages 24-25) is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the government's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

The Governmental Activities reflect the Village's basic services, including public safety (police and fire), public works, engineering, culture-recreation and administration. Property taxes, shared state sales and income, and local utility taxes finance the majority of these services. The Business-type Activities reflect private sector type operations (Water and Sewer), where the fee for service typically covers all or most of the cost of operation, including depreciation.

Fund Financial Statements

Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar. The focus is on Major Funds, rather than fund types.

The Governmental funds (see pages 26-31) are presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the budget) is typically developed. Funds are established for various purposes and the Fund Financial Statements allow the demonstration of sources and uses and/or budgeting compliance associated therewith.

The Proprietary fund (Water and Sewer Fund) accounts for services that are generally fully supported by user fees (i.e. charges to customers). The Proprietary fund is presented on a total economic resources basis. Proprietary fund statements, like government-wide financial statements, provide both short- and long-term financial information.

While the Business-type Activities column on the Business-type Fund Financial Statements (see pages 32-35) is the same as the Business-type column on the Government-Wide Financial Statement, the Governmental Funds Total column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement (see pages 28 and 31). The flow of current financial resources will reflect bond proceeds and interfund transfers as other financing sources as well as capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligation (bonds and others) into the Governmental Activities column (in the Government-wide statements).

The Fund Financial Statements allow the Village to address its Fiduciary fund (Police Pension Trust, see pages 36-37). While these funds represent trust responsibilities of the Village, these assets are restricted in purpose and do not represent discretionary assets of the general government. Therefore, these assets are not presented as part of the Government-Wide Financial Statements.

**VILLAGE OF LINCOLNWOOD, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)**

Capital Assets

The new statement requires that these assets be valued and reported within the governmental column of the government-wide statements. Additionally, the government must elect to either (1) depreciate these assets over their estimated useful life or (2) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. If the government develops the asset management system (the modified approach) which periodically (at least every third year), by category, measures and demonstrates its maintenance of locally established levels of service standards, the government may record its cost of maintenance in lieu of depreciation. The Village has chosen to depreciate assets over their useful life. If a road project is considered maintenance - a recurring cost that does not extend the road's original useful life or expand its capacity - the cost of the project will be expensed. An "overlay" of a road will be considered maintenance whereas a "rebuild" of a road will be capitalized.

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

The following table reflects the condensed Statement of Net Position:

**Table 1: Statement of Net Position
April 30, 2020 and 2019
(in millions)**

| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total</u> | |
|------------------------------------|------------------------------------|-------------|-------------------------------------|-------------|--------------|-------------|
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| Current and Other Assets | \$ 23.5 | \$ 23.3 | 11.2 | 2.1 | 34.7 | 25.4 |
| Capital Assets | 49.6 | 43.5 | 18.1 | 10.3 | 67.7 | 53.8 |
| Total Assets | 73.1 | 66.8 | 29.3 | 12.4 | 102.4 | 79.2 |
| Deferred Outflows | 4.2 | 3.9 | 0.1 | 0.3 | 4.3 | 4.2 |
| Total Assets/Deferred Outflows | 77.3 | 70.7 | 29.4 | 12.7 | 106.7 | 83.4 |
| Current Liabilities | 5.3 | 3.7 | 4.2 | 0.7 | 9.5 | 4.4 |
| Long-Term Liabilities | 35.7 | 32.0 | 16.8 | 3.4 | 52.5 | 35.4 |
| Total Liabilities | 41.0 | 35.7 | 21.0 | 4.1 | 62.0 | 39.8 |
| Deferred Inflows | 4.3 | 3.9 | 0.2 | - | 4.5 | 3.9 |
| Total Liabilities/Deferred Inflows | 45.3 | 39.6 | 21.2 | 4.1 | 66.5 | 43.7 |
| Net Position | | | | | | |
| Net Investment in Capital Assets | 47.0 | 43.3 | 6.4 | 7.0 | 53.4 | 50.3 |
| Restricted | 4.6 | 5.9 | - | - | 4.6 | 5.9 |
| Unrestricted (Deficit) | (19.6) | (18.2) | 1.8 | 1.4 | (17.8) | (16.8) |
| Total Net Position | 32.0 | 31.0 | 8.2 | 8.4 | 40.2 | 39.4 |

For more detailed information see the Statement of Net Position (pages 22-23).

**VILLAGE OF LINCOLNWOOD, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)**

The Village had a deficit unrestricted net position which totaled a negative (44%) of its net position at April 30, 2020. Approximately 11% reflects net position restricted for economic development and highway and street purposes. The remaining 133% reflects its investment in capital assets (e.g., land, buildings, equipment, improvements, and construction in progress), less any debt used to acquire those assets. The Village uses these capital assets to provide service to citizens; consequently, these assets are not available for spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Normal Impacts

There are six basic (normal) transactions that will affect the comparability of the Statement of Net Position summary presentation.

Net Results of Activities - which will impact (increase/decrease) current assets and unrestricted net position.

Borrowing for Capital - which will increase current assets and long-term debt.

Spending Borrowed Proceeds on New Capital - which will reduce current assets and increase capital assets. There is a second impact, an increase in invested in capital assets and an increase in related net debt, which will not change the invested in capital assets, net of debt.

Spending of Non-borrowed Current Assets on New Capital - which will (a) reduce current assets and increase capital assets, and (b) will reduce unrestricted net position and increase invested in capital assets, net of debt.

Principal Payment on Debt - which will (a) reduce current assets and reduce long-term debt, and (b) reduce unrestricted net position and increase investment in capital assets, net of debt.

Reduction of Capital Assets through Depreciation - which will reduce capital assets and investment in capital assets, net of debt.

Current Year Impacts

The Village's combined net position for the primary government (which is the Village's bottom line) increased \$664,904 which was the result of the governmental activities net position increasing by \$893,595 and the business-type activities net position decreasing by \$228,691. The governmental activities accounted for 130% of the increase in the assets of the Village. The governmental activities total assets/deferred outflows increased by \$6.6 million and total liabilities/deferred inflows increased by \$5.7. Net pension liabilities increased by \$978,638 and deferred items for pension plans increased \$271,588. The total assets increase of \$6.3 million in governmental activities was the result of an increase of \$258,282 in current assets and an increase of \$6.1 million in capital assets and other assets. The \$258,282 increase in current assets was mainly due to an increase in due from other governments of \$537,408 and a decrease in cash and investments of \$240,081. The total decrease in total net position of \$228,691 in business-type activities was due to an increase in current assets of \$9.1 million, an increase in capital assets of \$10.3 million, and a decrease of \$157,878 in deferred outflows, a net increase in current and noncurrent liabilities of \$16.9 million and an increase in deferred inflows of \$89,280.

The Village has restricted net position of \$4.6 million which are used primarily for economic development and highway and street improvements. Certain resources (e.g. Special Revenue Funds and Debt Service Funds), are generally used only for the purpose restricted by the specific revenue source.

**VILLAGE OF LINCOLNWOOD, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)**

Changes in Net Position

The following table shows the revenue and expenses of the governmental and business-type activities for the current and prior year.

**Table 2: Statement of Changes in Net Position
Fiscal Years Ended April 30, 2020 and 2019
(in millions)**

| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total</u> | |
|---|------------------------------------|-------------|-------------------------------------|--------------|--------------|-------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| REVENUES | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Services | \$ 3.8 | \$ 3.6 | \$ 4.5 | \$ 4.7 | \$ 8.3 | \$ 8.3 |
| Capital Grants | 1.1 | 2.9 | - | - | 1.1 | 2.9 |
| Operating Grants | 0.5 | - | - | - | 0.5 | - |
| General Revenues: | | | | | | |
| Property Taxes | 7.6 | 7.2 | - | - | 7.6 | 7.2 |
| Sales, income, and use taxes | 8.9 | 9.3 | - | - | 8.9 | 9.3 |
| Other Taxes | 2.8 | 2.7 | - | - | 2.8 | 2.7 |
| Other | 1.2 | 1.1 | 0.1 | - | 1.3 | 1.1 |
| Total Revenues | <u>25.9</u> | <u>26.8</u> | <u>4.6</u> | <u>4.7</u> | <u>30.5</u> | <u>31.5</u> |
| EXPENSES | | | | | | |
| General Government | 5.2 | 5.1 | - | - | 5.2 | 5.1 |
| Public Safety | 13.2 | 12.3 | - | - | 13.2 | 12.3 |
| Water and Sewer | | | 4.6 | 4.8 | 4.6 | 4.8 |
| Parks & Recreation | 2.9 | 2.9 | - | - | 2.9 | 2.9 |
| Highways and Streets | 1.8 | 1.7 | - | - | 1.8 | 1.7 |
| Economic Development | 0.9 | 0.9 | - | - | 0.9 | 0.9 |
| Sanitation | 1.1 | 1.1 | - | - | 1.1 | 1.1 |
| Total Expenses | <u>25.1</u> | <u>24.0</u> | <u>4.6</u> | <u>4.8</u> | <u>29.7</u> | <u>28.8</u> |
| Change in Net Position before Transfers | 0.8 | 2.8 | - | (0.1) | 0.8 | 2.7 |
| Transfers | <u>0.2</u> | <u>0.2</u> | <u>(0.2)</u> | <u>(0.2)</u> | <u>-</u> | <u>-</u> |
| Change in Net Position | 1.0 | 3.0 | (0.2) | (0.3) | 0.8 | 2.7 |
| Net Position - Beginning | <u>31.0</u> | <u>28.0</u> | <u>8.4</u> | <u>8.7</u> | <u>39.4</u> | <u>36.7</u> |
| Net Position - Ending | <u>32.0</u> | <u>31.0</u> | <u>8.2</u> | <u>8.4</u> | <u>40.2</u> | <u>39.4</u> |

**VILLAGE OF LINCOLNWOOD, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)**

There are eight basic impacts on revenues and expenses as reflected below.

Normal Impacts

Revenues:

Economic Condition - which can reflect a declining, stable or growing economic environment and has a substantial impact on state income, sales and utility tax revenue as well as public spending habits for building permits, elective user fees, and volumes of consumption.

Increase/Decrease in Village Approved Rates - While certain tax rates are set by statute, the Village Board has significant authority to impose and periodically increase/decrease rates (water, wastewater, impact fees, building fees, etc.)

Changing Patterns in Intergovernmental and Grant Revenue (both recurring and non-recurring) such as state-shared revenue, etc., may experience significant changes periodically while non-recurring (or one-time) grants are less predictable and often distorting in their impact on year-to-year comparisons.

Market Impacts on Investment Income –The Village’s investment portfolio consists mainly of certificates of deposit and government securities. Market conditions may cause interest rates and investment income to fluctuate.

Expenses:

Introduction of New Programs - Within the functional expense categories (Public Safety, Public Works, General Government, etc.), individual programs may be added or deleted to meet changing community needs.

Increase in Authorized Personnel - Changes in service demand may cause the Village to increase/decrease authorized staffing. Staffing costs (salary and related benefits) represent about 40% of the Village's operating costs.

Salary Increases (annual adjustments/merit) - The ability to attract and retain (employees) resources requires the Village to strive to approach a competitive salary structure in the marketplace.

Inflation - While overall inflation appears to be reasonably modest, the Village is a major consumer of certain commodities such as supplies, fuels and repair parts. Some functions may experience commodity specific increases.

**VILLAGE OF LINCOLNWOOD, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)**

Current Year Impacts

Governmental Activities

Revenue:

For the fiscal year ended April 30, 2020, revenues from the governmental activities totaled \$25.9 million. Property tax revenue is the Village's largest revenue source, totaling \$7.6 million with sales tax revenues second at \$7.3 million. Sales tax receipts had an increase of \$173,194 when compared to Fiscal 2019. The Village is still experiencing a slow recovery in consumer spending as seen in both our State and National economies. Property tax revenues and sales tax revenues combined with the local utility tax and shared state income tax and other tax revenues total \$19.4 million and represents 70% of the total Governmental Funds revenue. Investment income experienced an increase of \$128,455 due to rate increases the Village earned on the certificates of deposit and other investments. The Village also received capital grant contributions of \$1,122,917 for construction projects for the fiscal year ended April 30, 2020.

Expenses:

For the fiscal year ended April 30, 2020, expenses for governmental activities totaled \$25.1 million, an increase of \$1.1 million when compared to Fiscal 2019.

The Village invested in capital assets during Fiscal 2020. This investment totaled \$8.4 million less the current year depreciation of \$2.3 million for a net increase in capital assets of \$6.1 million.

It is important that the Village provide competitive compensation levels for our employees. Fiscal 2020 expenses included funding an average 2% increase for Village personnel along with increases in medical benefits. Spending on various programs and capital assets was done within the constraints of the availability of revenue received.

Business-type Activities

Revenue:

For the fiscal year ended April 30, 2020, revenues from the business-type activities totaled \$4.6 million. The major revenue source is Charges for Services to operate the Water and Sewer Fund. There was no change in the water rate charged to residents and businesses within the Village in Fiscal 2020.

Expenses:

For the fiscal year ended April 30, 2020, expenses for business-type activities totaled \$4.6 million, including depreciation of \$698,669. Included therein was an operating transfer to the General Fund of \$200,000 for the reimbursement of administrative expenses.

The Water and Sewer Fund follows the same strict spending guidelines imposed on the Governmental Funds.

**VILLAGE OF LINCOLNWOOD, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)**

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

Governmental Funds

At April 30, 2020, the governmental funds (as presented on the income statement on pages 32-33) reported a combined fund balance of \$15,536,518.

General Fund Budgetary Highlights

The 2020 fiscal year budget, as originally approved by the Village Board, was not amended during the current year. Below is a table that reflects the original and final budget and the actual for the revenues and expenditures for the General Fund.

Table 3: General Fund Budgetary Highlights
(in millions)

| | Original/ Final Budget | Actual |
|---|------------------------------|--------------------|
| Revenues | | |
| Taxes | \$ 14.8 | 14.3 |
| Intergovernmental | 2.3 | 2.48 |
| Other | 4.9 | 4.71 |
| Total | <u>22.0</u> | <u>21.49</u> |
| Expenditures | <u>22.9</u> | <u>21.9</u> |
| Excess of Revenues over Expenditures | <u>(0.9)</u> | <u>(0.42)</u> |
| Other Financing Sources | | |
| Transfer In | 0.33 | 0.44 |
| Transfer Out | (0.06) | (0.02) |
| | <u>0.27</u> | <u>0.42</u> |
| Change in Fund Balance | <u><u>(0.59)</u></u> | <u><u>0.00</u></u> |

The Fiscal 2020 General Fund approved budget was balanced with the use of \$.590 million of excess fund balance. The actual results reflect a \$5,117 increase (slightly more than breakeven) in fund balance for the year ended April 30, 2020. Total revenues were \$.5 million (less than 1%) more than the final budget amount, and actual expenditures were \$1 million less than the final budget amount. State sales and home rule sales taxes were \$402,574 less than budgeted while state income tax revenues were \$88,667 more than budgeted. The decrease in sales tax revenue reflects the stagnant growth that the national economy. The income tax revenue is received from the state of Illinois based on a per capita basis. The expenditure budget variance was \$1 million (4%) less than budget. This was mainly due to personnel costs lower than budgeted due to employee transitions and retirements. Transfers from other funds were \$110,000 more than the budgeted amounts.

**VILLAGE OF LINCOLNWOOD, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)**

Other Major Funds Highlights

The Village's major Tax Increment Financing (TIF) Fund experienced a decrease of \$455,579 in fund balance for fiscal year ended April 30, 2020. The tax increment revenue received of \$1,650,638 was mainly used to fund construction costs on various Public Work projects. Total expenditures and transfers were \$2,115,107 million for the fiscal year ended April 30, 2020.

The Motor Fuel Tax Fund had a \$1,107,403 decrease in fund balance for the fiscal year ended April 30, 2020. The Village received a local distributive share of \$464,592 from the State of Illinois and \$69,297 in investment income. The primary expenditures totaling \$1,361,277 were for roadway resurfacing costs.

The Storm Water Management Fund had a \$137,783 decrease in fund balance for the fiscal year ended April 30, 2020. The Village received a grant to help fund the cost of the storm water improvements for the year along with revenues from an increase of 0.025% in the Village's home rule sales tax. The Village also issued \$2.3 million in General Obligation bonds to fund the project. Total construction costs and other administrative costs amount for the outfall sewer project were \$4,258,951 for the fiscal year.

The Debt Service Fund had no change in fund balance for the fiscal year ended April 30, 2020.

Capital Assets

At the end of Fiscal Year 2020, the Village had a combined total of capital assets of \$67.7 million invested in a broad range of capital assets including land, streets, sidewalks, alleys, buildings, vehicles, water mains, storm sewers and sanitary sewer lines. (See Table 4 below).

**Table 4: Total Capital Assets at Year End
Net of Depreciation
(in millions)**

| | Governmental Activities | Business-type Activities | Total |
|-----------------------------------|------------------------------------|-------------------------------------|--------------|
| Land | \$ 10.9 | 0.1 | 11.0 |
| Buildings | 3.8 | 0.3 | 4.1 |
| Improvements Other Than Buildings | 8.6 | - | 8.6 |
| Equipment | 0.3 | - | 0.3 |
| Vehicle | 2.4 | 0.9 | 3.3 |
| Waterworks System | - | 16.8 | 16.8 |
| Infrastructure | 23.6 | - | 23.6 |
| | <u>49.6</u> | <u>18.1</u> | <u>67.7</u> |

More detailed information on capital asset activity can be found in Note 3 of the notes to the financial statements.

**VILLAGE OF LINCOLNWOOD, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)**

**Table 5: Change in Capital Assets
(in millions)**

| | Governmental Activities | Business-type Activities | Total |
|-------------------|------------------------------------|-------------------------------------|--------------|
| Beginning Balance | \$ 43.5 | 10.2 | 53.7 |
| Additions: | | | |
| Depreciable | 8.4 | 8.6 | 17.0 |
| Depreciation | (2.3) | (0.7) | (3.0) |
| Ending Balance | 49.6 | 18.1 | 67.7 |

Debt Outstanding

The Village of Lincolnwood had total long-term debt and loans payable of \$53,308,741 million as of April 30, 2020. Long-term debt is comprised of compensated absences to employees, net pension liabilities and loan/bonds payable. The Village issued \$15,450,000 in General Obligation Bonds plus \$1,260,533 in unamortized premiums and made payments totaling \$314,608 of loans payable while compensated absences decreased by \$19,007. In addition, the net pension obligation and OPEB obligation increased by \$1,029,045 million.

The Village has no legal debt limitation as it is a home rule municipality. At April 30, 2020, the Village had \$15,450,000 outstanding general obligation bonds.

Additional information on the Village's long-term debt can be found in the Note 3 to the basic financial statements.

Economic Factors and Next Year's Budget

The Village continues to provide quality government services funded by a tax base that is basically residential. The local and national economies are still experiencing slow economic growth. The next few years will still continue to be challenging as the current COVID-19 pandemic will put a strain on the Village to balance expenditures with the decrease in revenues while continuing to maintain the current services to our residents and businesses. The Village property tax, sales tax, local utility taxes and the Village's share of the state income tax make a majority of the portion of General Fund revenues. Most of these major revenue sources experienced minimal decreases from the prior year. We expect revenues to be reduced in the upcoming year as the global and state economies are in decline due to the pandemic.

The Village is also continuing to look for economic development to generate additional sales and real estate tax revenues. There are various developments in the plans to begin in Fiscal 2021 for various sites in the Village, including the TIF districts. The Village is also undertaking many infrastructure improvements. Construction will be completed for a water transmission main from Evanston, the Village's new potable water supplier, and the Village is continuing the roadway resurfacing program for all Village streets.

**VILLAGE OF LINCOLNWOOD, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)**

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to Robert J. Merkel, Finance Director, Village of Lincolnwood, 6900 N. Lincoln Ave. Lincolnwood, IL 60712.

BASIC FINANCIAL STATEMENTS

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

- Government-Wide Financial Statements
- Fund Financial Statements

Governmental Funds

Proprietary Fund

Fiduciary Fund

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

Statement of Net Position

April 30, 2020

See Following Page

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Statement of Net Position
April 30, 2020**

| | Governmental Activities | Business-Type Activities | Totals |
|---|----------------------------|-----------------------------|--------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and Investments | \$ 16,749,718 | 10,367,084 | 27,116,802 |
| Receivables - Net of Allowances | 6,185,836 | 810,483 | 6,996,319 |
| Due from Other Governments | 588,163 | - | 588,163 |
| Inventories | - | 53,735 | 53,735 |
| Total Current Assets | 23,523,717 | 11,231,302 | 34,755,019 |
| Noncurrent Assets | | | |
| Capital Assets | | | |
| Nondepreciable Capital Assets | 10,885,084 | 96,214 | 10,981,298 |
| Depreciable Capital Assets | 72,113,469 | 30,931,363 | 103,044,832 |
| Accumulated Depreciation | (33,390,947) | (12,950,705) | (46,341,652) |
| Total Capital Assets | 49,607,606 | 18,076,872 | 67,684,478 |
| Total Assets | 73,131,323 | 29,308,174 | 102,439,497 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred Items - IMRF | 806,718 | 115,438 | 922,156 |
| Deferred Items - Police Pension | 3,283,395 | - | 3,283,395 |
| Deferred Items - RBP | 104,023 | 10,831 | 114,854 |
| Total Deferred Outflows of Resources | 4,194,136 | 126,269 | 4,320,405 |
| Total Assets and Deferred Outflows of Resources | 77,325,459 | 29,434,443 | 106,759,902 |

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

| | Governmental Activities | Business-Type Activities | Totals |
|---|----------------------------|-----------------------------|--------------|
| LIABILITIES | | | |
| Current Liabilities | | | |
| Accounts Payable | \$ 4,089,129 | 3,393,656 | 7,482,785 |
| Accrued Payroll | 289,943 | 20,111 | 310,054 |
| Deposits Payable | 95,054 | - | 95,054 |
| Accrued Interest Payable | 43,944 | 250,980 | 294,924 |
| Other Payables | 621,465 | - | 621,465 |
| Current Portion of Long-Term Debt | | | |
| Compensated Absences Payable | 147,541 | 11,835 | 159,376 |
| Current Portion of Long-Term Debt | 61,954 | 588,281 | 650,235 |
| Total Current Liabilities | 5,349,030 | 4,264,863 | 9,613,893 |
| Noncurrent Liabilities | | | |
| Compensated Absences Payable | 590,163 | 47,342 | 637,505 |
| Net Pension Liability - IMRF | 330,485 | 47,291 | 377,776 |
| Net Pension Liability - Police Pension | 30,714,942 | - | 30,714,942 |
| Total OPEB Liability - RBP | 1,529,490 | 159,245 | 1,688,735 |
| General Obligation Bonds Payable - Net | 2,439,626 | 13,942,880 | 16,382,506 |
| Loans Payable | 112,500 | 2,585,166 | 2,697,666 |
| Total Noncurrent Liabilities | 35,717,206 | 16,781,924 | 52,499,130 |
| Total Liabilities | 41,066,236 | 21,046,787 | 62,113,023 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred Items - IMRF | 1,222,821 | 174,981 | 1,397,802 |
| Deferred Items - Police Pension | 210,683 | - | 210,683 |
| Property Taxes | 2,891,608 | - | 2,891,608 |
| Total Deferred Inflows of Resources | 4,325,112 | 174,981 | 4,500,093 |
| Total Liabilities and Deferred Inflows of Resources | 45,391,348 | 21,221,768 | 66,613,116 |
| NET POSITION | | | |
| Net Investment in Capital Assets | 46,993,526 | 6,439,889 | 53,433,415 |
| Restricted - Police Forfeiture | 100,386 | - | 100,386 |
| Restricted - Economic Development | 1,164,199 | - | 1,164,199 |
| Restricted - Street and Street Light | | | |
| Maintenance and Replacement | 3,007,738 | - | 3,007,738 |
| Restricted - Transportation Improvement | 298,887 | - | 298,887 |
| Unrestricted (Deficit) | (19,630,625) | 1,772,786 | (17,857,839) |
| Total Net Position | 31,934,111 | 8,212,675 | 40,146,786 |

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Statement of Activities
For the Fiscal Year Ended April 30, 2020**

| | Expenses | Program Revenues | | |
|-------------------------------|--------------|----------------------------|---------------------------------------|-------------------------------------|
| | | Charges for Services | Operating Grants/ Contributions | Capital Grants/ Contributions |
| Primary Government | | | | |
| Governmental Activities | | | | |
| General Government | \$ 5,216,670 | 339,293 | - | - |
| Public Safety | 13,201,520 | 2,065,023 | 41,340 | - |
| Highways and Streets | 1,807,520 | - | 464,592 | 79,095 |
| Sanitation | 1,074,777 | - | - | 1,043,822 |
| Economic Development | 883,378 | - | - | - |
| Culture and Recreation | 2,897,477 | 1,422,674 | - | - |
| Interest Expense | 43,944 | - | - | - |
| Total Governmental Activities | 25,125,286 | 3,826,990 | 505,932 | 1,122,917 |
| Business-Type Activities | | | | |
| Water and Sewer | 4,587,652 | 4,469,554 | - | - |
| Total Primary Government | 29,712,938 | 8,296,544 | 505,932 | 1,122,917 |

General Revenues
Taxes
 Property Taxes
 Food and Beverage Taxes
 Utility Taxes
 Other Taxes
Intergovernmental - Unrestricted
 Sales Taxes
 Income Taxes
 Replacement Taxes
 Use Taxes
Investment Income
Miscellaneous
Internal Activity - Transfers

Change in Net Position

Net Position - Beginning

Net Position - Ending

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

| Net (Expenses)/Revenues | | |
|----------------------------|-----------------------------|--------------|
| Primary Government | | |
| Governmental Activities | Business-Type Activities | Totals |
| (4,877,377) | - | (4,877,377) |
| (11,095,157) | - | (11,095,157) |
| (1,263,833) | - | (1,263,833) |
| (30,955) | - | (30,955) |
| (883,378) | - | (883,378) |
| (1,474,803) | - | (1,474,803) |
| (43,944) | - | (43,944) |
| (19,669,447) | - | (19,669,447) |
| - | (118,098) | (118,098) |
| (19,669,447) | (118,098) | (19,787,545) |
| 7,627,356 | - | 7,627,356 |
| 514,124 | - | 514,124 |
| 1,173,826 | - | 1,173,826 |
| 980,723 | - | 980,723 |
| 7,266,677 | - | 7,266,677 |
| 1,238,667 | - | 1,238,667 |
| 177,352 | - | 177,352 |
| 437,971 | - | 437,971 |
| 629,785 | 76,907 | 706,692 |
| 316,561 | 12,500 | 329,061 |
| 200,000 | (200,000) | - |
| 20,563,042 | (110,593) | 20,452,449 |
| 893,595 | (228,691) | 664,904 |
| 31,040,516 | 8,441,366 | 39,481,882 |
| 31,934,111 | 8,212,675 | 40,146,786 |

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

Balance Sheet - Governmental Funds

April 30, 2020

| | <u>General</u> |
|--|--------------------------|
| ASSETS | |
| Cash and Investments | \$ 10,331,843 |
| Receivables | |
| Property Taxes | 2,929,568 |
| Other Taxes | 1,589,076 |
| Accounts | 1,457,570 |
| Due from Other Governments | - |
| Due from Other Funds | <u>538,690</u> |
| Total Assets | <u><u>16,846,747</u></u> |
| LIABILITIES | |
| Accounts Payable | 1,601,870 |
| Accrued Payroll | 289,943 |
| Deposits Payable | 95,054 |
| Due to Other Funds | 150,130 |
| Other Payables | <u>621,465</u> |
| Total Liabilities | 2,758,462 |
| DEFERRED INFLOWS OF RESOURCES | |
| Property Taxes | <u>2,891,608</u> |
| Total Liabilities and Deferred Inflows of Resources | <u><u>5,650,070</u></u> |
| FUND BALANCES | |
| Restricted | 100,386 |
| Unassigned | <u>11,096,291</u> |
| Total Fund Balances | <u><u>11,196,677</u></u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u><u>16,846,747</u></u> |

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

| <u>Special Revenue</u> | | | | | |
|--|---------------------------|-------------------------|--|------------------|-------------------|
| <u>Northeast Industrial District Tax Increment Financing</u> | <u>Motor Fuel Tax</u> | <u>Debt Service</u> | <u>Capital Projects Storm Water Management</u> | <u>Nonmajor</u> | <u>Totals</u> |
| 978,267 | 3,219,809 | 6,800 | 598,490 | 1,614,509 | 16,749,718 |
| 27,182 | - | - | - | 6,269 | 2,963,019 |
| - | - | - | 98,660 | - | 1,687,736 |
| - | 37,340 | - | - | 40,171 | 1,535,081 |
| - | - | - | 586,978 | 1,185 | 588,163 |
| - | - | - | - | - | 538,690 |
| <u>1,005,449</u> | <u>3,257,149</u> | <u>6,800</u> | <u>1,284,128</u> | <u>1,662,134</u> | <u>24,062,407</u> |
| 409,952 | 249,411 | - | 1,421,911 | 255,855 | 3,938,999 |
| - | - | - | - | - | 289,943 |
| - | - | - | - | - | 95,054 |
| - | - | - | - | 538,690 | 688,820 |
| - | - | - | - | - | 621,465 |
| <u>409,952</u> | <u>249,411</u> | <u>-</u> | <u>1,421,911</u> | <u>794,545</u> | <u>5,634,281</u> |
| - | - | - | - | - | 2,891,608 |
| <u>409,952</u> | <u>249,411</u> | <u>-</u> | <u>1,421,911</u> | <u>794,545</u> | <u>8,525,889</u> |
| 595,497 | 3,007,738 | 6,800 | - | 867,589 | 4,578,010 |
| - | - | - | (137,783) | - | 10,958,508 |
| <u>595,497</u> | <u>3,007,738</u> | <u>6,800</u> | <u>(137,783)</u> | <u>867,589</u> | <u>15,536,518</u> |
| <u>1,005,449</u> | <u>3,257,149</u> | <u>6,800</u> | <u>1,284,128</u> | <u>1,662,134</u> | <u>24,062,407</u> |

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

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

April 30, 2020

| | |
|---|--------------------------|
| Total Governmental Fund Balances | \$ 15,536,518 |
| Amounts reported for governmental activities in the Statement of Net Position are different because: | |
| Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. | 49,607,606 |
| Deferred outflows (inflows) of resources related to the pensions not reported in the funds. | |
| Deferred Items - IMRF | (416,103) |
| Deferred Items - Police Pension | 3,072,712 |
| Deferred Items - OPEB | 104,023 |
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. | |
| Compensated Absences Payable | (737,704) |
| Net Pension Liability - IMRF | (330,485) |
| Net Pension Liability - Police Pension | (30,714,942) |
| Total OPEB Liability - RBP | (1,529,490) |
| General Obligation Bonds Payable | (2,300,000) |
| Unamortized Premiums | (189,080) |
| Loan Payable | (125,000) |
| Accrued Interest Payable | (43,944) |
| Net Position of Governmental Activities | <u>31,934,111</u> |

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended April 30, 2020**

See Following Page

VILLAGE OF LINCOLNWOOD, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended April 30, 2020

| | <u>General</u> |
|--|--------------------------|
| Revenues | |
| Taxes | \$ 8,135,388 |
| Charges for Services | 2,194,297 |
| Licenses and Permits | 1,327,921 |
| Intergovernmental | 8,692,756 |
| Fines and Forfeitures | 304,772 |
| Investment Income | 540,938 |
| Miscellaneous | 290,480 |
| Total Revenues | <u>21,486,552</u> |
| Expenditures | |
| Current | |
| General Government | 3,989,720 |
| Public Safety | 11,622,127 |
| Highways and Streets | 1,277,970 |
| Sanitation | 1,074,777 |
| Economic Development | 883,378 |
| Culture and Recreation | 2,145,445 |
| Capital Outlay | 912,292 |
| Debt Service | |
| Principal Retirement | - |
| Total Expenditures | <u>21,905,709</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(419,157)</u> |
| Other Financing Sources (Uses) | |
| Debt Issuance | - |
| Premium on Debt Issuance | - |
| Transfers In | 442,774 |
| Transfers Out | (18,500) |
| | <u>424,274</u> |
| Net Change in Fund Balances | 5,117 |
| Fund Balances - Beginning | <u>11,191,560</u> |
| Fund Balances - Ending | <u><u>11,196,677</u></u> |

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

| <u>Special Revenue</u> | | | | | |
|---|-------------------|-----------------|---|----------------|-------------------|
| Northeast Industrial District Tax Increment Financing | Motor Fuel Tax | Debt Service | Capital Projects Storm Water Management | Nonmajor | Totals |
| 1,650,638 | - | - | - | 510,003 | 10,296,029 |
| - | - | - | - | - | 2,194,297 |
| - | - | - | - | - | 1,327,921 |
| - | 464,592 | - | 1,513,073 | 79,095 | 10,749,516 |
| - | - | - | - | - | 304,772 |
| 8,890 | 69,297 | - | - | 10,660 | 629,785 |
| - | - | - | - | 26,081 | 316,561 |
| <u>1,659,528</u> | <u>533,889</u> | <u>-</u> | <u>1,513,073</u> | <u>625,839</u> | <u>25,818,881</u> |
| 54,597 | - | - | - | 6,600 | 4,050,917 |
| - | - | - | - | - | 11,622,127 |
| - | 1,361,277 | - | - | 166,856 | 2,806,103 |
| - | - | - | - | - | 1,074,777 |
| - | - | - | - | - | 883,378 |
| - | - | - | - | - | 2,145,445 |
| 1,930,510 | - | - | 4,258,951 | 225,256 | 7,327,009 |
| - | - | 12,500 | - | - | 12,500 |
| <u>1,985,107</u> | <u>1,361,277</u> | <u>12,500</u> | <u>4,258,951</u> | <u>398,712</u> | <u>29,922,256</u> |
| (325,579) | (827,388) | (12,500) | (2,745,878) | 227,127 | (4,103,375) |
| - | - | - | 2,300,000 | - | 2,300,000 |
| - | - | - | 189,080 | - | 189,080 |
| - | - | 12,500 | 119,015 | 56,000 | 630,289 |
| (130,000) | (280,015) | - | - | (1,774) | (430,289) |
| <u>(130,000)</u> | <u>(280,015)</u> | <u>12,500</u> | <u>2,608,095</u> | <u>54,226</u> | <u>2,689,080</u> |
| (455,579) | (1,107,403) | - | (137,783) | 281,353 | (1,414,295) |
| <u>1,051,076</u> | <u>4,115,141</u> | <u>6,800</u> | <u>-</u> | <u>586,236</u> | <u>16,950,813</u> |
| <u>595,497</u> | <u>3,007,738</u> | <u>6,800</u> | <u>(137,783)</u> | <u>867,589</u> | <u>15,536,518</u> |

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

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

For the Fiscal Year Ended April 30, 2020

| | |
|---|-----------------------|
| Net Change in Fund Balances - Total Governmental Funds | \$ (1,414,295) |
|---|-----------------------|

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

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

| | |
|----------------------|-------------|
| Capital Outlays | 8,396,018 |
| Depreciation Expense | (2,284,389) |

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

| | |
|---|-------------|
| Change in Deferred Items - IMRF | (1,678,494) |
| Change in Deferred Items - Police Pension | 1,646,981 |
| Change in Deferred Items - RBP | 46,348 |

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

| | |
|--|-------------|
| Change in to Compensated Absences Payable | 2,693 |
| Change in to Net Pension Liability - IMRF | 1,751,036 |
| Change in Net Pension Liability - Police Pension | (2,999,204) |
| Change in to Total OPEB Liability - RBP | (52,575) |
| Issuance of Debt | (2,300,000) |
| Unamortized Premiums | (189,080) |
| Retirement of Debt | 12,500 |

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

| |
|-----------------|
| <u>(43,944)</u> |
|-----------------|

Changes in Net Position of Governmental Activities

| |
|-----------------------|
| <u><u>893,595</u></u> |
|-----------------------|

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

Statement of Net Position - Proprietary Fund (Business-Type Activities)

April 30, 2020

See Following Page

VILLAGE OF LINCOLNWOOD, ILLINOIS

Statement of Net Position - Proprietary Fund (Business-Type Activities)
April 30, 2020

| | <u>Water and Sewer</u> |
|---|----------------------------|
| ASSETS | |
| Current Assets | |
| Cash and Investments | \$ 10,367,084 |
| Receivables - Net of Allowances Accounts | 810,483 |
| Inventories | <u>53,735</u> |
| Total Current Assets | <u>11,231,302</u> |
| Noncurrent Assets | |
| Capital Assets | |
| Nondepreciable Capital Assets | 96,214 |
| Depreciable Capital Assets | 30,931,363 |
| Accumulated Depreciation | <u>(12,950,705)</u> |
| Total Noncurrent Assets | <u>18,076,872</u> |
| Total Assets | <u>29,308,174</u> |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Deferred Items - IMRF | 115,438 |
| Deferred Items - OPEB | <u>10,831</u> |
| Total Deferred Outflows | <u>126,269</u> |
| Total Assets and Deferred Outflows of Resources | <u>29,434,443</u> |

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

| | <u>Water and Sewer</u> |
|---|----------------------------|
| LIABILITIES | |
| Current Liabilities | |
| Accounts Payable | \$ 3,393,656 |
| Accrued Payroll | 20,111 |
| Accrued Interest Payable | 250,980 |
| Compensated Absences Payable | 11,835 |
| Current Portion of Long-Term Debt | <u>588,281</u> |
| Total Current Liabilities | <u>4,264,863</u> |
| Noncurrent Liabilities | |
| Compensated Absences Payable | 47,342 |
| Net Pension Liability - IMRF | 47,291 |
| Total OPEB Liability - RBP | 159,245 |
| General Obligation Bonds Payable - Net | 13,942,880 |
| Loans Payable | <u>2,585,166</u> |
| Total Noncurrent Liabilities | <u>16,781,924</u> |
| Total Liabilities | 21,046,787 |
| DEFERRED INFLOWS OF RESOURCES | |
| Deferred Items - IMRF | <u>174,981</u> |
| Total Liabilities and Deferred Inflows of Resources | <u>21,221,768</u> |
| NET POSITION | |
| Net Investment in Capital Assets | 6,439,889 |
| Unrestricted | <u>1,772,786</u> |
| Total Net Position | <u><u>8,212,675</u></u> |

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Statement of Revenues, Expenses and Changes in Net Position -
Proprietary Fund (Business-Type Activities)
For the Fiscal Year Ended April 30, 2020**

| | <u>Water and Sewer</u> |
|----------------------------------|----------------------------|
| Operating Revenues | |
| Charges for Services | \$ 4,420,059 |
| Fines and Forfeitures | 49,495 |
| Total Operating Revenues | <u>4,469,554</u> |
| Operating Expenses | |
| Cost of Sales and Services | 3,381,002 |
| Depreciation | 698,669 |
| Total Operating Expenses | <u>4,079,671</u> |
| Operating Income | <u>389,883</u> |
| Nonoperating Revenues (Expenses) | |
| Interest Income | 76,907 |
| Other Income | 12,500 |
| Interest and Fiscal Charges | <u>(507,981)</u> |
| | <u>(418,574)</u> |
| (Loss) Before Transfers | (28,691) |
| Transfers Out | <u>(200,000)</u> |
| Change in Net Position | (228,691) |
| Net Position - Beginning | <u>8,441,366</u> |
| Net Position - Ending | <u><u>8,212,675</u></u> |

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Statement of Cash Flows - Proprietary Fund (Business Type Activities)
For the Fiscal Year Ended April 30, 2020**

| | <u>Water and Sewer</u> |
|--|----------------------------|
| Cash Flows from Operating Activities | |
| Receipts from Customers and Users | \$ 4,468,196 |
| Payments to Employees | (516,359) |
| Payments to Suppliers | 216,653 |
| | <u>4,168,490</u> |
| Cash Flows from Noncapital Financing Activities | |
| Transfers Out | <u>(200,000)</u> |
| Cash Flows from Capital and Related Financing Activities | |
| Purchase of Capital Assets | (8,524,787) |
| Interest and Fiscal Charges | (507,981) |
| Debt Issuance | 14,221,453 |
| Payment of Bond Principal | (302,108) |
| | <u>4,886,577</u> |
| Cash Flows from Investing Activities | |
| Interest Received | <u>76,907</u> |
| Net Change in Cash and Cash Equivalents | 8,931,974 |
| Cash and Cash Equivalents - Beginning of Year | <u>1,435,110</u> |
| Cash and Cash Equivalents - End of Year | <u><u>10,367,084</u></u> |
| Reconciliation of Operating Income to Net Cash | |
| Provided (Used) by Operating Activities | |
| Operating Income | 389,883 |
| Adjustments to Reconcile Operating | |
| Income to Net Income to Net Cash | |
| Provided by (Used In) Operating Activities: | |
| Depreciation Expense | 698,669 |
| Other Income (Expense) | 12,500 |
| (Increase) Decrease in Current Assets | (13,858) |
| Increase (Decrease) in Current Liabilities | <u>3,081,296</u> |
| Net Cash Provided by Operating Activities | <u><u>4,168,490</u></u> |

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Statement of Fiduciary Net Position
April 30, 2020**

| | <u>Police Pension</u> |
|--------------------------------------|---------------------------|
| ASSETS | |
| Cash and Cash Equivalents | \$ 1,963,449 |
| Investments | |
| U.S. Treasuries | 3,631,692 |
| U.S. Agency | 129,507 |
| Corporate Bonds | 4,922,792 |
| Equity Mutual Funds | 11,129,260 |
| Illinois Funds | 1,559 |
| Accrued Interest | 60,554 |
| Due from Other Funds | <u>150,130</u> |
| NET POSITION | |
| Net Position Restricted for Pensions | <u><u>21,988,943</u></u> |

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended April 30, 2020**

| | <u>Police Pension</u> |
|----------------------------------|---------------------------|
| Additions | |
| Contributions - Employer | \$ 2,480,046 |
| Contributions - Plan Members | <u>292,037</u> |
| Total Contributions | <u>2,772,083</u> |
| Investment Income | |
| Interest Earned | 771,247 |
| Net Change in Fair Value | <u>(630,223)</u> |
| | 141,024 |
| Less Investment Expenses | <u>(51,309)</u> |
| Net Investment Income | <u>89,715</u> |
| Miscellaneous Income | <u>1,150</u> |
| Total Additions | <u>2,862,948</u> |
| Deductions | |
| Administration | 32,164 |
| Benefits and Refunds | <u>2,918,203</u> |
| Total Deductions | <u>2,950,367</u> |
| Change in Fiduciary Net Position | (87,419) |
| Net Position - Beginning | <u>22,076,362</u> |
| Net Position - Ending | <u>21,988,943</u> |

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Lincolnwood (Village), Illinois, is a municipal corporation, organized with powers and authorities as established in the Illinois Municipal code (Chapter 65 of the Illinois Compiled Statutes), as is governed by an elected Village President and six-member Board of Trustees.

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

REPORTING ENTITY

The Village's financial reporting entity comprises the following:

| | |
|---------------------|------------------------|
| Primary Government: | Village of Lincolnwood |
|---------------------|------------------------|

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

Police Pension Employees Retirement System

The Village's sworn police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's President, one elected pension beneficiary and two elected police employees constitute the pension board.

The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the Village, the PPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the Village's police employees. The PPERS is reported as a pension trust fund.

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION

Government-Wide Statements

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

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are: (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations. The Village's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The Village first utilizes restricted resources to finance qualifying activities.

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

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements

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

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

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

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

Governmental Funds

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

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Governmental Funds – Continued

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Village maintains two major special revenue funds, the Northeast Industrial District Tax Increment Financing Fund and the Motor Tax Fuel Fund. The Northeast Industrial District Tax Increment Financing Fund is used to account for resources (restricted real estate taxes) received and expenditures made to promote the objectives of the TIF District. The Motor Tax Fuel Fund is used to account for resources (restricted motor fuel taxes) to maintain traffic signal lighting in the Village and for services performed by the Village for upkeep of IDOT street within the Village limits. The Village maintains four nonmajor special revenue funds. The Village has established the North Lincoln Tax Increment Financing Fund but as of April 30, 2020 there is no activity to report in the fund.

Debt Service Funds are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The Debt Service Fund is treated as a major fund and is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The Village maintains one major capital projects fund, the Storm Water Management Fund. The Storm Water Management Fund is used to account for resources to make improvements to the Village's storm water management system through the implementation of the Village's storm water management plan. The Village maintains three nonmajor capital projects funds.

Proprietary Funds

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

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Governmental Funds – Continued

Fiduciary Funds

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

Pension Trust Funds are used to account for assets held in a trustee capacity for pension benefit payments. The Police Pension Fund is used to account for the accumulation of resources to be used for disability and retirement annuity payments to employees covered by the plan. Financing is provided by employee contributions, the Village's contribution and investment income.

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

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

Measurement Focus

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

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

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

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

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, sales and use taxes, franchise taxes, licenses, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

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

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Cash and Investments

Cash and cash equivalents on the Statement of Net Position are considered to be cash on hand, demand deposits, 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 Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Inventories

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

Interfund Receivables, Payables and Activity

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

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 waterworks and sewerage charges as their major receivables.

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Capital Assets

Capital assets purchased or acquired with an original cost of \$10,000 or more, depending on asset class, are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

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

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation basis for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value.

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

| | |
|-------------------------------|---------------|
| Parks and Improvements | 10 - 25 Years |
| Buildings and Structures | 35 Years |
| Equipment and Furniture | 5 - 30 Years |
| Vehicles and Heavy Equipment | 5 - 30 Years |
| Streets, Sidewalks and Alleys | 30 Years |
| Waterworks System | 30 Years |

Compensated Absences

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

All vacation pay is accrued when incurred in the government-wide 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.

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Deferred Outflows/Inflows of Resources

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

Long-Term Obligations

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

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

Net Position

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

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

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

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

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

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

All departments of the Village submit requests for appropriation to the Village Manager so that a budget may be prepared. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year. Annual appropriated budgets are adopted the for general, special revenue, debt service, capital projects, enterprise and pension trust funds.

Budgets are adopted on a basis consistent with generally accepted accounting principles except of the Water and Sewer Fund. The Water and Sewer Fund is adopted on a modified basis in that depreciation is not budgeted and capital outlay and debt principal retirements, if any, are budgeted. The Village did not budget for the Lincoln/Touhy Tax Increment Financing Fund.

The proposed budget is presented to the governing body for review. The governing body hold public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget. The finance director is authorized to transfer budgeted amounts between departments within any fund; however, the governing body must approve any revisions that alter the total expenditures of any fund.

The budget may be amended by the governing body but was not amended during the year.

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUND

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

| Fund | Excess |
|------------------------|------------|
| Storm Water Management | \$ 818,951 |

DEFICIT FUND BALANCE

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

| Fund | Deficit |
|------------------------|------------|
| Storm Water Management | \$ 137,783 |

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

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

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

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

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

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

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

Deposits. At year-end, the carrying amount of the Village's deposits for governmental and business-type activities totaled \$17,827,362 and the bank balances totaled \$18,304,791. The Village also has \$8,342,216 invested in the Illinois Funds and \$947,224 invested in IMET, which have an average maturity of less than one year to three years and are measured at the net asset value per share determined by the pool.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village's investment policy limits its exposure to interest rate risk by primarily investing in investment with maturities of one year or less, except for US. government and agencies obligations.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Village limits its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The Village's policy prescribes to the "prudent person" rule which states, "All investments shall be made with sound judgment and extraordinary care by persons of prudence, discretion, and intelligence. The primary objectives of the investment policy shall be safety, liquidity, and return on investment (yield). At year-end, the Village's investment in the Illinois Funds was rated AAAM by Standard & Poor's. The Illinois Metropolitan Investment Trust Convenience Fund is not rated and the Illinois Metropolitan Investment Trust 1-3 Year Fund is rated Aaa by Moody's.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village's investment policy does not mitigate custodial credit risk. The Village's investment in the Illinois Funds and IMET are noncategorizable. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

Concentration Risk. This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village's investment policy does not address concentration risk. At year-end, the Village does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

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

Deposits. At year-end, the carrying amount of the Fund's deposits totaled \$1,963,449 and the bank balances totaled \$1,964,959.

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

| Investment Type | Fair Value | Investment Maturities (in Years) | | | |
|-----------------|------------------|----------------------------------|------------------|------------------|--------------|
| | | Less Than 1 | 1 to 5 | 6 to 10 | More Than 10 |
| U.S. Treasuries | \$ 3,631,692 | 1,273,570 | 1,910,422 | 447,700 | - |
| U.S. Agencies | 129,507 | - | 129,507 | - | - |
| Corporate Bonds | 4,922,792 | 717,048 | 2,833,242 | 1,372,502 | - |
| Illinois Funds | 1,559 | 1,559 | - | - | - |
| | <u>8,685,550</u> | <u>1,992,177</u> | <u>4,873,171</u> | <u>1,820,202</u> | <u>-</u> |

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

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

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

| | | Fair Value Measurements Using | | |
|---|--------------|--|---|--|
| | | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Investments by Fair Value Level | Totals | | | |
| Debt Securities | | | | |
| U.S. Treasuries | \$ 3,631,692 | 3,631,692 | - | - |
| U.S. Agencies | 129,507 | - | 129,507 | - |
| Corporate Bonds | 4,922,792 | - | 4,922,792 | - |
| Equity Securities | | | | |
| Mutual Funds | 11,129,260 | 11,129,260 | - | - |
| | | | | |
| Total Investments by Fair Value Level | 19,813,251 | 14,760,952 | 5,052,299 | - |
| Investments Measured at the Net Asset Value (NAV) | | | | |
| Illinois Funds | 1,559 | | | |
| | | | | |
| Total Investments Measured at Fair Value | 19,814,810 | | | |

Interest Rate Risk. In accordance with its investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for all reasonable anticipated operating requirements while providing a reasonable rate to return based on the current market.

Credit Risk. The Fund limits its exposure to credit risk by primarily investing in U.S. Treasury Obligations and other obligations which are rated AA or better by a national rating agency. At year-end, the Fund’s investments in U.S. Agency securities were rated Aaa by Moody’s or not available, Corporate Bonds were rated AA to BBB Standard & Poor’s and Illinois Funds was rated AAAM by Standard & Poor’s.

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

Custodial Credit Risk. The Fund’s investment policy does not mitigate custodial credit risk for deposits. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

In the case of investments, the Fund limits its exposure to custodial credit risk, the investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment basis with the underlying investments held by a third-party custodian and evidenced by safekeeping receipts. The investment in the Illinois Funds is not subject to custodial credit risk.

Concentration Risk. The Fund’s investment policy requires diversification of investment to avoid unreasonable risk. No financial institution, except any securities custodians of the Fund, shall hold more than 10% of the Fund’s portfolio at any time. In addition to the securities and fair values listed above, the Fund also has \$11,129,260 invested in mutual funds. At year-end, the Fund does not have any investments over 5 percent of the net plan assets available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

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

| Asset Class | Target | Long-Term Expected Real Rate of Return |
|---------------------------|--------|--|
| Fixed Income | 40.7% | 1.3% - 5.1% |
| Domestic Equities | 50.6% | 6.0% - 6.1% |
| International Equities | 8.4% | 4.9% - 5.0% |
| Cash and Cash Equivalents | 0.3% | 0.00% |

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

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

Rate of Return

For the year ended April 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 0.51%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

PROPERTY TAXES

Property taxes for 2019 tax levy attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about March 1 and November 1. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 1% of the tax levy, to reflect actual collection experience.

VILLAGE OF LINCOLNWOOD, ILLINOIS

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

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

| | Beginning Balances | Increases | Decreases | Ending Balances |
|--------------------------------------|-----------------------|------------------|-----------|--------------------|
| Nondepreciable Capital Assets | | | | |
| Land | \$ 10,885,084 | - | - | 10,885,084 |
| Depreciable Capital Assets | | | | |
| Parks and Improvements | 16,261,201 | 111,181 | - | 16,372,382 |
| Buildings and Structures | 10,624,176 | 524,432 | - | 11,148,608 |
| Equipment and Furniture | 2,195,343 | - | - | 2,195,343 |
| Vehicles and Heavy Equipment | 5,308,529 | 564,518 | - | 5,873,047 |
| Streets, Sidewalks and Alleys | 29,328,202 | 7,195,887 | - | 36,524,089 |
| | <u>63,717,451</u> | <u>8,396,018</u> | - | <u>72,113,469</u> |
| Less Accumulated Depreciation | | | | |
| Parks and Improvements | 7,166,852 | 643,776 | - | 7,810,628 |
| Buildings and Structures | 7,075,352 | 303,879 | - | 7,379,231 |
| Equipment and Furniture | 1,804,198 | 70,813 | - | 1,875,011 |
| Vehicles and Heavy Equipment | 3,205,198 | 283,696 | - | 3,488,894 |
| Streets, Sidewalks and Alleys | 11,854,958 | 982,225 | - | 12,837,183 |
| | <u>31,106,558</u> | <u>2,284,389</u> | - | <u>33,390,947</u> |
| Total Net Depreciable Capital Assets | <u>32,610,893</u> | <u>6,111,629</u> | - | <u>38,722,522</u> |
| Total Net Capital Assets | <u>43,495,977</u> | <u>6,111,629</u> | - | <u>49,607,606</u> |

Depreciation expense was charged to governmental activities as follows:

| | |
|------------------------|------------------|
| General Government | \$ 1,367,317 |
| Public Safety | 188,153 |
| Highways and Streets | 88,397 |
| Culture and Recreation | <u>640,522</u> |
| | <u>2,284,389</u> |

VILLAGE OF LINCOLNWOOD, ILLINOIS

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

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS – Continued

Business-Type Activities

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

| | Beginning Balances | Increases | Decreases | Ending Balances |
|--------------------------------------|-----------------------|------------------|-----------|--------------------|
| Nondepreciable Capital Assets | | | | |
| Land | \$ 96,214 | - | - | 96,214 |
| Depreciable Capital Assets | | | | |
| Buildings and Structures | 716,347 | - | - | 716,347 |
| Vehicles and Heavy Equipment | 1,727,539 | 140,584 | - | 1,868,123 |
| Waterworks System | 19,962,690 | 8,384,203 | - | 28,346,893 |
| | <u>22,406,576</u> | <u>8,524,787</u> | - | <u>30,931,363</u> |
| Less Accumulated Depreciation | | | | |
| Buildings and Structures | 415,612 | 29,537 | - | 445,149 |
| Vehicles and Heavy Equipment | 885,713 | 69,347 | - | 955,060 |
| Waterworks System | 10,950,711 | 599,785 | - | 11,550,496 |
| | <u>12,252,036</u> | <u>698,669</u> | - | <u>12,950,705</u> |
| Total Net Depreciable Capital Assets | <u>10,154,540</u> | <u>7,826,118</u> | - | <u>17,980,658</u> |
| Total Net Capital Assets | <u>10,250,754</u> | <u>7,826,118</u> | - | <u>18,076,872</u> |

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

| | |
|-----------------|-------------------|
| Water and Sewer | <u>\$ 698,669</u> |
|-----------------|-------------------|

VILLAGE OF LINCOLNWOOD, ILLINOIS

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

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund Balances

The composition of interfund balances as of the date of this report is as follows:

| Receivable Fund | Payable Fund | Amount |
|-----------------|-----------------------|-----------------------|
| General | Nonmajor Governmental | \$ 538,690 |
| Police Pension | General | <u>150,130</u> |
| | | <u><u>688,820</u></u> |

Interfund balances are advances in anticipation of receipts.

Interfund Transfers

Interfund transfers for the year consisted of the following:

| Transfer In | Transfer Out | Amount |
|------------------------|--|-----------------------|
| General | Northeast Industrial District Tax Increment Financing | \$ 130,000 (1) |
| General | Nonmajor Governmental | 1,774 (1) |
| General | Water and Sewer | 200,000 (1) |
| General | Motor Fuel Tax | 111,000 (1) |
| Storm Water Management | Motor Fuel Tax | 119,015 (1) |
| Nonmajor Governmental | Motor Fuel Tax | 50,000 (1) |
| Debt Service | General | 12,500 (2) |
| Nonmajor Governmental | General | <u>6,000 (3)</u> |
| | | <u><u>630,289</u></u> |

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

VILLAGE OF LINCOLNWOOD, ILLINOIS

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

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT

General Obligation Bonds Payable

The Village issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the Village. General obligation bonds currently outstanding are as follows:

| Issue | Fund Retired by | Beginning Balances | Issuances | Retirements | Ending Balances |
|--|------------------------|--------------------|------------|-------------|-----------------|
| General Obligation Bonds of 2019 due in annual payments of \$265,000 to \$1,250,000, plus interest at 3.00% to 5.00% through December 1, 2039. | Storm Water Management | \$ - | 2,300,000 | - | 2,300,000 |
| | Water and Sewer | - | 13,150,000 | - | 13,150,000 |
| | | - | 15,450,000 | - | 15,450,000 |

Loans Payable

Loans payable are utilized to acquire capital equipment. Loans payable currently outstanding are as follows:

| Issue | Fund Retired by | Beginning Balances | Issuances | Retirements | Ending Balances |
|---|-----------------|--------------------|-----------|-------------|-----------------|
| Illinois Finance Authority Loan Payable of 2009 due in annual payments of \$12,500, non-interest bearing through May 9, 2029. | Debt Service | \$ 137,500 | - | 12,500 | 125,000 |

VILLAGE OF LINCOLNWOOD, ILLINOIS

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

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Illinois Environmental Protection Agency (IEPA) Loans Payable

The Village has entered into loan agreements with the IEPA to provide low interest financing for water and sewer improvements. IEPA loans currently outstanding are as follows:

| Issue | Fund Retired by | Beginning Balances | Issuances | Retirements | Ending Balances |
|--|-----------------|--------------------|-----------|-------------|-----------------|
| IEPA Water Pollution Control Revolving Fund Loan Payable of 2008 due in semi-annual payments of \$87,660 to \$187,731, plus interest at 2.50% through June 17, 2028. | Water and Sewer | \$ 3,196,982 | - | 302,108 | 2,894,874 |

Long-Term Liability Activity

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

| Type of Debt | Beginning Balances | Additions | Deductions | Ending Balances | Amounts Due within One Year |
|--|--------------------|-------------------|------------------|-------------------|-----------------------------|
| Governmental Activities | | | | | |
| Compensated Absences | \$ 740,397 | 219,941 | 222,634 | 737,704 | 147,541 |
| Net Pension Liability - IMRF | 2,081,521 | - | 1,751,036 | 330,485 | - |
| Net Pension Liability - Police Pension | 27,715,738 | 2,999,204 | - | 30,714,942 | - |
| Total OPEB Liability - RBP | 1,476,915 | 52,575 | - | 1,529,490 | - |
| General Obligation Bonds | - | 2,300,000 | - | 2,300,000 | 40,000 |
| Plus: Unamortized Premiums | - | 189,080 | - | 189,080 | 9,454 |
| Loans Payable | 137,500 | - | 12,500 | 125,000 | 12,500 |
| | <u>32,152,071</u> | <u>5,760,800</u> | <u>1,986,170</u> | <u>35,926,701</u> | <u>209,495</u> |
| Business-Type Activities | | | | | |
| Compensated Absences | 75,491 | 11,835 | 28,149 | 59,177 | 11,835 |
| Net Pension Liability - IMRF | 316,821 | - | 269,530 | 47,291 | - |
| Total OPEB Liability - RBP | 161,413 | - | 2,168 | 159,245 | - |
| General Obligation Bonds | - | 13,150,000 | - | 13,150,000 | 225,000 |
| Plus: Unamortized Premiums | - | 1,071,453 | - | 1,071,453 | 53,573 |
| IEPA Loans Payable | 3,196,982 | - | 302,108 | 2,894,874 | 309,708 |
| | <u>3,750,707</u> | <u>14,233,288</u> | <u>601,955</u> | <u>17,382,040</u> | <u>600,116</u> |

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Long-Term Liability Activity – Continued

For governmental activities, the General Fund makes payments on the compensated absences, the net pension liability and the total OPEB liability. Payments on the general obligation bonds and loans payable are being made by the Debt Service Fund and Storm Water Management Fund.

For business-type activities, the Water and Sewer Fund makes payments on the compensated absences, the net pension liability, the total OPEB liability, the general obligation bonds and the IEPA loans payable.

Debt Service Requirements to Maturity

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

| Fiscal Year | Governmental Activities | | | Business-Type Activities | | | |
|-------------|--------------------------|-----------|---------------|--------------------------|-----------|--------------------|----------|
| | General Obligation Bonds | | Loans Payable | General Obligation Bonds | | IEPA Loans Payable | |
| | Principal | Interest | Principal | Principal | Interest | Principal | Interest |
| 2021 | \$ 40,000 | 94,733 | 12,500 | 225,000 | 541,051 | 309,708 | 70,448 |
| 2022 | 50,000 | 82,000 | 12,500 | 300,000 | 468,500 | 317,500 | 62,656 |
| 2023 | 55,000 | 79,500 | 12,500 | 310,000 | 453,500 | 325,486 | 54,670 |
| 2024 | 60,000 | 76,750 | 12,500 | 325,000 | 438,000 | 333,674 | 46,482 |
| 2025 | 60,000 | 73,750 | 12,500 | 345,000 | 421,750 | 342,068 | 38,088 |
| 2026 | 65,000 | 70,750 | 12,500 | 360,000 | 404,500 | 350,673 | 29,482 |
| 2027 | 65,000 | 67,500 | 12,500 | 380,000 | 386,500 | 359,495 | 20,661 |
| 2028 | 70,000 | 64,250 | 12,500 | 400,000 | 367,500 | 368,539 | 11,617 |
| 2029 | 75,000 | 60,750 | 12,500 | 420,000 | 347,500 | 187,731 | 2,347 |
| 2030 | 135,000 | 57,000 | 12,500 | 765,000 | 326,500 | - | - |
| 2031 | 140,000 | 51,600 | - | 800,000 | 295,900 | - | - |
| 2032 | 145,000 | 46,000 | - | 830,000 | 263,900 | - | - |
| 2033 | 150,000 | 40,200 | - | 865,000 | 230,700 | - | - |
| 2034 | 155,000 | 35,700 | - | 890,000 | 204,750 | - | - |
| 2035 | 160,000 | 31,050 | - | 915,000 | 178,050 | - | - |
| 2036 | 165,000 | 26,250 | - | 945,000 | 150,600 | - | - |
| 2037 | 170,000 | 21,300 | - | 975,000 | 122,250 | - | - |
| 2038 | 175,000 | 16,200 | - | 1,005,000 | 93,000 | - | - |
| 2039 | 180,000 | 10,950 | - | 1,030,000 | 62,850 | - | - |
| 2040 | 185,000 | 5,550 | - | 1,065,000 | 31,951 | - | - |
| Totals | 2,300,000 | 1,011,783 | 125,000 | 13,150,000 | 5,789,252 | 2,894,874 | 336,451 |

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Legal Debt Margin

Article VII, Section 6(k) of the 1970 Illinois Constitution governs the computation of legal debt margin. “The General Assembly may limit by law the amount and require referendum approval of debt to the incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property... (2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent: indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum... shall not be included in the foregoing percentage amounts.” To date the Illinois General Assembly has set no limits for home rule municipalities. The Village is a home rule municipality.

NET POSITION/FUND BALANCE CLASSIFICATIONS

Fund Balance Classifications

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

| | General | Special Revenue | | Debt Service | Capital Projects | | Totals |
|-----------------------------|-------------------|----------------------------------|------------------|--------------|------------------------|----------------|-------------------|
| | | District Tax Increment Financing | Motor Fuel Tax | | Storm Water Management | Nonmajor | |
| Fund Balances | | | | | | | |
| Restricted | | | | | | | |
| Police Forfeiture | \$ 100,386 | - | - | - | - | - | 100,386 |
| Economic Development | - | 595,497 | - | - | - | 568,702 | 1,164,199 |
| Debt Service | - | - | - | 6,800 | - | - | 6,800 |
| Street and Streetlight | | | | | | | |
| Maintenance and Replacement | - | - | 3,007,738 | - | - | - | 3,007,738 |
| Transportation Improvements | - | - | - | - | - | 298,887 | 298,887 |
| | <u>100,386</u> | <u>595,497</u> | <u>3,007,738</u> | <u>6,800</u> | | <u>867,589</u> | <u>4,578,010</u> |
| Unassigned | <u>11,096,291</u> | - | - | - | (137,783) | - | <u>10,958,508</u> |
| Total Fund Balances | <u>11,196,677</u> | <u>595,497</u> | <u>3,007,738</u> | <u>6,800</u> | <u>(137,783)</u> | <u>867,589</u> | <u>15,536,518</u> |

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION/FUND BALANCE CLASSIFICATIONS – Continued

Fund Balance Classifications – Continued

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

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

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

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

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

Minimum Fund Balance Policy. The Villages policy manual states that the General Fund should maintain a minimum unrestricted fund balance equal 25 to 35 percent of actual expenditures. Fund balances in excess of said levels may be used for the purchase of new or replacement capital equipment and capital expenditures.

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION/FUND BALANCE CLASSIFICATIONS – Continued

Net Position Classifications

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

| | |
|--|--------------------|
| Governmental Activities | |
| Capital Assets - Net of Accumulated Depreciation | \$ 49,607,606 |
| Less Capital Related Debt: | |
| General Obligation Bonds of 2019 - Net | (2,489,080) |
| Illinois Finance Authority Loan Payable of 2009 | <u>(125,000)</u> |
| Net Investment in Capital Assets | <u>46,993,526</u> |
| Business-Type Activities | |
| Capital Assets - Net of Accumulated Depreciation | 18,076,872 |
| Plus Unspent Bond Proceeds | 5,479,344 |
| Less Capital Related Debt: | |
| General Obligation Bonds of 2019 - Net | (14,221,453) |
| IEPA Loan Payable of 2008 | <u>(2,894,874)</u> |
| Net Investment in Capital Assets | <u>6,439,889</u> |

NOTE 4 – OTHER INFORMATION

CONTINGENT LIABILITIES

Litigation

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

Grants

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

CONTINGENT LIABILITIES – Continued

Financial Impact from COVID-19

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

Solid Waste Agency of Northern Cook County (SWANCC)

The Village's contract with the Solid Waste Agency of Northern Cook County (SWANCC) provides that each member is liable for its proportionate share of any costs arising from defaults in payment obligations by other members.

RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the Village's employees. These risks are provided for through participation in the public entity risk pool Intergovernmental Risk Management Agency (IRMA). Settled claims from these risks have not exceeded the pool's limit of coverage in any year since the Village became a member in 1989. The Village retains the risk on the first \$25,000 loss per occurrence, and also for losses above the pool's \$10,000,000 coverage limit. At fiscal year end, the Village determined there were no probable unpaid claims for which it retained risk, and, as such, did not record a claims liability.

Intergovernmental Risk Management Agency (IRMA)

The Village participates in the Intergovernmental Risk Management Agency (IRMA). IRMA is an organization of municipalities and special districts in Northeastern Illinois which have formed an association under the Illinois Intergovernmental Cooperation's Statute to pool its risk management needs. The agency administers a mix of self-insurance and commercial insurance coverages; property/casualty and workers' compensation claim administration/litigation management services; unemployment claim administration; extensive risk management/loss control consulting and training programs; and a risk information system and financial reporting service for its members.

The Village's payments to IRMA are displayed on the financial statements as expenses in the Liability Insurance Fund. The Village assumes the first \$25,000 of each occurrence and IRMA has a mix of self-insurance and commercial insurance at various amounts above that level. Each member appoints one delegate, along with an alternate delegate, to represent the member on the Board of Directors. The Village does not exercise any control over the activities of the Agency beyond its representation on the Board of Directors.

Initial contributions are determined each year based on the individual member's eligible revenue as defined in the by-laws of IRMA and experience modification factors based on past member loss experience. Members have a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member. Supplemental contributions may be required to fund these deficits.

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

RISK MANAGEMENT – Continued

North Suburban Employee's Benefit Cooperative

The Village participates in the North Suburban Employee's Benefit Cooperative (NSEBC), an agency of governmental entities created to finance and administer medical and dental care benefits to employees of its member organizations. Each municipality appoints one representative to serve on the Board of Directors. The Board determines the general policies, which includes approval of the annual budget. Members are contractually obligated to make all monthly payments and to fund any deficit upon dissolution of the pool. They will share in any surplus of the pool based on a decision by the Board. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years. The Village reports insurance activities within the General Fund. The Village's total payments for the year ended April 30, 2020 were \$1,259,544.

COMMITMENTS

Intergovernmental Agreement

Under an Intergovernmental Agreement entered into in September of 1997, the Village agreed to provide a development benefit from the Northeast Industrial TIF District to the Lincolnwood Elementary School District #74. The benefit paid is attributable to any revenues received by the Village for any new development occurring within the Northeast Industrial TIF District. The payment, if applicable, is made each year until the TIF District closes and there is no limit to the amount paid to the School District. There was no payment due for the year ended April 30, 2020 as the School District received a surplus distribution from the TIF District. The surplus distribution was used to offset the current development benefit owed to the School District per the terms of the Intergovernmental Agreement.

Sales Tax Incentive Agreements

The Village has an agreement with an automobile dealership based upon sales tax revenue generated and paid by this dealership during the calendar year. The Village will remit 50% of sales tax revenue, not to exceed the maximum incentive amount of \$5,000,000, for no greater than fifteen years paid by this dealership. For the year ended April 30, 2020, the Village collected and will rebate \$139,541 of sales tax revenue to this dealership. Cumulative payments through April 30, 2020 are \$1,261,144.

The Village has an agreement with an automobile dealership based upon sales tax revenue generated and paid by this dealership during the calendar year. The Village will remit 50% of sales tax revenue, not to exceed the maximum incentive amount of \$1,200,000, for no greater than twenty years paid by this dealership. As of April 30, 2020, the Village collected and will rebate \$40,000 of sales tax revenue to this dealership. Cumulative payments through April 30, 2020 are \$377,555.

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

JOINT VENTURES

Solid Waste Agency of Northern Cook County (SWANCC)

The Village is a member of the Solid Waste Agency of Northern Cook County (SWANCC) which consists of twenty-three municipalities. SWANCC is a municipal corporation and public body politic established pursuant to the Constitution Act of the State of Illinois and the Intergovernmental Cooperation Act of the State of Illinois, as amended.

SWANCC is empowered to plan, construct, finance, operate, and maintain a solid waste disposal system to serve its members. SWANCC is governed by a Board of Directors which consists of one appointed representative from each member municipality. Each Director has an equal vote. The officers of SWANCC are appointed by the Board of Directors.

The Board of Directors determines the general policy of SWANCC, makes all appropriations, approves contracts, adopts resolutions providing for the issuance of bonds or notes by SWANCC, adopts by-laws, rules and regulations, and exercises such powers and performs such duties as may be prescribed in the SWANCC agreement or the by-laws. Separate audited financial statements are available at 77 W. Hintz Road, Suite 200 Wheeling, IL 60090.

SWANCC's bonds are revenue obligations. They are limited obligations of SWANCC, with a claim for payment solely from and secured by a pledge of the revenues of the system, and amounts in various funds and accounts established by SWANCC resolutions. SWANCC has no power to levy taxes.

Revenues of the system consist of: (a) all receipts derived from Solid Waste Disposal Contracts or any other contracts for the disposal of waste; (b) all income derived from the investment of monies; and (c) all income, fees, service charges, and all grants, rents, and receipts derived by SWANCC from the ownership and operation of the system.

SWANCC covenants to establish fees and charges sufficient to provide revenues to meet all its requirements.

SWANCC has entered into Solid Waste Disposal Contracts with the member municipalities. The Contracts are irrevocable, and may not be terminated or amended, except as provided in the Contract. Each member is obligated, on a "take or pay" basis, to purchase or in any event to pay for a minimum annual cost of the system.

The obligation of the Village to make all payments as required by this Contract is unconditional and irrevocable, without regard to performance or nonperformance by SWANCC of its obligations under this Contract.

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

JOINT VENTURES – Continued

Solid Waste Agency of Northern Cook County (SWANCC) – Continued

The payments required to be made by the Village under this Contract are required to be made solely from revenues to be derived by the Village from the operation of the refuse collection system. The Village is not prohibited by the Contract from using any other funds to make the payments required by the Contract. The Contract shall not constitute an indebtedness of the Village within the meaning of any statutory or constitutional limitation.

In accordance with the joint venture agreement, the Village remitted \$233,660 to SWANCC for the year ended April 30, 2020, which is recorded in the Village's General Fund.

Maine Niles Association of Special Recreation (MNASR)

The District is a member of MNASR, which was organized by six area park districts and one Village in order to provide special recreation programs to physically and mentally challenged individuals and to share the expenses of such programs on a cooperative basis.

The MNASR's Board of Directors consists of one representative from each participating park district. The Board of Directors is the governing body of MNASR and is responsible for establishing all major policies and changes therein and for approving all budget, capital outlay, programming, and master plans. The audited financial statements of MNASR are available at 6834 West Dempster, Morton Grove, IL 60053.

The following is a summary of the MNASR's financial statements for the year ended December 31, 2019:

| | | | |
|------------------------------------|------------------|--|----------------|
| Current Assets | \$ 768,144 | Current Liabilities | 109,503 |
| Noncurrent Assets | | Long-Term Liabilities | 592,977 |
| Capital Assets | <u>104,973</u> | Total Liabilities | <u>702,480</u> |
| Total Assets | 873,117 | Deferred Inflows | <u>160,096</u> |
| Deferred Outflows | <u>223,049</u> | Total Liabilities/ Deferred Inflows | <u>862,576</u> |
| Total Assets/ Deferred Outflows | <u>1,096,166</u> | Net Position | <u>233,590</u> |

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

JOINT VENTURES – Continued

Maine Niles Association of Special Recreation (MNASR) – Continued

| | |
|--------------------------|-----------------------|
| Operating Revenues | \$ 2,434,230 |
| Operating Expenses | <u>2,495,522</u> |
| Operating Income | (61,292) |
| Nonoperating Revenue | <u>5,362</u> |
| Change in Net Position | (55,930) |
| Net Position - Beginning | <u>289,520</u> |
| Net Position - Ending | <u><u>233,590</u></u> |

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), and the Sheriff's Law Enforcement Program (SLEP), which are both defined benefit agent multiple-employer public employee retirement systems administered by the IMRF; and the Police Pension Plan, which is a single-employer, pension plan. A copy of the Police Pension Plan report may be obtained by writing to the Village at 6900 North Lincoln Avenue, Lincolnwood, Illinois 60712. IMRF and SLEP 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 Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

The aggregate amount of pension expense recognized for the two pension plans is:

| | Net Pension Liabilities | Deferred Outflows | Deferred Inflows | Pension Expenses |
|----------------|----------------------------|----------------------|---------------------|---------------------|
| IMRF | \$ 377,776 | 922,156 | 1,397,802 | 204,383 |
| Police Pension | 30,714,942 | 3,283,395 | 210,683 | 3,832,269 |
| | <u>31,092,718</u> | <u>4,205,551</u> | <u>1,608,485</u> | <u>4,036,652</u> |

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF)

Plan Descriptions

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

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

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

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

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

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

| | |
|--|------------|
| Inactive Plan Members Currently Receiving Benefits | 64 |
| Inactive Plan Members Entitled to but not yet Receiving Benefits | 77 |
| Active Plan Members | <u>60</u> |
| Total | <u>201</u> |

Contributions. As set by statute, the Village's Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual contribution rate for fiscal year 2020 was 7.45% of covered payroll.

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

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

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Actuarial Assumptions – Continued. For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

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

| Asset Class | Target | Long-Term Expected Real Rate of Return |
|---------------------------|--------|--|
| Fixed Income | 28.00% | 3.25% |
| Domestic Equities | 37.00% | 5.75% |
| International Equities | 18.00% | 6.50% |
| Real Estate | 9.00% | 5.20% |
| Blended | 7.00% | 3.60% - 7.60% |
| Cash and Cash Equivalents | 1.00% | 1.85% |

Discount Rate

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Discount Rate Sensitivity

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

| | 1% Decrease (6.25%) | Current Discount Rate (7.25%) | 1% Increase (8.25%) |
|-------------------------------|------------------------|-------------------------------------|------------------------|
| Net Pension Liability/(Asset) | \$ 3,840,821 | 377,776 | (2,385,898) |

Changes in the Net Pension Liability

| | Total Pension Liability (A) | Plan Fiduciary Net Position (B) | Net Pension Liability (A) - (B) |
|---|--------------------------------------|---------------------------------------|---------------------------------------|
| Balances at December 31, 2018 | \$ 25,096,478 | 22,698,136 | 2,398,342 |
| Changes for the Year: | | | |
| Service Cost | 366,451 | - | 366,451 |
| Interest on the Total Pension Liability | 1,787,132 | - | 1,787,132 |
| Changes of Benefit Terms | - | - | - |
| Difference Between Expected and Actual Experience of the Total Pension Liability | 736,710 | - | 736,710 |
| Changes of Assumptions | - | - | - |
| Contributions - Employer | - | 281,723 | (281,723) |
| Contributions - Employees | - | 194,447 | (194,447) |
| Net Investment Income | - | 4,255,124 | (4,255,124) |
| Benefit Payments, including Refunds of Employee Contributions | (1,259,203) | (1,259,203) | - |
| Other (Net Transfer) | - | 179,565 | (179,565) |
| Net Changes | 1,631,090 | 3,651,656 | (2,020,566) |
| Balances at December 31, 2019 | 26,727,568 | 26,349,792 | 377,776 |

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

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

For the year ended April 30, 2020, the Village recognized pension expense of \$204,383. At April 30, 2020, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources | Totals |
|---|--------------------------------------|-------------------------------------|------------------|
| Difference Between Expected and Actual Experience | \$ 519,787 | (149,389) | 370,398 |
| Change in Assumptions | 295,336 | (147,583) | 147,753 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | - | (1,100,830) | (1,100,830) |
| Total Pension Expense to be Recognized in Future Periods | 815,123 | (1,397,802) | (582,679) |
| Pension Contributions Made Subsequent to the Measurement Date | 107,033 | - | 107,033 |
| Total Deferred Amounts Related to IMRF | <u>922,156</u> | <u>(1,397,802)</u> | <u>(475,646)</u> |

\$107,033 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended April 30, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

| Fiscal Year | Net Deferred Outflows/ (Inflows) of Resources |
|----------------|--|
| 2021 | \$ (165,239) |
| 2022 | (72,076) |
| 2023 | 180,913 |
| 2024 | (526,277) |
| 2025 | - |
| Thereafter | <u>-</u> |
| Total | <u>(582,679)</u> |

VILLAGE OF LINCOLNWOOD, ILLINOIS

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

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan

Plan Descriptions

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

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

| | |
|--|------------------|
| Inactive Plan Members Currently Receiving Benefits | 40 |
| Inactive Plan Members Entitled to but not yet Receiving Benefits | - |
| Active Plan Members | <u>31</u> |
| Total | <u><u>71</u></u> |

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

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter.

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Plan Descriptions – Continued

Benefits Provided – Continued. Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officer salary for the pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions. Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended April 30, 2020, the Village's contribution was 71.44% of covered payroll.

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

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

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Actuarial Assumptions

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

| | |
|----------------------------|---------------------|
| Actuarial Cost Method | Entry Age Normal |
| Asset Valuation Method | Market |
| Actuarial Assumptions | |
| Interest Rate | 7.00% |
| Salary Increases | 3.75% - 10.57% |
| Cost of Living Adjustments | 2.25% |
| Inflation | 2.25% |

Mortality rates are based the table combines observed experience of Illinois Firefighters with the RP-2014 mortality table for blue collar workers projected to 2017 using Improvement Scale MP-2016.

Discount Rate

The discount rate used to measure the total pension liability was 7.00%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund’s fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

VILLAGE OF LINCOLNWOOD, ILLINOIS

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

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Discount Rate Sensitivity

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

| | 1% Decrease (6.00%) | Current Discount Rate (7.00%) | 1% Increase (8.00%) |
|-----------------------|------------------------|-------------------------------------|------------------------|
| Net Pension Liability | \$ 37,731,161 | 30,714,942 | 24,974,331 |

Changes in the Net Pension Liability

| | Total Pension Liability (A) | Plan Fiduciary Net Position (B) | Net Pension Liability (A) - (B) |
|---|--------------------------------------|---------------------------------------|---------------------------------------|
| Balances at April 30, 2019 | \$ 49,792,100 | 22,076,362 | 27,715,738 |
| Changes for the Year: | | | |
| Service Cost | 569,863 | - | 569,863 |
| Interest on the Total Pension Liability | 3,383,310 | - | 3,383,310 |
| Changes of Benefit Terms | 449,573 | - | 449,573 |
| Difference Between Expected and Actual Experience of the Total Pension Liability | 1,051,126 | - | 1,051,126 |
| Changes of Assumptions | 376,116 | - | 376,116 |
| Contributions - Employer | - | 2,480,046 | (2,480,046) |
| Contributions - Employees | - | 292,037 | (292,037) |
| Contributions - Other | - | 1,150 | (1,150) |
| Net Investment Income | - | 89,715 | (89,715) |
| Benefit Payments, including Refunds of Employee Contributions | (2,918,203) | (2,918,203) | - |
| Administrative Expense | - | (32,164) | 32,164 |
| Net Changes | 2,911,785 | (87,419) | 2,999,204 |
| Balances at April 30, 2020 | 52,703,885 | 21,988,943 | 30,714,942 |

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

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

For the year ended April 30, 2020, the Village recognized pension expense of \$3,832,269. At April 30, 2020, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources | Totals |
|---|--------------------------------------|-------------------------------------|------------------|
| Difference Between Expected and Actual Experience | \$ 1,007,884 | - | 1,007,884 |
| Change in Assumptions | 1,080,197 | (210,683) | 869,514 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 1,195,314 | - | 1,195,314 |
| Total Deferred Amounts Related to Police Pension | <u>3,283,395</u> | <u>(210,683)</u> | <u>3,072,712</u> |

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

| Fiscal Year | Net Deferred Outflows of Resources |
|----------------|--|
| 2021 | \$ 593,182 |
| 2022 | 759,674 |
| 2023 | 704,028 |
| 2024 | 596,675 |
| 2025 | 242,606 |
| Thereafter | <u>176,547</u> |
| Total | <u>3,072,712</u> |

VILLAGE OF LINCOLNWOOD, ILLINOIS

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

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plan

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

Benefits Provided. Non-union employees hired prior to December 31, 2014 who have been employed by the Village for a minimum of 30 years are provided with a Village health insurance subsidy equal to 1/2 of the premium payment for the first year following retirement, 1/3 of the premium payment for the second year following retirement, and 1/4 of the premium payment for the third year following retirement. The subsidy ceases at the earlier of the end of the third year of coverage or attainment of Medicare eligibility age. The subsidy applies to the plan and tier coverage held by the employee at the time of retirement. All other employees may continue coverage into retirement on the Village plan on a pay-all basis. Coverage is also available for eligible dependents on a pay-all basis.

Plan Membership. As of April 30, 2019, the measurement date, the following employees were covered by the benefit terms:

| | |
|--|------------------|
| Inactive Plan Members Currently Receiving Benefits | 9 |
| Inactive Plan Members Entitled to but not yet Receiving Benefits | - |
| Active Plan Members | <u>72</u> |
| Total | <u><u>81</u></u> |

Total OPEB Liability

The Village’s total OPEB liability was measured as of April 30, 2020 and was determined by an actuarial valuation as of May 1, 2018.

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Actuarial Assumptions and Other Inputs. The total OPEB liability in the April 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

| | |
|--|--|
| Inflation | 3.00% |
| Salary Increases | 4.00% |
| Discount Rate | 2.85% |
| Healthcare Cost Trend Rates | 6.37% in FY2021 decreasing to an ultimate rate of 4.50% for the HMO plan and 7.10% in FY 2020 decreasing to an ultimate rate of 4.50% for the PPO plan |
| Retirees' Share of Benefit-Related Costs | See notes in Benefits Provided section |

The discount rate was based on the S&P Municipal Bond 20 Year High-Grade Rate Index as of April 30, 2020.

Mortality rates were based on the RP-2014 Combined Mortality Table for males and females and reflects recent rates developed by the Society of Actuaries.

Change in the Total OPEB Liability

| | <u>Total OPEB Liability</u> |
|---|-------------------------------------|
| Balance at April 30, 2019 | <u>\$ 1,638,328</u> |
| Changes for the Year: | |
| Service Cost | 42,826 |
| Interest on the Total OPEB Liability | 50,855 |
| Changes of Benefit Terms | - |
| Difference Between Expected and Actual Experience | - |
| Changes of Assumptions or Other Inputs | 63,938 |
| Benefit Payments | (108,108) |
| Other Changes | 896 |
| Net Changes | <u>50,407</u> |
| Balance at April 30, 2020 | <u><u>1,688,735</u></u> |

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

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

The following presents the total OPEB liability, calculated using a Single Discount Rate of 2.85%, as well as what the total OPEB liability would be if it were calculated using a Single Discount Rate that is one percentage point lower or one percentage point higher:

| | 1% Decrease (1.85%) | Current Discount Rate (2.85%) | 1% Increase (3.85%) |
|----------------------|------------------------|-------------------------------------|------------------------|
| Total OPEB Liability | \$ 1,792,342 | 1,688,735 | 1,591,191 |

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

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

| | 1% Decrease (Varies) | Healthcare Cost Trend Rates (Varies) | 1% Increase (Varies) |
|----------------------|-------------------------|---|-------------------------|
| Total OPEB Liability | \$ 1,557,539 | 1,688,735 | 1,840,230 |

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

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

For the year ended April 30, 2020, the Village recognized OPEB expense of \$107,639. At April 30, 2020, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources | Totals |
|---|--------------------------------------|-------------------------------------|----------------|
| Difference Between Expected and Actual Experience | \$ - | - | - |
| Change in Assumptions | 114,854 | - | 114,854 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | - | - | - |
| Total Deferred Amounts Related to OPEB | <u>114,854</u> | <u>-</u> | <u>114,854</u> |

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

| Fiscal Year | Net Deferred Outflows of Resources |
|----------------|--|
| 2021 | \$ 13,958 |
| 2022 | 13,958 |
| 2023 | 13,958 |
| 2024 | 13,958 |
| 2025 | 13,958 |
| Thereafter | <u>45,064</u> |
| Total | <u>114,854</u> |

SUBSEQUENT EVENT

On August 13, 2020, the Village issued \$2,680,000 in General Obligation Bonds, Series 2020A, due in annual installments of \$165,000 to \$210,000 plus interest at 1.420% through December 1, 2034.

REQUIRED SUPPLEMENTARY INFORMATION

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

- Schedule of Employer Contributions
 - Illinois Municipal Retirement Fund
 - Police Pension Fund

- Schedule of Changes in the Employer's Net Pension Liability
 - Illinois Municipal Retirement Fund
 - Police Pension Fund

- Schedule of Investment Returns
 - Police Pension Fund

- Schedule of Changes in the Employer's Total OPEB Liability
 - Retiree Benefits Plan

- Budgetary Comparison Schedule
 - General Fund
 - Northeast Industrial District Tax Increment Financing – Special Revenue Fund
 - Motor Fuel Tax – Special Revenue Fund

Notes to the Required Supplementary Information

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

Illinois Municipal Retirement Fund

**Required Supplementary Information
Schedule of Employer Contributions
April 30, 2020**

| Fiscal Year | Actuarially Determined Contribution | Contributions in Relation to the Actuarially Determined Contribution | Contribution Excess/ (Deficiency) | Covered Payroll | Contributions as a Percentage of Covered Payroll |
|-------------|-------------------------------------|--|-----------------------------------|-----------------|--|
| 2016 | \$ 426,544 | \$ 438,149 | \$ 11,605 | \$ 3,960,480 | 11.06% |
| 2017 | 445,679 | 510,031 | 64,352 | 3,989,965 | 12.78% |
| 2018 | 402,172 | 427,172 | 25,000 | 3,843,322 | 11.11% |
| 2019 | 368,971 | 368,971 | - | 3,925,034 | 9.40% |
| 2020 | 294,769 | 294,769 | - | 3,958,459 | 7.45% |

Notes to the Required Supplementary Information:

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

Note:

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Employer Contributions
April 30, 2020**

| Fiscal Year | Actuarially Determined Contribution | Contributions in Relation to the Actuarially Determined Contribution | Contribution Excess/ (Deficiency) | Covered Payroll | Contributions as a Percentage of Covered Payroll |
|-------------|-------------------------------------|--|-----------------------------------|-----------------|--|
| 2015 | \$ 1,180,180 | \$ 1,402,000 | \$ 221,820 | \$ 2,549,041 | 55.00% |
| 2016 | 1,449,717 | 1,663,647 | 213,930 | 2,728,347 | 60.98% |
| 2017 | 1,738,640 | 1,981,909 | 243,269 | 2,838,613 | 69.82% |
| 2018 | 1,738,640 | 2,195,470 | 456,830 | 2,937,964 | 74.73% |
| 2019 | 1,713,843 | 1,930,634 | 216,791 | 2,702,388 | 71.44% |
| 2020 | 2,053,379 | 2,480,046 | 426,667 | 2,934,614 | 84.51% |

Notes to the Required Supplementary Information:

| | |
|-------------------------------|--|
| Actuarial Cost Method | Entry Age Normal |
| Amortization Method | Level % Pay (Closed) |
| Remaining Amortization Period | 21 Years |
| Asset Valuation Method | Market Value |
| Inflation | 2.50% |
| Salary Increases | 3.25% |
| Investment Rate of Return | 7.00% |
| Retirement Age | See the Notes to the Financial Statements |
| Mortality | RP 2014 Mortality Table (BCHA) projected to 2017 using Improvement Scale MP-2016 |

Note:

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

Illinois Municipal Retirement Fund

**Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
April 30, 2020**

| | <u>12/31/2015</u> |
|--|----------------------------|
| Total Pension Liability | |
| Service Cost | \$ 415,872 |
| Interest | 1,616,496 |
| Differences Between Expected and Actual Experience | (65,350) |
| Change of Assumptions | 29,098 |
| Benefit Payments, Including Refunds of Member Contributions | <u>(1,065,044)</u> |
| Net Change in Total Pension Liability | 931,072 |
| Total Pension Liability - Beginning | <u>21,877,872</u> |
| Total Pension Liability - Ending | <u><u>22,808,944</u></u> |
| Plan Fiduciary Net Position | |
| Contributions - Employer | \$ 438,149 |
| Contributions - Members | 204,467 |
| Net Investment Income | 101,748 |
| Benefit Payments, Including Refunds of Member Contributions | (1,065,044) |
| Other (Net Transfer) | <u>179,386</u> |
| Net Change in Plan Fiduciary Net Position | (141,294) |
| Plan Net Position - Beginning | <u>20,560,883</u> |
| Plan Net Position - Ending | <u><u>20,419,589</u></u> |
| Employer's Net Pension Liability/(Asset) | <u><u>\$ 2,389,355</u></u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 89.52% |
| Covered Payroll | \$ 3,960,480 |
| Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll | 60.33% |

Note:

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

| 12/31/2016 | 12/31/2017 | 12/31/2018 | 12/31/2019 |
|-------------|-------------|-------------|-------------|
| 406,906 | 403,290 | 375,279 | 366,451 |
| 1,680,508 | 1,753,924 | 1,748,078 | 1,787,132 |
| 45,145 | (264,284) | (236,865) | 736,710 |
| (29,409) | (756,382) | 713,718 | - |
| (1,151,404) | (1,153,373) | (1,247,597) | (1,259,203) |
| 951,746 | (16,825) | 1,352,613 | 1,631,090 |
| 22,808,944 | 23,760,690 | 23,743,865 | 25,096,478 |
| 23,760,690 | 23,743,865 | 25,096,478 | 26,727,568 |
| 510,031 | 424,184 | 437,129 | 281,723 |
| 179,548 | 176,607 | 176,402 | 194,447 |
| 1,406,428 | 3,805,910 | (1,301,940) | 4,255,124 |
| (1,151,404) | (1,153,373) | (1,247,597) | (1,259,203) |
| 158,769 | (323,361) | 181,214 | 179,565 |
| 1,103,372 | 2,929,967 | (1,754,792) | 3,651,656 |
| 20,419,589 | 21,522,961 | 24,452,928 | 22,698,136 |
| 21,522,961 | 24,452,928 | 22,698,136 | 26,349,792 |
| 2,237,729 | (709,063) | 2,398,342 | 377,776 |
| 90.58% | 102.99% | 90.44% | 98.59% |
| 3,989,965 | 3,823,612 | 3,920,041 | 3,920,041 |
| 56.08% | (18.54%) | 61.18% | 9.64% |

VILLAGE OF LINCOLNWOOD, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
April 30, 2020**

| | <u>4/30/2015</u> |
|---|--------------------------|
| Total Pension Liability | |
| Service Cost | \$ 607,303 |
| Interest | 2,479,621 |
| Changes of Benefit Terms | - |
| Differences Between Expected and Actual Experience | 715,929 |
| Change of Assumptions | 2,821,996 |
| Benefit Payments, Including Refunds of Member Contributions | <u>(1,964,302)</u> |
| Net Change in Total Pension Liability | 4,660,547 |
| Total Pension Liability - Beginning | <u>36,405,308</u> |
| Total Pension Liability - Ending | <u><u>41,065,855</u></u> |
| Plan Fiduciary Net Position | |
| Contributions - Employer | 1,402,000 |
| Contributions - Members | 327,215 |
| Contributions - Other | - |
| Net Investment Income | 975,130 |
| Benefit Payments, Including Refunds of Member Contributions | (1,964,302) |
| Administrative Expense | <u>(13,796)</u> |
| Net Change in Plan Fiduciary Net Position | 726,247 |
| Plan Net Position - Beginning | <u>18,219,690</u> |
| Plan Net Position - Ending | <u><u>18,945,937</u></u> |
| Employer's Net Pension Liability | <u><u>22,119,918</u></u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 46.14% |
| Covered Payroll | \$ 2,549,041 |
| Employer's Net Pension Liability as a Percentage of Covered Payroll | 867.77% |

Note:

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

| 4/30/2016 | 4/30/2017 | 4/30/2018 | 4/30/2019 | 4/30/2020 |
|-------------|-------------|-------------|-------------|-------------|
| 604,414 | 660,252 | 706,470 | 534,419 | 569,863 |
| 2,797,155 | 3,120,742 | 3,145,884 | 3,278,159 | 3,383,310 |
| - | - | - | - | 376,116 |
| (246,911) | 681,205 | 445,966 | 547,964 | 449,573 |
| 3,758,373 | (1,615,255) | 294,524 | - | 1,051,126 |
| (2,213,010) | (2,367,698) | (2,607,851) | (2,798,557) | (2,918,203) |
| 4,700,021 | 479,246 | 1,984,993 | 1,561,985 | 2,911,785 |
| 41,065,855 | 45,765,876 | 46,245,122 | 48,230,115 | 49,792,100 |
| 45,765,876 | 46,245,122 | 48,230,115 | 49,792,100 | 52,703,885 |
| 1,663,647 | 1,981,909 | 2,195,470 | 1,930,634 | 2,480,046 |
| 368,810 | 289,868 | 269,354 | 241,463 | 292,037 |
| - | - | - | - | 1,150 |
| 37,214 | 1,533,296 | 1,364,928 | 1,356,731 | 89,715 |
| (2,213,010) | (2,367,698) | (2,607,851) | (2,798,557) | (2,918,203) |
| (23,850) | (32,949) | (28,400) | (30,584) | (32,164) |
| (167,189) | 1,404,426 | 1,193,501 | 699,687 | (87,419) |
| 18,945,937 | 18,778,748 | 20,183,174 | 21,376,675 | 22,076,362 |
| 18,778,748 | 20,183,174 | 21,376,675 | 22,076,362 | 21,988,943 |
| 26,987,128 | 26,061,948 | 26,853,440 | 27,715,738 | 30,714,942 |
| 41.03% | 43.64% | 44.32% | 44.34% | 41.72% |
| 2,728,347 | 2,838,613 | 2,937,964 | 2,702,388 | 2,934,614 |
| 989.14% | 918.12% | 914.02% | 1025.60% | 1046.64% |

VILLAGE OF LINCOLNWOOD, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Investment Returns
April 30, 2020**

| Fiscal Year | Annual Money- Weighted Rate of Return, Net of Investment Expense |
|----------------|--|
| 2015 | 5.39% |
| 2016 | 0.73% |
| 2017 | 8.19% |
| 2018 | 8.10% |
| 2019 | 6.80% |
| 2020 | 0.51% |

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

Retiree Benefits Plan

**Required Supplementary Information
Schedule of Changes in the Employer's Total OPEB Liability
April 30, 2020**

| | 4/30/2019 | 4/30/2020 |
|---|--------------|-----------|
| Total OPEB Liability | | |
| Service Cost | \$ 38,681 | 42,826 |
| Interest | 55,331 | 50,855 |
| Changes in Benefit Terms | - | - |
| Differences Between Expected and Actual Experience | - | - |
| Change of Assumptions or Other Inputs | 50,239 | 63,938 |
| Benefit Payments | (102,302) | (108,108) |
| Other Changes | 20,951 | 896 |
| Net Change in Total OPEB Liability | 62,900 | 50,407 |
| Total OPEB Liability - Beginning | 1,575,428 | 1,638,328 |
| Total OPEB Liability - Ending | 1,638,328 | 1,688,735 |
| Covered Payroll | \$ 5,903,150 | 5,903,150 |
| Total OPEB Liability as a Percentage of Covered Payroll | 27.75% | 28.61% |

Notes:

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

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2019 and 2020.

VILLAGE OF LINCOLNWOOD, ILLINOIS

General Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2020**

| | Budget | | Actual |
|--|-------------------|-------------------|-------------------|
| | Original | Final | |
| Revenues | | | |
| Taxes | \$ 8,209,000 | 8,209,000 | 8,135,388 |
| Charges for Services | 2,047,997 | 2,047,997 | 2,194,297 |
| Licenses and Permits | 2,151,793 | 2,151,793 | 1,327,921 |
| Intergovernmental | 8,815,000 | 8,815,000 | 8,692,756 |
| Fines and Forfeitures | 316,900 | 316,900 | 304,772 |
| Investment Income | 250,000 | 250,000 | 540,938 |
| Miscellaneous | 217,700 | 217,700 | 290,480 |
| Total Revenues | <u>22,008,390</u> | <u>22,008,390</u> | <u>21,486,552</u> |
| Expenditures | | | |
| Current | | | |
| General Government | 4,223,104 | 4,223,104 | 3,989,720 |
| Public Safety | 11,618,402 | 11,618,402 | 11,622,127 |
| Highways and Streets | 1,276,049 | 1,276,049 | 1,277,970 |
| Sanitation | 1,135,060 | 1,135,060 | 1,074,777 |
| Economic Development | 1,102,577 | 1,102,577 | 883,378 |
| Culture and Recreation | 2,370,198 | 2,370,198 | 2,145,445 |
| Capital Outlay | 1,138,470 | 1,138,470 | 912,292 |
| Total Expenditures | <u>22,863,860</u> | <u>22,863,860</u> | <u>21,905,709</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(855,470)</u> | <u>(855,470)</u> | <u>(419,157)</u> |
| Other Financing Sources (Uses) | | | |
| Transfers In | 330,000 | 330,000 | 442,774 |
| Transfers Out | (62,500) | (62,500) | (18,500) |
| | <u>267,500</u> | <u>267,500</u> | <u>424,274</u> |
| Net Change in Fund Balance | <u>(587,970)</u> | <u>(587,970)</u> | 5,117 |
| Fund Balance - Beginning | | | <u>11,191,560</u> |
| Fund Balance - Ending | | | <u>11,196,677</u> |

VILLAGE OF LINCOLNWOOD, ILLINOIS

Northeast Industrial District Tax Increment Financing - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2020

| | Budget | | Actual |
|--|------------------|------------------|-----------------------|
| | Original | Final | |
| Revenues | | | |
| Taxes | | | |
| Local Taxes | \$ 1,400,000 | 1,400,000 | 1,650,638 |
| Investment Income | 4,000 | 4,000 | 8,890 |
| Total Revenues | <u>1,404,000</u> | <u>1,404,000</u> | <u>1,659,528</u> |
| Expenditures | | | |
| Current | | | |
| General Government | 97,400 | 97,400 | 54,597 |
| Capital Outlay | 2,045,030 | 2,045,030 | 1,930,510 |
| Total Expenditures | <u>2,142,430</u> | <u>2,142,430</u> | <u>1,985,107</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (738,430) | (738,430) | (325,579) |
| Other Financing (Uses) | | | |
| Transfers Out | <u>(130,000)</u> | <u>(130,000)</u> | <u>(130,000)</u> |
| Net Change in Fund Balance | <u>(868,430)</u> | <u>(868,430)</u> | <u>(455,579)</u> |
| Fund Balance - Beginning | | | <u>1,051,076</u> |
| Fund Balance - Ending | | | <u><u>595,497</u></u> |

VILLAGE OF LINCOLNWOOD, ILLINOIS

Motor Fuel Tax - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2020**

| | Budget | | Actual |
|--|--------------------|--------------------|------------------|
| | Original | Final | |
| Revenues | | | |
| Intergovernmental | | | |
| Motor Fuel Tax Allotments | \$ 320,000 | 320,000 | 464,592 |
| Investment Income | 40,000 | 40,000 | 69,297 |
| Total Revenues | <u>360,000</u> | <u>360,000</u> | 533,889 |
| Expenditures | | | |
| Highways and Streets | <u>2,492,500</u> | <u>2,492,500</u> | 1,361,277 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (2,132,500) | (2,132,500) | (827,388) |
| Other Financing (Uses) | | | |
| Transfers Out | <u>-</u> | <u>-</u> | (280,015) |
| Net Change in Fund Balance | <u>(2,132,500)</u> | <u>(2,132,500)</u> | (1,107,403) |
| Fund Balance - Beginning | | | <u>4,115,141</u> |
| Fund Balance - Ending | | | <u>3,007,738</u> |

OTHER SUPPLEMENTARY INFORMATION

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

Such statements and schedules include:

- Budgetary Comparison Schedules – Major Governmental Funds
 - General Fund
 - Debt Service Fund
 - Storm Water Management - Capital Projects Fund
- Combining Statements – Nonmajor Governmental Funds
 - Combining Balance Sheet
 - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
- Budgetary Comparison Schedules – Nonmajor Governmental Funds
 - Transportation Improvement – Special Revenue Fund
 - PEP – Capital Projects Fund
 - Private Water Line Assistance – Capital Projects Fund
- Budgetary Comparison Schedule – Enterprise Fund
 - Water and Sewer Fund
- Budgetary Comparison Schedule – Fiduciary Fund
 - Police Pension – Pension Trust Fund
- Consolidated Year-End Financial Report

INDIVIDUAL FUND DESCRIPTIONS

GENERAL FUND

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

SPECIAL REVENUE FUNDS

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

Northeast Industrial District Tax Increment Financing Fund

The Northeast Industrial District Tax Increment Financing Fund is used to account for resources (restricted real estate taxes) received and expenditures made to promote the objectives of the TIF District.

Motor Fuel Tax Fund

The Motor Fuel Tax Fund is used to account for resources to maintain traffic signal lighting in the Village and for services performed by the Village for upkeep of IDOT street within the Village limits.

Transportation Improvement Fund

The Transportation Improvement Fund is used to account for resources to improve the transportation systems in the Village.

Devon/Lincoln Tax Increment Financing Fund

The Devon/Lincoln Tax Increment Financing Fund is used to account for resources generated from the properties within the Devon/Lincoln Tax Increment Financing District. The Devon/Lincoln Tax Increment Financing District was established on June 24, 2014.

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.

INDIVIDUAL FUND DESCRIPTIONS

CAPITAL PROJECTS FUNDS

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

Comm Ed ROW Bike Path Fund

The Comm Ed ROW Bike Path Fund is used to account for a grant and other sources to construct a bike path in the utility right-of-way.

PEP Fund

The PEP Fund is used to account for resources to provide business owners to make improvements to their buildings exterior and other property enhancements that will improve the appearance of a business district.

Private Water Line Assistance Fund

The Private Water Line Assistance Fund is used to assist Village residents in replacing their private sewer lines due to damage caused by Village trees located in homeowners' parkways.

Storm Water Management Fund

The Storm Water Management Fund is used to account for resources to make improvements to the Village's storm water management system through the implementation of the Village's storm water management plan.

ENTERPRISE FUND

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

Water and Sewer Fund

The Water and Sewer Fund is used to account for resources to maintain the Village's water distribution system and combined storm/sanitary sewer system.

INDIVIDUAL FUND DESCRIPTIONS

TRUST FUND

PENSION TRUST FUND

Police Pension Fund

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

General Fund

**Schedule of Revenues - Budget and Actual
For the Fiscal Year Ended April 30, 2020**

| | Budget | | Actual |
|-------------------------------|------------------|------------------|------------------|
| | Original | Final | |
| Taxes | | | |
| Property Taxes | \$ 5,700,000 | 5,700,000 | 5,728,104 |
| Food and Beverage Tax | 530,000 | 530,000 | 514,124 |
| Auto Rental Tax | 3,000 | 3,000 | 3,713 |
| Foreign Fire Insurance Tax | 26,000 | 26,000 | 36,033 |
| Gas Tax for Motor Fuel | 400,000 | 400,000 | 391,982 |
| E911 Telephone Surcharge | 230,000 | 230,000 | 287,606 |
| Utility Taxes - Electric | 580,000 | 580,000 | 562,476 |
| Utility Taxes - Natural Gas | 360,000 | 360,000 | 306,772 |
| Telecommunications Tax | 380,000 | 380,000 | 304,578 |
| | <u>8,209,000</u> | <u>8,209,000</u> | <u>8,135,388</u> |
| Charges for Services | | | |
| Accident Report Fee | 14,000 | 14,000 | 18,211 |
| Alarm Service Fee | 106,615 | 106,615 | 103,935 |
| Ambulance and EMS Fee | 400,000 | 400,000 | 598,857 |
| Filing and Variance Fee | 7,000 | 7,000 | - |
| Landscape Waste Program Sales | 200 | 200 | 90 |
| Parks and Recreation | 1,471,782 | 1,471,782 | 1,422,674 |
| Elevator Inspection Fee | 12,000 | 12,000 | 12,300 |
| Other Charges for Services | 36,400 | 36,400 | 38,230 |
| | <u>2,047,997</u> | <u>2,047,997</u> | <u>2,194,297</u> |
| Licenses and Permits | | | |
| Vehicle Licenses | 390,740 | 390,740 | 396,385 |
| Business Licenses | 108,295 | 108,295 | 102,495 |
| Liquor Licenses | 33,968 | 33,968 | 36,554 |
| Building Permits | 1,367,825 | 1,367,825 | 563,021 |
| Franchise Fees | 220,000 | 220,000 | 201,219 |
| Licenses and Permits - Other | 30,965 | 30,965 | 28,247 |
| | <u>2,151,793</u> | <u>2,151,793</u> | <u>1,327,921</u> |

VILLAGE OF LINCOLNWOOD, ILLINOIS

General Fund

**Schedule of Revenues - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2020**

| | Budget | | Actual |
|--|--------------------------|--------------------------|--------------------------|
| | Original | Final | |
| Intergovernmental | | | |
| State Income Tax | \$ 1,150,000 | 1,150,000 | 1,238,667 |
| State Sales Tax | 4,421,000 | 4,421,000 | 4,517,327 |
| Home Rule Sales Tax | 2,779,000 | 2,779,000 | 2,280,099 |
| Personal Property Replacement Tax | 130,000 | 130,000 | 177,352 |
| State Use Tax | 330,000 | 330,000 | 437,971 |
| State Grants | 5,000 | 5,000 | 41,340 |
| | <u>8,815,000</u> | <u>8,815,000</u> | <u>8,692,756</u> |
| Fines and Forfeitures | | | |
| Late Payment Penalty | 7,000 | 7,000 | 11,050 |
| NSF Check Charge | 400 | 400 | 50 |
| Circuit Court Fines | 45,000 | 45,000 | 37,188 |
| Court Cost Liens and Fees | 30,000 | 30,000 | 48,414 |
| Parking Ticket Fines | 55,000 | 55,000 | 60,575 |
| Red Light Camera Fines | 170,000 | 170,000 | 143,720 |
| False Alarm Fines | 9,500 | 9,500 | 3,775 |
| | <u>316,900</u> | <u>316,900</u> | <u>304,772</u> |
| Investment Income | <u>250,000</u> | <u>250,000</u> | <u>540,938</u> |
| Miscellaneous | | | |
| Rent - Telecommunications Antenna Site Lease | 52,000 | 52,000 | 69,379 |
| Rent - Parking Lot | 60,000 | 60,000 | 60,000 |
| Reimbursements | 46,000 | 46,000 | 87,872 |
| Donations | 26,700 | 26,700 | 35,275 |
| Miscellaneous | 33,000 | 33,000 | 37,954 |
| | <u>217,700</u> | <u>217,700</u> | <u>290,480</u> |
| Total Revenues | <u><u>22,008,390</u></u> | <u><u>22,008,390</u></u> | <u><u>21,486,552</u></u> |

VILLAGE OF LINCOLNWOOD, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended April 30, 2020**

| | Budget | | Actual |
|---|----------------|----------------|----------------|
| | Original | Final | |
| General Government | | | |
| Village President and Board of Trustees | | | |
| Personnel Services | \$ 86,876 | 86,876 | 86,277 |
| Contractual Services | 17,000 | 17,000 | 6,000 |
| Commodities | 37,750 | 37,750 | 32,173 |
| | <u>141,626</u> | <u>141,626</u> | <u>124,450</u> |
| Village Clerk | | | |
| Personnel Services | 8,852 | 8,852 | 8,914 |
| Commodities | 10,350 | 10,350 | 12,472 |
| | <u>19,202</u> | <u>19,202</u> | <u>21,386</u> |
| Village Manager | | | |
| Personnel Services | 694,212 | 694,212 | 652,979 |
| Contractual Services | 18,000 | 18,000 | 21,122 |
| Commodities | 75,735 | 75,735 | 60,482 |
| | <u>787,947</u> | <u>787,947</u> | <u>734,583</u> |
| Finance Department | | | |
| Personnel Services | 624,110 | 624,110 | 608,400 |
| Contractual Services | 175,050 | 175,050 | 149,123 |
| Commodities | 133,400 | 133,400 | 190,643 |
| | <u>932,560</u> | <u>932,560</u> | <u>948,166</u> |
| Engineering | | | |
| Contractual Services | <u>154,000</u> | <u>154,000</u> | <u>158,897</u> |
| Legal Department | | | |
| Contractual Services | <u>361,367</u> | <u>361,367</u> | <u>383,869</u> |
| Information Services | | | |
| Contractual Services | 496,621 | 496,621 | 378,230 |
| Commodities | 81,325 | 81,325 | 68,956 |
| | <u>577,946</u> | <u>577,946</u> | <u>447,186</u> |

VILLAGE OF LINCOLNWOOD, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2020**

| | Budget | | Actual |
|--------------------------------|-------------------|-------------------|-------------------|
| | Original | Final | |
| General Government - Continued | | | |
| Public Works Department | | | |
| Personnel Services | \$ 462,128 | 462,128 | 452,437 |
| Contractual Services | 6,000 | 6,000 | 1,153 |
| Commodities | 18,625 | 18,625 | 15,237 |
| | <u>486,753</u> | <u>486,753</u> | <u>468,827</u> |
| Vehicle Maintenance Division | | | |
| Personnel Services | 259,984 | 259,984 | 251,524 |
| Commodities | 56,100 | 56,100 | 47,703 |
| | <u>316,084</u> | <u>316,084</u> | <u>299,227</u> |
| Building Maintenance Division | | | |
| Personnel Services | 178,639 | 178,639 | 169,284 |
| Contractual Services | 34,400 | 34,400 | 35,491 |
| Commodities | 232,580 | 232,580 | 198,354 |
| | <u>445,619</u> | <u>445,619</u> | <u>403,129</u> |
| Total General Government | <u>4,223,104</u> | <u>4,223,104</u> | <u>3,989,720</u> |
| Public Safety | | | |
| Police Department | | | |
| Personnel Services | 7,215,509 | 7,215,509 | 7,207,807 |
| Contractual Services | 828,923 | 828,923 | 842,035 |
| Commodities | 382,957 | 382,957 | 381,151 |
| | <u>8,427,389</u> | <u>8,427,389</u> | <u>8,430,993</u> |
| Fire Department | | | |
| Personnel Services | 90,035 | 90,035 | 28,984 |
| Contractual Services | 2,930,861 | 2,930,861 | 2,959,888 |
| Commodities | 170,117 | 170,117 | 202,262 |
| | <u>3,191,013</u> | <u>3,191,013</u> | <u>3,191,134</u> |
| Total Public Safety | <u>11,618,402</u> | <u>11,618,402</u> | <u>11,622,127</u> |

VILLAGE OF LINCOLNWOOD, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2020**

| | Budget | | Actual |
|----------------------------------|------------|------------|------------|
| | Original | Final | |
| Highways and Streets | | | |
| Street Maintenance Division | | | |
| Personnel Services | \$ 817,099 | 817,099 | 801,982 |
| Contractual Services | 107,400 | 107,400 | 71,374 |
| Commodities | 351,550 | 351,550 | 404,614 |
| Total Highways and Streets | 1,276,049 | 1,276,049 | 1,277,970 |
| Sanitation | | | |
| Contractual | 1,135,060 | 1,135,060 | 1,074,777 |
| Economic Development | | | |
| Community Development Department | | | |
| Personnel Services | 559,302 | 559,302 | 542,772 |
| Contractual Services | 368,000 | 368,000 | 188,504 |
| Commodities | 175,275 | 175,275 | 152,102 |
| Total Economic Development | 1,102,577 | 1,102,577 | 883,378 |
| Culture and Recreation | | | |
| Parks and Recreation Department | | | |
| Personnel Services | 1,543,240 | 1,543,240 | 1,439,793 |
| Contractual Services | 351,045 | 351,045 | 302,945 |
| Commodities | 475,913 | 475,913 | 402,707 |
| Total Culture and Recreation | 2,370,198 | 2,370,198 | 2,145,445 |
| Capital Outlay | | | |
| General Government | | | |
| Information Services | 174,130 | 174,130 | 97,812 |
| Building Maintenance Division | 12,000 | 12,000 | 10,249 |
| Public Safety | | | |
| Police Department | 162,000 | 162,000 | 160,024 |
| Fire Department | 280,550 | 280,550 | 335,909 |
| Sanitation | 244,540 | 244,540 | 223,244 |
| Culture and Recreation | | | |
| Parks and Recreation Department | 265,250 | 265,250 | 85,054 |
| Total Capital Outlay | 1,138,470 | 1,138,470 | 912,292 |
| Total Expenditures | 22,863,860 | 22,863,860 | 21,905,709 |

VILLAGE OF LINCOLNWOOD, ILLINOIS

Debt Service Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2020**

| | Budget | | Actual |
|--|-------------|-------------|----------|
| | Original | Final | |
| Revenues | | | |
| Investment Income | \$ - | - | - |
| Expenditures | | | |
| Debt Service | | | |
| Principal Retirement | 62,500 | 62,500 | 12,500 |
| Interest and Fiscal Charges | 40,000 | 40,000 | - |
| Total Expenditures | 102,500 | 102,500 | 12,500 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (102,500) | (102,500) | (12,500) |
| Other Financing Sources (Uses) | | | |
| Debt Issuance | 2,000,000 | 2,000,000 | - |
| Transfers In | - | - | 12,500 |
| Transfers Out | (2,000,000) | (2,000,000) | - |
| | - | - | 12,500 |
| Net Change in Fund Balance | (102,500) | (102,500) | - |
| Fund Balance - Beginning | | | 6,800 |
| Fund Balance - Ending | | | 6,800 |

VILLAGE OF LINCOLNWOOD, ILLINOIS

Storm Water Management - Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2020**

| | Budget | | Actual |
|--|-------------|-------------|-------------|
| | Original | Final | |
| Revenues | | | |
| Intergovernmental | | | |
| Sales Tax | \$ 500,000 | 500,000 | 469,251 |
| Grants | 1,400,000 | 1,400,000 | 1,043,822 |
| Total Revenues | 1,900,000 | 1,900,000 | 1,513,073 |
| Expenditures | | | |
| Capital Outlay | 3,440,000 | 3,440,000 | 4,258,951 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (1,540,000) | (1,540,000) | (2,745,878) |
| Other Financing Sources (Uses) | | | |
| Debt Issuance | - | - | 2,300,000 |
| Premium on Debt Issuance | - | - | 189,080 |
| Transfers In | 2,000,000 | 2,000,000 | 119,015 |
| Transfers Out | (90,000) | (90,000) | - |
| | 1,910,000 | 1,910,000 | 2,608,095 |
| Net Change in Fund Balance | 370,000 | 370,000 | (137,783) |
| Fund Balance - Beginning | | | - |
| Fund Balance - Ending | | | (137,783) |

VILLAGE OF LINCOLNWOOD, ILLINOIS

Nonmajor Governmental Funds

**Combining Balance Sheet
April 30, 2020**

| | Special Revenue | Capital Projects | Totals |
|-------------------------------------|--------------------|---------------------|------------------|
| ASSETS | | | |
| Cash and Investments | \$ 1,418,687 | 195,822 | 1,614,509 |
| Receivables | | | |
| Property Taxes | 6,269 | - | 6,269 |
| Accounts | 40,171 | - | 40,171 |
| Due from Other Governments | - | 1,185 | 1,185 |
| | | | |
| Total Assets | <u>1,465,127</u> | <u>197,007</u> | <u>1,662,134</u> |
| LIABILITIES | | | |
| Accounts Payable | 58,848 | 197,007 | 255,855 |
| Due to Other Funds | 538,690 | - | 538,690 |
| Total Liabilities | <u>597,538</u> | <u>197,007</u> | <u>794,545</u> |
| FUND BALANCES | | | |
| Restricted | <u>867,589</u> | - | <u>867,589</u> |
| | | | |
| Total Liabilities and Fund Balances | <u>1,465,127</u> | <u>197,007</u> | <u>1,662,134</u> |

VILLAGE OF LINCOLNWOOD, ILLINOIS

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances For the Fiscal Year Ended April 30, 2020

| | Special Revenue | Capital Projects | Totals |
|--|--------------------|---------------------|---------|
| Revenues | | | |
| Taxes | \$ 510,003 | - | 510,003 |
| Intergovernmental | 79,095 | - | 79,095 |
| Investment Income | 10,660 | - | 10,660 |
| Miscellaneous | 24,307 | 1,774 | 26,081 |
| Total Revenues | 624,065 | 1,774 | 625,839 |
| Expenditures | | | |
| Current | | | |
| General Government | 6,600 | - | 6,600 |
| Highways and Streets | 166,856 | - | 166,856 |
| Capital Outlay | 219,256 | 6,000 | 225,256 |
| Total Expenditures | 392,712 | 6,000 | 398,712 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 231,353 | (4,226) | 227,127 |
| Other Financing Sources (Uses) | | | |
| Transfers In | 50,000 | 6,000 | 56,000 |
| Transfers Out | - | (1,774) | (1,774) |
| | 50,000 | 4,226 | 54,226 |
| Net Change in Fund Balances | 281,353 | - | 281,353 |
| Fund Balances - Beginning | 586,236 | - | 586,236 |
| Fund Balances - Ending | 867,589 | - | 867,589 |

VILLAGE OF LINCOLNWOOD, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

Combining Balance Sheet

April 30, 2020

| | Transportation Improvement | Devon/ Lincoln Tax Increment Financing | Totals |
|-------------------------------------|-------------------------------|--|-----------|
| ASSETS | | | |
| Cash and Investments | \$ 762,702 | 655,985 | 1,418,687 |
| Receivables | | | |
| Property Taxes | - | 6,269 | 6,269 |
| Accounts | 40,171 | - | 40,171 |
| | | | |
| Total Assets | 802,873 | 662,254 | 1,465,127 |
| LIABILITIES | | | |
| Accounts Payable | 2,391 | 56,457 | 58,848 |
| Due to Other Funds | 501,595 | 37,095 | 538,690 |
| Total Liabilities | 503,986 | 93,552 | 597,538 |
| FUND BALANCES | | | |
| Restricted | 298,887 | 568,702 | 867,589 |
| | | | |
| Total Liabilities and Fund Balances | 802,873 | 662,254 | 1,465,127 |

VILLAGE OF LINCOLNWOOD, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended April 30, 2020**

| | Transportation Improvement | Devon/ Lincoln Tax Increment Financing | Totals |
|--|-------------------------------|--|-----------------------|
| Revenues | | | |
| Taxes | \$ 261,389 | 248,614 | 510,003 |
| Intergovernmental | 79,095 | - | 79,095 |
| Investment Income | 6,783 | 3,877 | 10,660 |
| Miscellaneous | 24,307 | - | 24,307 |
| Total Revenues | <u>371,574</u> | <u>252,491</u> | <u>624,065</u> |
| Expenditures | | | |
| Current | | | |
| General Government | - | 6,600 | 6,600 |
| Highways and Streets | 166,856 | - | 166,856 |
| Capital Outlay | - | 219,256 | 219,256 |
| Total Expenditures | <u>166,856</u> | <u>225,856</u> | <u>392,712</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 204,718 | 26,635 | 231,353 |
| Other Financing Sources | | | |
| Transfers In | <u>50,000</u> | - | <u>50,000</u> |
| Net Change in Fund Balances | 254,718 | 26,635 | 281,353 |
| Fund Balances - Beginning | <u>44,169</u> | <u>542,067</u> | <u>586,236</u> |
| Fund Balances - Ending | <u><u>298,887</u></u> | <u><u>568,702</u></u> | <u><u>867,589</u></u> |

VILLAGE OF LINCOLNWOOD, ILLINOIS

Transportation Improvement - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2020**

| | Budget | | Actual |
|--|----------------|----------------|-----------------------|
| | Original | Final | |
| Revenues | | | |
| Taxes | | | |
| Local Taxes | \$ 280,000 | 280,000 | 261,389 |
| Intergovernmental | 387,000 | 387,000 | 79,095 |
| Investment Income | - | - | 6,783 |
| Miscellaneous | - | - | 24,307 |
| Total Revenues | <u>667,000</u> | <u>667,000</u> | <u>371,574</u> |
| Expenditures | | | |
| Current | | | |
| Highways and Streets | <u>566,500</u> | <u>566,500</u> | <u>166,856</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 100,500 | 100,500 | 204,718 |
| Other Financing Sources | | | |
| Transfers In | <u>-</u> | <u>-</u> | <u>50,000</u> |
| Net Change in Fund Balance | <u>100,500</u> | <u>100,500</u> | 254,718 |
| Fund Balance - Beginning | | | <u>44,169</u> |
| Fund Balance - Ending | | | <u><u>298,887</u></u> |

VILLAGE OF LINCOLNWOOD, ILLINOIS

Devon/Lincoln Tax Increment Financing - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2020

| | Budget | | Actual |
|----------------------------|----------------|----------------|----------------|
| | Original | Final | |
| Revenues | | | |
| Taxes | | | |
| Property Taxes | \$ 400,000 | 400,000 | 248,614 |
| Intergovernmental | | | |
| Grants | 304,000 | 304,000 | - |
| Investment Income | - | - | 3,877 |
| Total Revenues | <u>704,000</u> | <u>704,000</u> | <u>252,491</u> |
| Expenditures | | | |
| General Government | 343,000 | 343,000 | 6,600 |
| Capital Outlay | 318,000 | 318,000 | 219,256 |
| Total Expenditures | <u>661,000</u> | <u>661,000</u> | <u>225,856</u> |
| Net Change in Fund Balance | <u>43,000</u> | <u>43,000</u> | 26,635 |
| Fund Balance - Beginning | | | <u>542,067</u> |
| Fund Balance - Ending | | | <u>568,702</u> |

VILLAGE OF LINCOLNWOOD, ILLINOIS

Nonmajor Governmental - Capital Projects Funds

Combining Balance Sheet

April 30, 2020

| | Comm Ed ROW Bike Path | PEP | Private Water Line Assistance | Totals |
|-------------------------------------|-----------------------------|----------|-------------------------------------|----------------|
| ASSETS | | | | |
| Cash and Investments | \$ 195,822 | - | - | 195,822 |
| Due from Other Governments | 1,185 | - | - | 1,185 |
| Total Assets | <u>197,007</u> | <u>-</u> | <u>-</u> | <u>197,007</u> |
| LIABILITIES | | | | |
| Accounts Payable | 197,007 | - | - | 197,007 |
| FUND BALANCES | | | | |
| Restricted | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Liabilities and Fund Balances | <u>197,007</u> | <u>-</u> | <u>-</u> | <u>197,007</u> |

VILLAGE OF LINCOLNWOOD, ILLINOIS

Nonmajor Governmental - Capital Projects Funds

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended April 30, 2020**

| | Comm Ed ROW Bike Path | PEP | Private Water Line Assistance | Totals |
|--|-----------------------------|---------|-------------------------------------|---------|
| Revenues | | | | |
| Miscellaneous | \$ - | 1,774 | - | 1,774 |
| Expenditures | | | | |
| Capital Outlay | - | - | 6,000 | 6,000 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | 1,774 | (6,000) | (4,226) |
| Other Financing Sources (Uses) | | | | |
| Transfers In | - | - | 6,000 | 6,000 |
| Transfers Out | - | (1,774) | - | (1,774) |
| | - | (1,774) | 6,000 | 4,226 |
| Net Change in Fund Balances | - | - | - | - |
| Fund Balances - Beginning | - | - | - | - |
| Fund Balances - Ending | - | - | - | - |

VILLAGE OF LINCOLNWOOD, ILLINOIS

PEP - Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2020**

| | Budget | | Actual |
|--|----------|----------|---------|
| | Original | Final | |
| Revenues | | | |
| Miscellaneous | \$ - | - | 1,774 |
| Expenditures | | | |
| Capital Outlay | 25,000 | 25,000 | - |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (25,000) | (25,000) | 1,774 |
| Other Financing Sources (Uses) | | | |
| Transfers In | 25,000 | 25,000 | - |
| Transfers Out | - | - | (1,774) |
| | 25,000 | 25,000 | (1,774) |
| Net Change in Fund Balance | - | - | - |
| Fund Balance - Beginning | | | - |
| Fund Balance - Ending | | | - |

VILLAGE OF LINCOLNWOOD, ILLINOIS

Private Water Line Assistance - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2020

| | Budget | | Actual |
|--|----------|----------|-----------------|
| | Original | Final | |
| Revenues | | | |
| Intergovernmental | \$ - | - | - |
| Expenditures | | | |
| Capital Outlay | 25,000 | 25,000 | 6,000 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (25,000) | (25,000) | (6,000) |
| Other Financing Sources | | | |
| Transfers In | 25,000 | 25,000 | 6,000 |
| Net Change in Fund Balance | <u>-</u> | <u>-</u> | - |
| Fund Balance - Beginning | | | <u>-</u> |
| Fund Balance - Ending | | | <u><u>-</u></u> |

VILLAGE OF LINCOLNWOOD, ILLINOIS

Water and Sewer - Enterprise Fund

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended April 30, 2020**

| | Budget | | Actual |
|-------------------------------------|--------------|--------------|-------------|
| | Original | Final | |
| Operating Revenues | | | |
| Charges for Services | \$ 4,840,000 | 4,840,000 | 4,420,059 |
| Fines and Forfeitures | 59,000 | 59,000 | 49,495 |
| Total Operating Revenues | 4,899,000 | 4,899,000 | 4,469,554 |
| Operating Expenses | | | |
| Cost of Sales and Services | | | |
| Personnel Services | 847,137 | 847,137 | 704,165 |
| Contractual | 1,245,306 | 1,245,306 | 511,945 |
| Commodities | 2,565,469 | 2,565,469 | 2,164,892 |
| Capital Outlay | 10,052,100 | 10,052,100 | 8,524,787 |
| Less Capital Assets Capitalized | (10,052,100) | (10,052,100) | (8,524,787) |
| Debt Service | | | |
| Principal Payments | 302,108 | 302,108 | 302,108 |
| Less Principal Payments Capitalized | (302,108) | (302,108) | (302,108) |
| Depreciation | - | - | 698,669 |
| Total Operating Expenses | 4,657,912 | 4,657,912 | 4,079,671 |
| Operating Income | 241,088 | 241,088 | 389,883 |
| Nonoperating Revenues (Expenses) | | | |
| Interest Income | 1,000 | 1,000 | 76,907 |
| Other Income | - | - | 12,500 |
| Bond Proceeds | 10,540,000 | 10,540,000 | - |
| Interest and Fiscal Charges | (278,048) | (278,048) | (507,981) |
| | 10,262,952 | 10,262,952 | (418,574) |
| Income (Loss) Before Transfers | 10,504,040 | 10,504,040 | (28,691) |
| Transfers Out | (200,000) | (200,000) | (200,000) |
| Change in Net Position | 10,304,040 | 10,304,040 | (228,691) |
| Net Position - Beginning | | | 8,441,366 |
| Net Position - Ending | | | 8,212,675 |

VILLAGE OF LINCOLNWOOD, ILLINOIS

Police Pension - Pension Trust Fund

**Schedule of Changes in Fiduciary Net Position
For the Fiscal Year Ended April 30, 2020**

| | Budget | | Actual |
|----------------------------------|--------------|-----------|------------|
| | Original | Final | |
| Additions | | | |
| Contributions - Employer | \$ 2,053,000 | 2,053,000 | 2,480,046 |
| Contributions - Plan Members | 271,000 | 271,000 | 292,037 |
| Total Contributions | 2,324,000 | 2,324,000 | 2,772,083 |
| Investment Income | | | |
| Interest Earned | 1,179,000 | 1,179,000 | 771,247 |
| Net Change in Fair Value | - | - | (630,223) |
| | 1,179,000 | 1,179,000 | 141,024 |
| Less Investment Expenses | (73,000) | (73,000) | (51,309) |
| Net Investment Income | 1,106,000 | 1,106,000 | 89,715 |
| Miscellaneous Income | - | - | 1,150 |
| Total Additions | 3,430,000 | 3,430,000 | 2,862,948 |
| Deductions | | | |
| Administration | 44,450 | 44,450 | 32,164 |
| Benefits and Refunds | 2,954,906 | 2,954,906 | 2,918,203 |
| Total Deductions | 2,999,356 | 2,999,356 | 2,950,367 |
| Change in Fiduciary Net Position | 430,644 | 430,644 | (87,419) |
| Net Position - Beginning | | | 22,076,362 |
| Net Position - Ending | | | 21,988,943 |

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Consolidated Year-End Financial Report
April 30, 2020**

| CSFA # | Program Name | State | Federal | Other | Totals |
|-------------|--|------------------|----------|-------------------|-------------------|
| 494-00-1488 | Motor Fuel Tax Program | \$ 1,641,292 | - | - | 1,641,292 |
| 494-10-0343 | State and Community Highway Safety/National Priority Safety Program | 32,862 | - | - | 32,862 |
| 494-42-0495 | Local Surface Transportation Program | - | - | - | - |
| | Other Grant Programs and Activities | - | - | 4,304,440 | 4,304,440 |
| | All Other Costs Not Allocated | - | - | 23,734,344 | 23,734,344 |
| | Totals | <u>1,674,154</u> | <u>-</u> | <u>28,038,784</u> | <u>29,712,938</u> |



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

October 7, 2020

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Lincolnwood, Illinois, as of and for the year ended April 30, 2020, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated October 7, 2020.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

SUPPLEMENTAL SCHEDULES

VILLAGE OF LINCOLNWOOD, ILLINOIS

Long-Term Debt Requirements

**General Obligation Bonds of 2019
April 30, 2020**

| | |
|--------------------------|-----------------------|
| Date of Issue | October 15, 2019 |
| Date of Maturity | December 21, 2039 |
| Authorized Issue | \$15,450,000 |
| Denomination of Bonds | \$5,000 |
| Interest Rate | 3.00% to 5.00% |
| Principal Maturity Dates | June 1 and December 1 |
| Payable at | UMB Bank |

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

| Fiscal Year | Principal | Interest | Totals |
|----------------|------------|-----------|------------|
| 2021 | \$ 265,000 | 635,784 | 900,784 |
| 2022 | 350,000 | 550,500 | 900,500 |
| 2023 | 365,000 | 533,000 | 898,000 |
| 2024 | 385,000 | 514,750 | 899,750 |
| 2025 | 405,000 | 495,500 | 900,500 |
| 2026 | 425,000 | 475,250 | 900,250 |
| 2027 | 445,000 | 454,000 | 899,000 |
| 2028 | 470,000 | 431,750 | 901,750 |
| 2029 | 495,000 | 408,250 | 903,250 |
| 2030 | 900,000 | 383,500 | 1,283,500 |
| 2031 | 940,000 | 347,500 | 1,287,500 |
| 2032 | 975,000 | 309,900 | 1,284,900 |
| 2033 | 1,015,000 | 270,900 | 1,285,900 |
| 2034 | 1,045,000 | 240,450 | 1,285,450 |
| 2035 | 1,075,000 | 209,100 | 1,284,100 |
| 2036 | 1,110,000 | 176,850 | 1,286,850 |
| 2037 | 1,145,000 | 143,550 | 1,288,550 |
| 2038 | 1,180,000 | 109,200 | 1,289,200 |
| 2039 | 1,210,000 | 73,800 | 1,283,800 |
| 2040 | 1,250,000 | 37,501 | 1,287,501 |
| | 15,450,000 | 6,801,035 | 22,251,035 |
| Governmental | 2,300,000 | 1,011,783 | 3,311,783 |
| Business-Type | 13,150,000 | 5,789,252 | 18,939,252 |
| | 15,450,000 | 6,801,035 | 22,251,035 |

VILLAGE OF LINCOLNWOOD, ILLINOIS

Long-Term Debt Requirements

**Illinois Finance Authority Loan Payable of 2009
April 30, 2020**

| | |
|-------------------------|----------------------------------|
| Date of Issue | May 9, 2009 |
| Date of Maturity | May 9, 2029 |
| Authorized Issue | \$250,000 |
| Interest Rate | Non-Interest Bearing |
| Principal Maturity Date | May 9 |
| Payable at | Office of the State Fire Marshal |

CURRENT AND LONG-TERM PRINCIPAL REQUIREMENTS

| <u>Fiscal Year</u> | <u>Principal</u> |
|------------------------|------------------|
| 2021 | \$ 12,500 |
| 2022 | 12,500 |
| 2023 | 12,500 |
| 2024 | 12,500 |
| 2025 | 12,500 |
| 2026 | 12,500 |
| 2027 | 12,500 |
| 2028 | 12,500 |
| 2029 | 12,500 |
| 2030 | 12,500 |
| | <u>125,000</u> |

VILLAGE OF LINCOLNWOOD, ILLINOIS

Long-Term Debt Requirements

**Illinois Environmental Protection Agency Loan Payable of 2008
April 30, 2020**

| | |
|--------------------------|--|
| Date of Issue | December 17, 2008 |
| Date of Maturity | June 17, 2028 |
| Authorized Issue | \$5,718,966 |
| Interest Rate | 2.50% |
| Principal Maturity Dates | June 17 and December 17 |
| Payable at | Illinois Environmental Protection Agency |

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Totals</u> |
|------------------------|------------------|-----------------|------------------|
| 2021 | \$ 309,708 | 70,448 | 380,156 |
| 2022 | 317,500 | 62,656 | 380,156 |
| 2023 | 325,486 | 54,670 | 380,156 |
| 2024 | 333,674 | 46,482 | 380,156 |
| 2025 | 342,068 | 38,088 | 380,156 |
| 2026 | 350,673 | 29,482 | 380,155 |
| 2027 | 359,495 | 20,661 | 380,156 |
| 2028 | 368,539 | 11,617 | 380,156 |
| 2029 | 187,731 | 2,347 | 190,078 |
| | <u>2,894,874</u> | <u>336,451</u> | <u>3,231,325</u> |

STATISTICAL SECTION

(Unaudited)

This part of the comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Village's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the Village's most significant local revenue sources.

Debt Capacity

These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.

VILLAGE OF LINCOLNWOOD, ILLINOIS

Net Position by Component - Last Ten Fiscal Years*
April 30, 2020 (Unaudited)

See Following Page

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Net Position by Component - Last Ten Fiscal Years*
April 30, 2020 (Unaudited)**

| | 2011 | 2012 | 2013 |
|---|---------------|------------|------------|
| Governmental Activities | | | |
| Net Investment in Capital Assets | \$ 24,011,361 | 25,625,635 | 26,637,660 |
| Restricted | 7,664,671 | 11,211,585 | 12,260,925 |
| Unrestricted (Deficit) | 10,140,308 | 7,590,556 | 8,193,496 |
| Total Governmental Activities Net Position | 41,816,340 | 44,427,776 | 47,092,081 |
| Business-Type Activities | | | |
| Net Investment in Capital Assets | 6,177,316 | 6,576,698 | 6,521,402 |
| Restricted | 240,000 | - | - |
| Unrestricted | 2,156,907 | 1,969,054 | 2,144,850 |
| Total Business-Type Activities Net Position | 8,574,223 | 8,545,752 | 8,666,252 |
| Primary Government | | | |
| Net Investment in Capital Assets | 30,188,677 | 32,202,333 | 33,159,062 |
| Restricted | 7,904,671 | 11,211,585 | 12,260,925 |
| Unrestricted (Deficit) | 12,297,215 | 9,559,610 | 10,338,346 |
| Total Primary Government Net Position | 50,390,563 | 52,973,528 | 55,758,333 |

* Accrual Basis of Accounting

Data Source: Village Records

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|------------|------------|--------------|--------------|--------------|--------------|--------------|
| 27,626,486 | 28,404,391 | 34,823,932 | 37,273,890 | 39,045,766 | 43,358,477 | 46,993,526 |
| 12,353,691 | 12,637,469 | 10,929,345 | 5,338,517 | 5,990,606 | 5,853,273 | 4,571,210 |
| 9,402,780 | 9,965,159 | (14,079,642) | (13,472,510) | (15,545,413) | (18,171,234) | (19,630,625) |
| 49,382,957 | 51,007,019 | 31,673,635 | 29,139,897 | 29,490,959 | 31,040,516 | 31,934,111 |
| 6,299,012 | 6,248,147 | 6,504,767 | 6,792,437 | 6,984,989 | 7,053,772 | 6,439,889 |
| - | - | - | - | - | - | - |
| 2,337,049 | 2,284,624 | 2,148,483 | 1,866,327 | 1,894,822 | 1,387,594 | 1,772,786 |
| 8,636,061 | 8,532,771 | 8,653,250 | 8,658,764 | 8,879,811 | 8,441,366 | 8,212,675 |
| 33,925,498 | 34,652,538 | 41,328,699 | 44,066,327 | 46,030,755 | 50,412,249 | 53,433,415 |
| 12,353,691 | 12,637,469 | 10,929,345 | 5,338,517 | 5,990,606 | 5,853,273 | 4,571,210 |
| 11,739,829 | 12,249,783 | (11,931,159) | (11,606,183) | (13,650,591) | (16,783,640) | (17,857,839) |
| 58,019,018 | 59,539,790 | 40,326,885 | 37,798,661 | 38,370,770 | 39,481,882 | 40,146,786 |

VILLAGE OF LINCOLNWOOD, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years*
April 30, 2020 (Unaudited)

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Expenses | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| General Government | 8,368,482 | 8,425,153 | 8,584,081 | 8,575,330 | 7,684,121 | 10,954,427 | 12,919,609 | 8,955,857 | 8,977,064 | 8,997,525 |
| Public Safety | 8,854,696 | 9,309,941 | 9,211,302 | 9,406,734 | 9,588,612 | 10,010,892 | 9,803,007 | 11,977,119 | 12,265,211 | 13,201,520 |
| Public Works | 2,182,058 | 2,307,646 | 2,372,041 | 2,759,369 | 3,659,649 | 3,645,814 | 3,670,241 | 2,392,198 | 2,755,561 | 2,882,297 |
| Interest on Long-Term Debt | 345,551 | 274,942 | 169,973 | 132,128 | 87,897 | 49,222 | 25,441 | 9,601 | - | 43,944 |
| Total Governmental Activities Expenses | 19,750,787 | 20,317,682 | 20,337,397 | 20,873,561 | 21,020,279 | 24,660,355 | 26,418,298 | 23,334,775 | 23,997,836 | 25,125,286 |
| Business-Type Activities | | | | | | | | | | |
| Water and Sewer | 3,317,525 | 3,290,392 | 3,719,065 | 4,012,613 | 4,062,562 | 4,274,948 | 4,464,309 | 4,337,874 | 4,854,708 | 4,587,652 |
| Total Business-Type Activities Expenses | 3,317,525 | 3,290,392 | 3,719,065 | 4,012,613 | 4,062,562 | 4,274,948 | 4,464,309 | 4,337,874 | 4,854,708 | 4,587,652 |
| Total Primary Government Expenses | 23,068,312 | 23,608,074 | 24,056,462 | 24,886,174 | 25,082,841 | 28,935,303 | 30,882,607 | 27,672,649 | 28,852,544 | 29,712,938 |
| Program Revenues | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Charges for Services | | | | | | | | | | |
| General Government | 2,023,209 | 1,731,344 | 1,841,064 | 1,804,892 | 1,736,500 | 1,748,840 | 1,835,516 | 1,825,561 | 1,858,689 | 1,761,967 |
| Public Safety | 1,065,490 | 1,575,783 | 1,532,619 | 1,555,281 | 1,498,731 | 1,583,595 | 2,623,677 | 1,616,347 | 1,766,947 | 2,065,023 |
| Public Works | 733 | - | - | - | - | - | - | - | - | - |
| Operating Grants/Contributions | 602,356 | 105,533 | 250,393 | 347,483 | 205,573 | 3,847,125 | 241,414 | 64,233 | 31,304 | 505,932 |
| Capital Grants/Contributions | - | 388,795 | 392,023 | 104,024 | 182,199 | 79,245 | 302,582 | 205,509 | 2,894,743 | 1,122,917 |
| Total Governmental Activities Program Revenues | 2,860,700 | 3,691,788 | 3,801,455 | 4,016,099 | 3,811,680 | 3,623,003 | 5,003,189 | 3,711,650 | 6,551,683 | 5,455,839 |
| Business-Type Activities | | | | | | | | | | |
| Charges for Services | | | | | | | | | | |
| Water and Sewer | 3,576,490 | 3,455,950 | 4,035,302 | 4,163,619 | 4,156,613 | 4,643,875 | 4,770,964 | 4,747,808 | 4,760,209 | 4,469,554 |
| Total Business-Type Activities Program Revenues | 3,576,490 | 3,455,950 | 4,035,302 | 4,163,619 | 4,156,613 | 4,643,875 | 4,770,964 | 4,747,808 | 4,760,209 | 4,469,554 |
| Total Primary Government Program Revenues | 6,437,190 | 7,147,738 | 7,836,757 | 8,179,718 | 7,968,293 | 8,266,878 | 9,774,153 | 8,459,458 | 11,311,892 | 9,925,393 |
| Net (Expenses) Revenues | | | | | | | | | | |
| Governmental Activities | (16,890,087) | (16,625,894) | (16,535,942) | (16,857,462) | (17,208,599) | (21,037,352) | (21,415,109) | (19,623,125) | (17,446,153) | (19,669,447) |
| Business-Type Activities | 258,965 | 165,558 | 316,237 | 151,006 | 94,051 | 368,927 | 306,655 | 409,934 | (94,499) | (118,098) |
| Total Primary Government Net (Expenses) Revenues | (16,631,122) | (16,460,336) | (16,219,705) | (16,706,456) | (17,114,548) | (20,668,425) | (21,108,454) | (19,213,191) | (17,540,652) | (19,787,545) |

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|------------|------------|------------|------------|------------|-------------|-------------|------------|------------|------------|
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Property | 6,699,698 | 7,612,055 | 6,516,497 | 6,879,900 | 6,227,314 | 6,754,910 | 6,258,757 | 7,289,454 | 7,173,860 | 7,627,356 |
| Utility | 1,601,218 | 1,546,490 | 1,545,378 | 1,565,985 | 1,482,244 | 1,323,632 | 1,334,684 | 1,281,939 | 1,296,074 | 1,173,826 |
| Intergovernmental - Unrestricted | | | | | | | | | | |
| State Sales, Income Taxes and Use Taxes | 8,681,973 | 8,448,621 | 8,683,316 | 8,860,471 | 9,045,745 | 8,916,421 | 8,731,925 | 8,600,184 | 8,773,978 | 8,943,315 |
| Replacement Taxes | 153,684 | 135,608 | 143,399 | 150,349 | 157,314 | 126,382 | 179,298 | 135,142 | 134,170 | 177,352 |
| Other | 872,480 | 799,404 | 1,330,642 | 1,339,288 | 1,337,757 | 1,528,313 | 1,543,672 | 1,710,572 | 1,855,742 | 1,494,847 |
| Interest | 238,760 | 196,040 | 152,448 | 176,067 | 186,750 | 231,769 | 339,078 | 388,573 | 501,330 | 629,785 |
| Miscellaneous | 187,430 | 189,445 | 413,923 | 180,697 | 384,214 | 326,367 | 293,957 | 368,323 | 589,348 | 316,561 |
| Transfers | 175,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 |
| Total Governmental Activities | 18,610,243 | 19,127,663 | 18,985,603 | 19,352,757 | 19,021,338 | 19,407,794 | 18,881,371 | 19,974,187 | 20,524,502 | 20,563,042 |
| Business-Type Activities | | | | | | | | | | |
| Interest | 5,842 | 5,971 | 4,263 | 2,653 | 2,659 | 2,813 | 4,591 | 1,113 | 1,270 | 76,907 |
| Miscellaneous | - | - | - | 16,150 | - | 10,000 | (105,732) | 10,000 | 10,000 | 12,500 |
| Transfers | (175,000) | (200,000) | (200,000) | (200,000) | (200,000) | (200,000) | (200,000) | (200,000) | (200,000) | (200,000) |
| Total Business-Type Activities | (169,158) | (194,029) | (195,737) | (181,197) | (197,341) | (187,187) | (301,141) | (188,887) | (188,730) | (110,593) |
| Total Primary Government General Revenue | 18,441,085 | 18,933,634 | 18,789,866 | 19,171,560 | 18,823,997 | 19,220,607 | 18,580,230 | 19,785,300 | 20,335,772 | 20,452,449 |
| Changes in Net Position | | | | | | | | | | |
| Governmental Activities | 1,720,156 | 2,501,769 | 2,449,661 | 2,495,295 | 1,812,739 | (1,629,558) | (2,533,738) | 351,062 | 3,078,349 | 893,595 |
| Business-Type Activities | 89,807 | (28,471) | 120,500 | (30,191) | (103,290) | 181,740 | 5,514 | 221,047 | (283,229) | (228,691) |
| Total Primary Government | 1,809,963 | 2,473,298 | 2,570,161 | 2,465,104 | 1,709,449 | (1,447,818) | (2,528,224) | 572,109 | 2,795,120 | 664,904 |

* Accrual Basis of Accounting

Data Source: Village Records

VILLAGE OF LINCOLNWOOD, ILLINOIS

Fund Balances of Governmental Funds - Last Ten Fiscal Years*
April 30, 2020 (Unaudited)

| | 2011 | 2012 | 2013 | 2014 |
|------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| General Fund | | | | |
| Reserved | \$ 150,478 | - | - | - |
| Unreserved | 9,805,693 | - | - | - |
| Nonspendable | - | 511,884 | 408,967 | 435,356 |
| Restricted | - | - | - | - |
| Unassigned | - | 9,047,480 | 9,370,395 | 10,206,133 |
| Total General Fund | <u>9,956,171</u> | <u>9,559,364</u> | <u>9,779,362</u> | <u>10,641,489</u> |
| All Other Governmental Funds | | | | |
| Reserved | 7,664,671 | - | - | - |
| Unreserved, Reported in, | | | | |
| Special Revenue Funds | 1,632,933 | - | - | - |
| Debt Service Funds | 703 | - | - | - |
| Capital Projects Funds | 485,611 | - | - | - |
| Restricted | - | 11,221,347 | 12,270,687 | 12,363,453 |
| Unassigned | - | (103,757) | (59,987) | (63,017) |
| Total All Other Governmental Funds | <u>9,783,918</u> | <u>11,117,590</u> | <u>12,210,700</u> | <u>12,300,436</u> |
| Total Governmental Funds | <u><u>19,740,089</u></u> | <u><u>20,676,954</u></u> | <u><u>21,990,062</u></u> | <u><u>22,941,925</u></u> |

* Modified Accrual Basis of Accounting

Data Source: Village Records

The Village implemented GASB No. 54 for the fiscal year ended April 30, 2012.

| 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|------------|------------|------------|------------|------------|------------|
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 142,887 | 110,482 | 102,822 | 90,009 | 80,000 | - |
| - | - | 72,372 | 79,149 | 94,020 | 100,386 |
| 10,639,883 | 11,113,026 | 12,532,345 | 11,083,853 | 11,017,540 | 11,096,291 |
| 10,782,770 | 11,223,508 | 12,707,539 | 11,253,011 | 11,191,560 | 11,196,677 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 12,647,231 | 10,939,074 | 5,272,645 | 5,911,457 | 5,759,253 | 4,477,624 |
| (106,302) | (310,218) | (172,025) | (63,016) | - | (137,783) |
| 12,540,929 | 10,628,856 | 5,100,620 | 5,848,441 | 5,759,253 | 4,339,841 |
| 23,323,699 | 21,852,364 | 17,808,159 | 17,101,452 | 16,950,813 | 15,536,518 |

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years*
April 30, 2020 (Unaudited)**

| | 2011 | 2012 | 2013 |
|--|-------------------|-------------------|-------------------|
| Revenues | | | |
| Taxes | \$ 18,036,316 | 18,715,559 | 18,219,232 |
| Charges for Services | 1,789,585 | 1,764,893 | 1,940,107 |
| Licenses, Permits and Fees | 1,007,370 | 1,009,122 | 1,074,728 |
| Intergovernmental - Grants | 667,400 | 494,328 | 642,416 |
| Fines and Forfeitures | 265,214 | 359,731 | 358,848 |
| Interest | 238,758 | 196,040 | 152,448 |
| Miscellaneous | 135,559 | 189,445 | 413,923 |
| Total Revenues | 22,140,202 | 22,729,118 | 22,801,702 |
| Expenditures | | | |
| Current | | | |
| General Government | 3,825,017 | 3,858,935 | 3,723,651 |
| Public Safety | 9,489,960 | 9,051,421 | 9,200,803 |
| Public Works | 1,873,033 | 1,171,370 | 1,257,315 |
| Sanitation | 1,000,832 | 1,042,760 | 1,003,569 |
| Economic Development | 1,105,001 | 1,137,237 | 1,184,987 |
| Culture and Recreation | 2,142,897 | 2,100,417 | 2,210,831 |
| Capital Outlay | 2,111,785 | 2,106,974 | 1,521,896 |
| Debt Service | | | |
| Principal Retirement | 1,242,500 | 1,330,550 | 1,402,751 |
| Interest and Fiscal Charges | 312,201 | 351,695 | 182,791 |
| Total Expenditures | 23,103,226 | 22,151,359 | 21,688,594 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (963,024) | 577,759 | 1,113,108 |
| Other Financing Sources (Uses) | | | |
| Debt Issuance | 592,652 | 159,106 | - |
| Premium on Debt Issuance | - | - | - |
| Disposal of Capital Assets | - | - | - |
| Transfers In | 422,094 | 1,264,655 | 883,513 |
| Transfers Out | (247,094) | (1,064,655) | (683,513) |
| | 767,652 | 359,106 | 200,000 |
| Net Change in Fund Balances | (195,372) | 936,865 | 1,313,108 |
| Debt Service as a Percentage of Noncapital Expenditures | 8.10% | 8.37% | 7.80% |

* Modified Accrual Basis of Accounting

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|------------|------------|-------------|-------------|-------------|------------|-------------|
| 18,795,993 | 18,250,374 | 18,649,658 | 18,048,336 | 19,017,291 | 19,233,824 | 10,296,029 |
| 1,902,915 | 1,903,730 | 1,968,852 | 2,042,559 | 2,043,913 | 2,077,023 | 2,194,297 |
| 1,109,864 | 1,033,923 | 1,072,394 | 2,075,684 | 1,095,771 | 1,214,024 | 1,327,921 |
| 451,507 | 387,772 | 3,926,370 | 543,996 | 269,742 | 115,168 | 10,749,516 |
| 347,394 | 297,578 | 291,189 | 340,950 | 302,224 | 334,589 | 304,772 |
| 176,067 | 186,750 | 231,769 | 339,078 | 388,573 | 501,330 | 629,785 |
| 180,697 | 384,214 | 326,367 | 293,957 | 368,323 | 589,348 | 316,561 |
| 22,964,437 | 22,444,341 | 26,466,599 | 23,684,560 | 23,485,837 | 24,065,306 | 25,818,881 |
| 3,965,888 | 3,722,000 | 4,155,775 | 7,909,328 | 3,889,672 | 4,078,585 | 4,050,917 |
| 9,393,305 | 9,518,972 | 9,767,597 | 10,029,278 | 11,153,292 | 10,834,619 | 11,622,127 |
| 1,768,165 | 2,670,998 | 2,605,336 | 2,608,717 | 1,311,144 | 1,625,502 | 2,806,103 |
| 977,975 | 1,001,538 | 1,000,930 | 985,348 | 1,013,787 | 1,059,633 | 1,074,777 |
| 1,191,511 | 1,314,624 | 950,667 | 960,386 | 925,780 | 944,580 | 883,378 |
| 2,091,160 | 2,194,920 | 2,195,582 | 2,266,129 | 2,280,734 | 2,345,396 | 2,145,445 |
| 1,202,232 | 1,016,945 | 6,017,661 | 2,167,423 | 2,868,553 | 3,196,153 | 7,327,009 |
| 1,478,386 | 1,718,674 | 1,375,553 | 970,381 | 990,381 | 222,897 | 12,500 |
| 143,952 | 105,817 | 68,834 | 31,775 | 16,101 | - | - |
| 22,212,574 | 23,264,488 | 28,137,935 | 27,928,765 | 24,449,444 | 24,307,365 | 29,922,256 |
| 751,863 | (820,147) | (1,671,336) | (4,244,205) | (963,607) | (242,059) | (4,103,375) |
| - | 1,001,921 | - | - | - | - | 2,300,000 |
| - | - | - | - | - | - | 189,080 |
| - | - | - | - | 56,900 | - | - |
| 518,392 | 768,716 | 1,066,060 | 1,541,414 | 1,840,314 | 925,681 | 630,289 |
| (318,392) | (568,716) | (866,060) | (1,341,414) | (1,640,314) | (725,681) | (430,289) |
| 200,000 | 1,201,921 | 200,000 | 200,000 | 256,900 | 200,000 | 2,689,080 |
| 951,863 | 381,774 | (1,471,336) | (4,044,205) | (706,707) | (42,059) | (1,414,295) |
| 7.76% | 8.53% | 6.79% | 4.08% | 4.64% | 1.06% | 0.06% |

VILLAGE OF LINCOLNWOOD, ILLINOIS

Sales Tax by Category - Last Ten Calendar Years
April 30, 2020 (Unaudited)

| | 2019 | | 2018 | | 2017 | | 2016 | |
|--|------------------|-----------------------------|------------------|-----------------------------|------------------|-----------------------------|------------------|-----------------------------|
| | Amount | % Change from Previous Year |
| General Merchandise | \$ 172,196 | (38.5%) | \$ 280,116 | 1.5% | \$ 275,882 | (8.4%) | \$ 301,209 | (4.1%) |
| Food | 202,315 | 3.1% | 196,160 | 9.9% | 178,417 | 8.3% | 164,796 | (17.8%) |
| Drinking and Eating Places | 582,067 | 4.5% | 557,164 | 8.9% | 511,412 | 3.2% | 495,695 | 0.7% |
| Apparel | 165,557 | (8.2%) | 180,399 | (8.9%) | 197,995 | (7.5%) | 214,093 | (0.3%) |
| Furniture, Households and Radio | 82,242 | 0.0% | - | (100.0%) | 60,555 | (24.5%) | 80,154 | (0.5%) |
| Lumber, Building and Hardware | 168,127 | (0.6%) | 169,205 | (7.7%) | 183,337 | (4.3%) | 191,497 | (13.1%) |
| Automotive Filing Stations | 2,292,413 | (2.6%) | 2,352,413 | (5.8%) | 2,498,148 | (1.6%) | 2,539,884 | (8.3%) |
| Drugs and Other Retail | 586,101 | (11.2%) | 659,860 | 20.3% | 548,537 | 9.4% | 501,291 | 15.3% |
| Agriculture and Extractive Manufacturers | 221,468 | (7.3%) | 238,916 | 3.3% | 231,177 | 2.2% | 226,221 | (4.9%) |
| | <u>111,241</u> | (2.3%) | <u>113,863</u> | 16.7% | <u>97,578</u> | (3.9%) | <u>101,561</u> | 22.3% |
| | <u>4,583,727</u> | (3.5%) | <u>4,748,096</u> | (0.7%) | <u>4,783,038</u> | (0.7%) | <u>4,816,401</u> | (4.6%) |
| Village Statutory Allocated Sales Tax Rate | <u>1.00%</u> | | <u>1.00%</u> | | <u>1.00%</u> | | <u>1.00%</u> | |

Note: Sales Tax information for the calendar year 2019 is the most current available.

Data Source: Illinois Department of Revenue

| 2015 | | 2014 | | 2013 | | 2012 | | 2011 | | 2010 | |
|------------------|-----------------------------|------------------|-----------------------------|------------------|-----------------------------|------------------|-----------------------------|------------------|-----------------------------|------------------|-----------------------------|
| Amount | % Change from Previous Year |
| \$ 314,147 | (4.2%) | \$ 328,058 | (0.3%) | \$ 328,933 | 20.3% | \$ 273,486 | (2.9%) | \$ 281,587 | (19.3%) | \$ 349,013 | (2.4%) |
| 200,513 | (1.7%) | 204,020 | (45.7%) | 375,458 | (4.2%) | 392,096 | 0.8% | 388,828 | 14.3% | 340,290 | 0.2% |
| 492,393 | 2.0% | 482,730 | 6.8% | 452,061 | 4.4% | 433,003 | 11.5% | 388,243 | 3.5% | 375,025 | (1.4%) |
| 214,716 | 10.5% | 194,259 | (3.0%) | 200,338 | (10.0%) | 222,703 | (4.1%) | 232,302 | (4.9%) | 244,264 | 0.6% |
| 80,594 | (9.0%) | 88,558 | 1.2% | 87,519 | 14.3% | 76,548 | 13.5% | 67,414 | (9.6%) | 74,594 | (2.2%) |
| 220,429 | (0.2%) | 220,960 | 1.5% | 217,737 | 4.2% | 208,967 | (2.1%) | 213,529 | (6.6%) | 228,726 | (2.6%) |
| 2,769,625 | 4.1% | 2,661,791 | 11.2% | 2,392,776 | 0.3% | 2,385,103 | 0.0% | 2,384,220 | 14.6% | 2,080,078 | 14.0% |
| 434,860 | (15.8%) | 516,760 | (1.9%) | 526,540 | 11.6% | 471,864 | 15.7% | 407,778 | 16.9% | 348,743 | (0.6%) |
| 237,989 | (1.5%) | 241,719 | 13.1% | 213,816 | (6.2%) | 227,959 | (4.3%) | 238,146 | (35.3%) | 367,963 | (0.5%) |
| 83,010 | 3.3% | 80,379 | 2.0% | 78,803 | (41.9%) | 135,689 | 1.0% | 134,346 | (19.3%) | 166,420 | 17.1% |
| <u>5,048,276</u> | 0.6% | <u>5,019,234</u> | 3.0% | <u>4,873,981</u> | 1.0% | <u>4,827,418</u> | 1.9% | <u>4,736,393</u> | 3.5% | <u>4,575,116</u> | 5.9% |
| <u>1.00%</u> | | <u>1.00%</u> | | <u>1.00%</u> | | <u>1.00%</u> | | <u>1.00%</u> | | <u>1.00%</u> | |

VILLAGE OF LINCOLNWOOD, ILLINOIS

Home Rule Sales Tax by Category - Last Ten Calendar Years
April 30, 2020 (Unaudited)

| | 2019 | | 2018 | | 2017 | | 2016 | |
|--|------------------|-----------------------------|------------------|-----------------------------|------------------|-----------------------------|------------------|-----------------------------|
| | Amount | % Change from Previous Year |
| General Merchandise | \$ 187,681 | (32.96%) | \$ 279,966 | 1.54% | \$ 275,716 | (8.41%) | \$ 301,042 | (4.2%) |
| Food | 192,979 | 16.89% | 165,090 | 12.03% | 147,358 | 9.93% | 134,047 | (8.9%) |
| Drinking and Eating Places | 652,910 | 18.12% | 552,765 | 9.15% | 506,427 | 2.87% | 492,308 | 0.7% |
| Apparel | 187,400 | 3.93% | 180,314 | (8.89%) | 197,917 | (7.54%) | 214,059 | (0.3%) |
| Furniture, Households and Radio | 96,215 | 0.0% | - | (100.00%) | 60,555 | (24.45%) | 80,154 | (0.5%) |
| Lumber, Building and Hardware | 187,349 | 10.98% | 168,820 | (7.69%) | 182,889 | (4.27%) | 191,045 | (13.2%) |
| Automotive Filing Stations | 372,517 | (1.75%) | 379,141 | 3.47% | 366,417 | 6.15% | 345,203 | (1.4%) |
| Drugs and Other Retail | 488,367 | 15.98% | 421,091 | 18.62% | 354,994 | 15.55% | 307,210 | 20.5% |
| Agriculture and Extractive Manufacturers | 223,611 | 5.26% | 212,440 | (3.69%) | 220,576 | 3.72% | 212,664 | (6.5%) |
| | <u>121,705</u> | 9.61% | <u>111,032</u> | 17.65% | <u>94,375</u> | (3.90%) | <u>98,204</u> | 23.0% |
| | <u>2,710,734</u> | 9.72% | <u>2,470,659</u> | 2.64% | <u>2,407,224</u> | 1.32% | <u>2,375,936</u> | (0.1%) |
| Village Home Rule Sales Tax Rate | <u>1.25%</u> | | <u>1.00%</u> | | <u>1.00%</u> | | <u>1.00%</u> | |

Notes: Sales Tax information for the calendar year 2019 is the most current available.

Sales tax rate was increased by .25% on July 1, 2019

Data Source: Illinois Department of Revenue

| 2015 | | 2014 | | 2013 | | 2012 | | 2011 | | 2010 | |
|------------------|-----------------------------|------------------|-----------------------------|------------------|-----------------------------|------------------|-----------------------------|------------------|-----------------------------|------------------|-----------------------------|
| Amount | % Change from Previous Year |
| \$ 314,098 | (4.2%) | \$ 327,862 | (0.3%) | \$ 328,934 | 21.4% | \$ 270,971 | 0.1% | \$ 270,834 | (22.4%) | \$ 349,013 | (2.4%) |
| 147,100 | 4.5% | 140,820 | (24.3%) | 186,143 | (4.1%) | 194,097 | 2.9% | 188,624 | 63.3% | 115,542 | 26.2% |
| 489,053 | 2.0% | 479,509 | 6.7% | 449,239 | 4.3% | 430,734 | 11.5% | 386,324 | 3.5% | 373,285 | (1.3%) |
| 214,718 | 10.5% | 194,257 | (3.0%) | 200,339 | (10.0%) | 222,704 | (4.1%) | 232,285 | (4.9%) | 244,246 | 0.7% |
| 80,595 | (9.0%) | 88,559 | 1.2% | 87,521 | 14.3% | 76,548 | 13.5% | 67,414 | (9.6%) | 74,592 | (2.2%) |
| 220,124 | (0.2%) | 220,540 | 1.6% | 216,994 | 4.1% | 208,436 | (2.3%) | 213,421 | (6.4%) | 228,116 | (2.3%) |
| 350,202 | (17.9%) | 426,815 | (7.1%) | 459,580 | 2.6% | 448,000 | 3.8% | 431,588 | 52.8% | 282,472 | 2.4% |
| 255,043 | (22.5%) | 329,188 | (6.2%) | 350,943 | 13.5% | 309,144 | 11.5% | 277,149 | 13.8% | 243,535 | 16.3% |
| 227,516 | 5.6% | 215,448 | 11.9% | 192,520 | (9.4%) | 212,591 | 2.2% | 208,091 | (33.6%) | 313,544 | (10.6%) |
| 79,825 | 3.2% | 77,353 | 2.0% | 75,836 | (43.7%) | 134,729 | 1.0% | 133,396 | (13.4%) | 154,123 | 17.0% |
| <u>2,378,274</u> | (4.9%) | <u>2,500,351</u> | (1.9%) | <u>2,548,049</u> | 1.6% | <u>2,507,954</u> | 4.1% | <u>2,409,126</u> | 1.3% | <u>2,378,468</u> | 1.3% |
| <u>1.00%</u> | | <u>1.00%</u> | | <u>1.00%</u> | | <u>1.00%</u> | | <u>1.00%</u> | | <u>1.00%</u> | |

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years (in Thousands)
April 30, 2020 (Unaudited)**

| Tax Levy Year | Residential Property | Farm | Commercial Property | Industrial Property | Less: Tax-Exempt Property | Total Taxable Assessed Value | Total Direct Tax Rate |
|---------------|----------------------|--------|---------------------|---------------------|---------------------------|------------------------------|-----------------------|
| 2010 | \$ 514,583 | \$ 130 | \$ 181,926 | \$ 82,205 | \$ 57 | \$ 778,787 | 0.661 |
| 2011 | 464,664 | 49 | 155,217 | 73,887 | N/A | 693,817 | 0.753 |
| 2012 | 428,515 | 49 | 143,447 | 71,069 | N/A | 643,080 | 0.836 |
| 2013 | 368,229 | 49 | 134,578 | 70,450 | N/A | 573,306 | 0.954 |
| 2014 | 377,532 | 108 | 156,369 | 42,453 | N/A | 576,462 | 0.963 |
| 2015 | 368,908 | 107 | 154,132 | 43,037 | N/A | 566,184 | 0.988 |
| 2016 | 437,199 | 118 | 177,507 | 43,241 | N/A | 658,065 | 0.857 |
| 2017 | 441,536 | 122 | 185,419 | 43,029 | N/A | 670,106 | 0.859 |
| 2018 | 430,480 | 121 | 184,539 | 42,447 | N/A | 657,587 | 0.893 |
| 2019 | 430,480 | 121 | 184,539 | 42,447 | N/A | 657,587 | 0.867 |

Data Source: Office of the County Clerk

Property in the Village is reassessed every three years.

N/A - Not Available

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years
April 30, 2020 (Unaudited)**

| | 2010 | 2011 | 2012 |
|---|--------------|--------------|--------------|
| Village Direct Rates | | | |
| General | 0.366 | 0.395 | 0.450 |
| Police Pension | 0.165 | 0.210 | 0.226 |
| Special Recreation | 0.015 | 0.016 | 0.018 |
| Playgrounds and Recreation | 0.115 | 0.132 | 0.143 |
| Total Direct Rates | 0.661 | 0.753 | 0.836 |
| Overlapping Rates | | | |
| Lincolnwood Public Library | 0.289 | 0.330 | 0.368 |
| School District #74 | 2.666 | 3.034 | 3.366 |
| High School District #219 | 2.538 | 2.904 | 3.256 |
| Oakton Community College District #535 | 0.160 | 0.196 | 0.219 |
| Niles Township | 0.032 | 0.037 | 0.042 |
| Niles Township General Assistance | 0.004 | 0.005 | 0.006 |
| North Shore Mosquito Abatement District | 0.009 | 0.010 | 0.010 |
| County of Cook | 0.228 | 0.223 | 0.287 |
| Cook County Health Facilities | 0.082 | 0.078 | 0.063 |
| Forest Preserve District of Cook County | 0.051 | 0.058 | 0.063 |
| Cook County Consolidated Elections | - | 0.025 | - |
| Cook County Public Safety | 0.113 | 0.161 | 0.181 |
| Metro Water Reclamation District of Greater Chicago | 0.274 | 0.320 | 0.370 |
| Total Overlapping Rates | 6.446 | 7.381 | 8.231 |
| | | | |
| Total Direct and Overlapping Rates | 7.107 | 8.134 | 9.067 |

Data Source: Office of the County Clerk

Note: Rates are per \$100 of Assessed Value

| 2013 | 2014 | 2015 | 2016 | 2016 | 2017 | 2018 |
|-------|-------|--------|-------|-------|-------|-------|
| 0.522 | 0.541 | 0.530 | 0.428 | 0.437 | 0.413 | 0.392 |
| 0.252 | 0.243 | 0.276 | 0.273 | 0.269 | 0.322 | 0.325 |
| 0.020 | 0.019 | 0.020 | 0.017 | 0.017 | 0.018 | 0.017 |
| 0.160 | 0.160 | 0.162 | 0.139 | 0.137 | 0.140 | 0.133 |
| 0.954 | 0.963 | 0.988 | 0.857 | 0.859 | 0.893 | 0.867 |
| 0.421 | 0.426 | 0.442 | 0.384 | 0.386 | 0.403 | 0.392 |
| 3.383 | 3.421 | 3.891 | 3.244 | 3.256 | 3.421 | 3.382 |
| 3.707 | 3.650 | 3.741 | 3.460 | 3.409 | 3.347 | 3.017 |
| 0.256 | 0.258 | 0.271 | 0.231 | 0.232 | 0.246 | 0.221 |
| 0.049 | 0.050 | 0.052 | 0.046 | 0.047 | 0.049 | 0.045 |
| 0.007 | 0.007 | 0.008 | 0.007 | 0.007 | 0.008 | 0.007 |
| 0.007 | 0.011 | 0.012 | 0.010 | 0.010 | 0.010 | 0.009 |
| 0.275 | 0.296 | 0.289 | 0.316 | 0.327 | 0.319 | 0.275 |
| 0.066 | 0.031 | 0.116 | 0.087 | 0.060 | 0.047 | 0.045 |
| 0.069 | 0.069 | 0.069 | 0.063 | 0.062 | 0.060 | 0.059 |
| 0.031 | - | 0.034 | - | 0.031 | - | 0.030 |
| 0.219 | 0.241 | 0.147 | 0.130 | 0.109 | 0.123 | 0.134 |
| 0.417 | 0.430 | 0.426 | 0.406 | 0.402 | 0.396 | 0.389 |
| 8.907 | 8.890 | 9.498 | 8.384 | 8.338 | 8.429 | 8.005 |
| 9.861 | 9.853 | 10.486 | 9.241 | 9.197 | 9.322 | 8.872 |

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Principal Property Tax Payers - Current Fiscal Year and Nine Fiscal Years Ago
April 30, 2020 (Unaudited)**

| Taxpayer | 2020 | | | 2011 | | |
|-----------------------------|------------------------|------|--|------------------------|------|--|
| | Taxable Assessed Value | Rank | Percentage of Total Village Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total Village Taxable Assessed Value |
| Simon Property Group | \$ 37,322,336 | 1 | 5.05% | \$ 40,787,505 | 1 | 4.76% |
| WLH Lincolnwood LLC | 9,103,217 | 2 | 1.23% | | | |
| Public Storage II 25518 | 8,397,383 | 3 | 1.14% | | | |
| SBLP Lincolnwood LLC | 8,202,037 | 4 | 1.11% | | | |
| Grossprops Associates | 6,576,400 | 5 | 0.89% | 11,846,164 | 2 | 1.38% |
| JHM & CO CD | 6,295,781 | 6 | 0.85% | | | |
| Trim-Tex | 6,221,642 | 7 | 0.84% | | | |
| Lowe's Home Centers | 6,036,267 | 8 | 0.82% | | | |
| Imperial Co. Realty | 5,705,343 | 9 | 0.77% | 7,705,764 | 4 | 0.90% |
| Loeber Clark St. Ltd | 5,686,200 | 10 | 0.77% | | | |
| Village Resorts/KM Ventures | | | | 10,881,972 | 3 | 1.27% |
| Bell and Howell | | | | 7,133,258 | 5 | 0.83% |
| United Equitable | | | | 5,912,827 | 6 | 0.69% |
| McRae's | | | | 5,724,779 | 7 | 0.67% |
| First Industrial | | | | 5,587,734 | 8 | 0.65% |
| Senior Lifestyle Corp. | | | | 5,307,726 | 9 | 0.62% |
| J.C. Penny | | | | 4,780,298 | 10 | 0.56% |
| | <u>99,546,606</u> | | <u>13.47%</u> | <u>105,668,027</u> | | <u>12.33%</u> |

Data Source: Office of the County Clerk and Assessor's Office

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Property Tax Levies and Collections - Last Ten Fiscal Years
April 30, 2020 (Unaudited)**

| Fiscal Year | Tax Levy Year | Taxes Levied for the Fiscal Year | Collected within the Fiscal Year of the Levy | | Collections in Subsequent Years | Total Collections to Date | |
|-------------|---------------|----------------------------------|--|--------------------|---------------------------------|---------------------------|--------------------|
| | | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 2011 | 2010 | \$ 5,148,487 | \$ 2,653,434 | 51.54% | \$ 2,456,162 | \$ 5,109,596 | 99.24% |
| 2012 | 2011 | 5,224,442 | 2,657,978 | 50.88% | 2,479,071 | 5,137,049 | 98.33% |
| 2013 | 2012 | 5,382,584 | 2,563,342 | 47.62% | 2,765,655 | 5,328,997 | 99.00% |
| 2014 | 2013 | 5,469,347 | 2,769,183 | 50.63% | 2,610,222 | 5,379,405 | 98.36% |
| 2015 | 2014 | 5,551,337 | 2,722,099 | 49.04% | 2,691,416 | 5,413,515 | 97.52% |
| 2016 | 2015 | 5,599,559 | 2,847,165 | 50.85% | 2,871,768 | 5,718,933 | 102.13% |
| 2017 | 2016 | 5,639,624 | 2,870,430 | 50.90% | 2,539,178 | 5,409,608 | 95.92% |
| 2018 | 2017 | 5,752,159 | 3,139,979 | 54.59% | 2,302,264 | 5,442,243 | 94.61% |
| 2019 | 2018 | 5,872,954 | 3,016,952 | 51.37% | 2,678,805 | 5,695,757 | 96.98% |
| 2020 | 2019 | 5,984,540 | 3,011,076 | 50.31% | - | 3,011,076 | 50.31% |

Data Source: Office of the County Clerk

Property in the Village is reassessed every three years. Property is assessed at 33% of actual value.

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Ratios of Outstanding Debt by Type - Last Ten Fiscal Years
April 30, 2020 (Unaudited)**

| Fiscal Year | Governmental Activities | | Business-Type Activities | | | Total Primary Government | Percentage of Personal Income (1) | Per Capita (1) |
|-------------|--------------------------|---------------|--------------------------|---------------|--------------------|--------------------------|-----------------------------------|----------------|
| | General Obligation Bonds | Loans Payable | General Obligation Bonds | Loans Payable | IEPA Loans Payable | | | |
| 2011 | \$ 7,662,129 | \$ 830,152 | \$ - | \$ - | \$ 5,361,696 | \$ 13,853,977 | 2.82% | \$ 1,100 |
| 2012 | 6,405,878 | 869,602 | - | - | 5,114,044 | 12,389,524 | 2.52% | 984 |
| 2013 | 5,078,564 | 806,851 | - | - | 4,860,162 | 10,745,577 | 2.19% | 854 |
| 2014 | 3,705,000 | 708,465 | - | - | 4,599,893 | 9,013,358 | 1.84% | 716 |
| 2015 | 2,285,000 | 1,411,712 | - | 1,207,172 | 4,333,077 | 9,236,961 | 1.88% | 734 |
| 2016 | 1,540,000 | 752,958 | - | 905,053 | 4,059,549 | 7,257,560 | 1.48% | 576 |
| 2017 | 780,000 | 545,577 | - | 602,934 | 3,779,140 | 5,707,651 | 1.16% | 453 |
| 2018 | - | 360,397 | - | 336,437 | 3,491,677 | 4,188,511 | 0.85% | 333 |
| 2019 | - | 137,500 | - | - | 3,196,982 | 3,334,482 | 0.68% | 265 |
| 2020 | 2,489,080 | 125,000 | 14,221,453 | - | 2,894,874 | 19,730,407 | 4.02% | 1,567 |

Note: Details regarding the Village's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years
April 30, 2020 (Unaudited)**

| Fiscal Year | General Obligation Bonds | Less: Amounts Available for Debt Service | Total | Percentage of Total Taxable Assessed Value of Property (1) | Per Capita (2) |
|-------------|--------------------------|--|--------------|--|----------------|
| 2011 | \$ 7,662,129 | \$ - | \$ 7,662,129 | 0.98% | \$ 609 |
| 2012 | 6,405,878 | - | 6,405,878 | 0.92% | 509 |
| 2013 | 5,078,564 | - | 5,078,564 | 0.79% | 403 |
| 2014 | 3,705,000 | - | 3,705,000 | 0.65% | 294 |
| 2015 | 2,285,000 | - | 2,285,000 | 0.40% | 181 |
| 2016 | 1,540,000 | - | 1,540,000 | 0.27% | 122 |
| 2017 | 780,000 | 4,771 | 775,229 | 0.12% | 62 |
| 2018 | - | 9,800 | (9,800) | 0.00% | - |
| 2019 | - | 6,800 | (6,800) | 0.00% | - |
| 2020 | 16,710,533 | - | 16,710,533 | 2.54% | 1,327 |

Note: Details regarding the Village's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Assessed Value and Actual Value of Taxable Property for property value data.

(2) See the Schedule of Demographic and Economic Statistics for population data.

N/A - Not Available

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Schedule of Direct and Overlapping Governmental Activities Debt
April 30, 2020 (Unaudited)**

| Governmental Unit | Gross Debt | Percentage of Debt Applicable to Village* | Village's Share of Debt |
|---|-------------------|--|-------------------------------|
| Village - Payable from Property Taxes | \$ 16,835,533 | 100.000% | \$ 16,835,533 |
| Overlapping Debt | | | |
| Cook County - Including Forest Preserve | 2,935,666,750 | 0.462% | 13,562,780 |
| Metropolitan Water Reclamation District | 2,274,859,669 (1) | 0.468% | 10,646,343 |
| School District #74 | 14,925,000 | 100.000% | 14,925,000 |
| School District #219 | 111,369,970 (2) | 16.268% | 18,117,667 |
| Oakton Community College #535 | 27,980,000 | 2.953% | 826,249 |
| Total Overlapping Debt | 5,364,801,389 | | 58,078,040 |
| Total Direct and Overlapping Debt | 5,381,636,922 | | 74,913,573 |

Data Source: Cook County Tax Extension Department

* Determined by ratio of assessed valuation of property subject to taxation in the Village to valuation of property subject to taxation in overlapping unit.

Notes:

(1) Includes Illinois EPA Revolving Loan Bonds

(2) Includes original principal and interest amounts of outstanding General Obligation Capital Appreciation Bonds

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Direct and Overlapping Sales Tax Rates - Last Ten Fiscal Years
April 30, 2020 (Unaudited)**

| | 2011 | 2012 | 2013 |
|------------------------------------|--------|--------|--------|
| Issuing Body | | | |
| Direct (Locally Imposed) | | | |
| Village of Lincolnwood | 1.00% | 1.00% | 1.00% |
| Village of Lincolnwood Home Rule | 1.00% | 1.00% | 1.00% |
| Total Direct Rates | 2.00% | 2.00% | 2.00% |
| Overlapping (State Imposed) | | | |
| State of Illinois | 5.00% | 5.00% | 5.00% |
| Cook County | 2.00% | 2.00% | 2.00% |
| RTA | 1.00% | 1.00% | 1.00% |
| Total Overlapping Rates | 8.00% | 8.00% | 8.00% |
| Total Direct and Overlapping Rates | 10.00% | 10.00% | 10.00% |

Data Source: Illinois Department of Revenue

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--------|--------|--------|--------|--------|--------|--------|
| 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% |
| 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.25% |
| 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.25% |
| 5.00% | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% |
| 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% |
| 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% |
| 8.00% | 8.00% | 8.00% | 8.00% | 8.00% | 8.00% | 8.00% |
| 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.25% |

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Retailers' Occupation, Service Occupation and Use Tax Distribution - Last Ten Fiscal Years
April 30, 2020 (Unaudited)**

| Fiscal Year | State Sales Tax Distributions | Annual Change | |
|----------------|-------------------------------------|---------------|------------|
| | | Amount | Percentage |
| 2011 | \$ 7,303,975 | \$ 544,382 | 8.05% |
| 2012 | 7,373,902 | 69,927 | 0.96% |
| 2013 | 7,502,274 | 128,372 | 1.74% |
| 2014 | 7,443,297 | (58,977) | (0.79%) |
| 2015 | 7,504,348 | 61,051 | 0.82% |
| 2016 | 7,351,368 | (152,980) | (2.04%) |
| 2017 | 7,232,007 | (119,361) | (1.62%) |
| 2018 | 7,132,493 | (99,514) | (1.38%) |
| 2019 | 7,093,483 | (39,010) | (0.55%) |
| 2020 | 7,266,676 | 173,193 | 2.44% |

Data Source: State of Illinois

VILLAGE OF LINCOLNWOOD, ILLINOIS

Legal Debt Margin

April 30, 2020 (Unaudited)

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

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Demographic and Economic Statistics - Last Ten Fiscal Years
April 30, 2020 (Unaudited)**

| Fiscal Year | Population (1) | Estimated Personal Income | Per Capita Personal Income (1) | Unemployment Rate (2) | |
|-------------|----------------|---------------------------|--------------------------------|-----------------------|-------|
| | | | | Village | State |
| 2011 | 12,590 | \$ 491,161,080 | \$ 39,012 | 6.80% | 9.80% |
| 2012 | 12,590 | 491,161,080 | 39,012 | 6.50% | 8.60% |
| 2013 | 12,590 | 491,161,080 | 39,012 | 5.20% | 7.10% |
| 2014 | 12,590 | 491,161,080 | 39,012 | N/A | N/A |
| 2015 | 12,590 | 491,161,080 | 39,012 | N/A | N/A |
| 2016 | 12,590 | 491,161,080 | 39,012 | N/A | N/A |
| 2017 | 12,590 | 491,161,080 | 39,012 | N/A | N/A |
| 2018 | 12,590 | 491,161,080 | 39,012 | N/A | N/A |
| 2019 | 12,590 | 491,161,180 | 39,012 | N/A | N/A |
| 2020 | 12,590 | 491,161,180 | 39,012 | N/A | N/A |

Data Source:

(1) U.S. Department of Commerce, Bureau of Census

(2) Illinois Department of Labor, Illinois Department of Commerce and Economic Opportunity and Northeastern Illinois Planning Commission

The U.S. Department of Commerce, Bureau of Census defines personal income as a measure of income received from all sources by residents of the Village during a calendar year.

N/A - Not Available

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Construction - Last Ten Fiscal Years
April 30, 2020 (Unaudited)**

| Fiscal Year | Commercial Construction | | Residential Construction | | Other Construction Alterations, Etc. | |
|-------------|-------------------------|----------------|--------------------------|----------------|--------------------------------------|----------------|
| | Number of Units | Property Value | Number of Units | Property Value | Number of Permits | Property Value |
| 2011 | N/A | \$ N/A | N/A | \$ N/A | 869 | \$ 13,856,843 |
| 2012 | 4 | 1,524,154 | 3 | 2,457,029 | 1,056 | 14,867,739 |
| 2013 | - | - | 5 | 3,484,700 | 707 | 11,575,025 |
| 2014 | 2 | 2,580,916 | 4 | 3,122,250 | 965 | 14,109,942 |
| 2015 | - | - | 5 | 3,744,549 | 887 | 12,710,383 |
| 2016 | - | - | 1 | 411,060 | 1,139 | 18,967,347 |
| 2017 | 3 | 73,058,659 | 4 | 2,401,886 | 1,139 | 14,677,527 |
| 2018 | 2 | 2,803,525 | 2 | 2,072,412 | 792 | 17,989,635 |
| 2019 | - | - | 6 | 3,556,568 | 675 | 23,792,844 |
| 2020 | 1 | 6,926,980 | 4 | 2,011,309 | 652 | 26,608,877 |

Data Source: Village's Building Department Records

N/A - Not Available

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago
April 30, 2020 (Unaudited)**

| Employer | 2020 | | | 2011 | | |
|----------------------------|--------------|------|--|--------------|------|--|
| | Employees | Rank | Percentage of Total Village Population | Employees | Rank | Percentage of Total Village Population |
| Village of Lincolnwood | 366 | 1 | 2.91% | | | |
| ATF | 280 | 2 | 2.22% | 180 | 3 | 1.43% |
| Lincolnwood Place | 144 | 3 | 1.14% | 143 | 5 | 1.14% |
| Loeber Motors | 139 | 4 | 1.10% | 122 | 7 | 0.97% |
| Trim Tex | 125 | 5 | 0.99% | | | |
| Lowe's | 119 | 6 | 0.95% | 129 | 6 | 1.02% |
| Kohl's | 115 | 7 | 0.91% | 112 | 10 | 0.89% |
| Aperion Care Inc. | 100 | 8 | 0.79% | | | |
| Olive Garden | 104 | 9 | 0.83% | 118 | 9 | 0.94% |
| Red Lobster | 84 | 10 | 0.67% | | | |
| Publications International | | | | 351 | 1 | 2.79% |
| Carson Prairie Scott | | | | 180 | 2 | 1.43% |
| Dominick's | | | | 150 | 4 | 1.19% |
| Grossinger Autoplex | | | | 120 | 8 | 0.95% |
| | <u>1,576</u> | | <u>12.52%</u> | <u>1,605</u> | | <u>12.75%</u> |

Data Source: Village Community Development Department Records and U.S. Census Bureau.

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Full-Time Equivalent Village Government Employees by Function - Last Ten Fiscal Years
April 30, 2020 (Unaudited)**

| Function | 2011 | 2012 | 2013 |
|-----------------------|-------|-------|-------|
| General Government | | | |
| Executive | 9.0 | 9.0 | 9.0 |
| Administration | 5.0 | 5.0 | 5.0 |
| Finance | 5.0 | 5.0 | 5.0 |
| Public Safety | | | |
| Police | | | |
| Sworn | 32.0 | 32.0 | 32.0 |
| Non-Sworn | 12.5 | 12.5 | 12.5 |
| Fire | | | |
| Non-Sworn | 1.0 | 1.0 | 1.0 |
| Village Services | | | |
| Community Development | 4.0 | 4.0 | 4.0 |
| Public Works | 22.5 | 22.5 | 22.5 |
| Parks and Recreation | 10.5 | 10.5 | 10.5 |
| | | | |
| Total | 101.5 | 101.5 | 101.5 |

Data Source: Village Records

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|-------|-------|-------|------|------|------|------|
| 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 |
| 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| 32.0 | 33.0 | 33.0 | 33.0 | 33.0 | 33.0 | 33.0 |
| 12.5 | 12.0 | 12.0 | 6.5 | 6.5 | 6.5 | 6.5 |
| 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 4.0 | 4.5 | 5.0 | 5.0 | 5.0 | 5.5 | 5.5 |
| 22.5 | 23.0 | 23.0 | 23.3 | 23.3 | 23.3 | 23.3 |
| 10.5 | 10.0 | 10.0 | 10.3 | 10.3 | 9.8 | 9.8 |
| 101.5 | 102.5 | 103.0 | 98.0 | 98.0 | 98.0 | 98.0 |

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Operating Indicators by Function/Program - Last Ten Fiscal Years
April 30, 2020 (Unaudited)**

| Function/Program | 2011 | 2012 | 2013 |
|---|---------|---------|---------|
| General Government | | | |
| Building and Zoning | | | |
| Permits Issued | 869 | 861 | 801 |
| Inspections Conducted | 1,336 | 1,337 | 1,398 |
| Contractors Licenses Issued | 599 | 499 | 557 |
| Business Licenses Issued | 505 | 406 | 559 |
| Legal Notices Published | 26 | 23 | 25 |
| Personnel | | | |
| Employment Exams Given | - | 46 | - |
| Full-Time Employees Hired | 3 | 7 | 7 |
| Part-Time/Seasonal Employees Hired | 187 | 180 | 180 |
| Legal | | | |
| Ordinances Written | 61 | 53 | 59 |
| Resolutions Written | 74 | 79 | 60 |
| Vehicles | | | |
| Vehicles Replaced | 3 | 4 | 5 |
| Public Safety | | | |
| Police | | | |
| Part I Offenses | 496 | 576 | 748 |
| Part II Offenses | 1,047 | 1,394 | 1,071 |
| Traffic Accidents | 948 | 851 | 897 |
| Criminal Arrests | 957 | 946 | 1,177 |
| Total Calls for Service | 20,118 | 20,688 | 21,449 |
| Fire | | | |
| EMS Related Incidents | 1,264 | 1,263 | 1,416 |
| Structural Fire Incidents | 18 | 7 | 13 |
| Other Fire and Rescue Incidents | 26 | 23 | 23 |
| Hazardous Materials Incidents | 30 | 18 | 52 |
| All Other Received | 645 | 570 | 585 |
| Mutual Aid Received | 28 | 26 | 27 |
| Mutual Aid Given | 36 | 41 | 33 |
| Total Incidents | 1,983 | 1,948 | 2,089 |
| Highways and Streets | | | |
| Complete Sweeps of the Village | 10 | 10 | 10 |
| Tons of Salt Used | 800 | 800 | 800 |
| Reconstruction by Contractor (Feet) | - | - | - |
| Resurfacing by Contractor (Feet) | - | 4,625 | - |
| Tons of Asphalt Installed | 200 | 500 | 700 |
| Public Service | | | |
| Waterworks and Sewerage Systems | | | |
| Metered Customers | 4,226 | 4,228 | 4,228 |
| Gallons of Water Delivered to Residences and Businesses (Thousands of Gallons) | 529,871 | 483,640 | 500,000 |
| Feet of Sanitary Sewer Televised | - | 500 | 1,000 |
| Feet of Sanitary Sewer Cleaned | 57,000 | 57,000 | 57,000 |
| Water Meters Installed | 40 | 30 | 50 |

Data Source: Village Departments

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---------|---------|---------|---------|---------|---------|---------|
| 971 | 920 | 1,147 | 921 | 796 | 893 | 657 |
| 1,239 | 1,450 | 3,657 | 2,033 | 1,086 | 1,856 | 1,756 |
| 560 | 506 | 664 | 606 | 676 | 276 | 355 |
| 602 | 613 | 828 | 590 | 620 | 606 | 572 |
| 19 | 25 | 14 | 24 | 35 | 32 | 25 |
| 86 | 67 | 14 | 70 | 80 | 75 | 83 |
| 19 | 8 | 10 | 7 | 10 | 9 | 9 |
| 180 | 180 | 180 | 180 | 237 | 217 | 245 |
| 47 | 64 | 52 | 59 | 71 | 58 | 80 |
| 64 | 58 | 63 | 69 | 70 | 91 | 85 |
| 5 | 8 | 3 | 1 | 3 | 5 | 7 |
| 575 | 444 | 404 | 472 | 516 | 403 | 217 |
| 978 | 1,260 | 998 | 941 | 1,229 | 912 | 544 |
| 818 | 853 | 897 | 964 | 830 | 827 | 786 |
| 725 | 835 | 678 | 549 | 483 | 380 | 198 |
| 18,228 | 21,881 | 22,522 | 34,087 | 23,094 | 19,808 | 18,733 |
| 1,338 | 1,365 | 1,395 | 1,538 | 1,549 | 1,562 | 1,499 |
| 12 | 10 | 11 | 15 | 15 | 3 | 12 |
| 24 | 39 | 40 | 20 | 47 | 33 | 30 |
| 20 | 26 | 25 | 25 | 67 | 80 | 76 |
| 682 | 584 | 600 | 565 | 724 | 1,196 | 1,148 |
| 16 | 35 | 35 | 17 | 18 | 38 | 34 |
| 39 | 50 | 40 | 33 | 35 | 28 | 30 |
| 2,131 | 2,109 | 2,146 | 2,213 | 2,402 | 2,874 | 2,765 |
| 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| 1,000 | 750 | 600 | 600 | 600 | 800 | 800 |
| - | - | - | - | - | - | 2,900 |
| - | 300 | - | - | 8,050 | - | 9,300 |
| 900 | 800 | 405 | 400 | 400 | 450 | 432 |
| 4,228 | 4,223 | 4,231 | 4,236 | 4,225 | 4,228 | 4,225 |
| 498,000 | 447,000 | 451,000 | 441,000 | 441,000 | 442,000 | 409,000 |
| 1,500 | 1,000 | 400 | 300 | 300 | 350 | 200 |
| 50,000 | 55,000 | 105,600 | 150,000 | 50,000 | 45,000 | 10,000 |
| 100 | 35 | 35 | 24 | 23 | 20 | 4 |

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years
April 30, 2020 (Unaudited)**

| Function/Program | 2011 | 2012 | 2013 |
|---------------------------------|------|------|------|
| General Government | | | |
| Land, General (Acres) | 47 | 47 | 47 |
| Land, Right of Way (Acres) | 352 | 352 | 352 |
| Buildings | 3 | 3 | 3 |
| Public Safety | | | |
| Police | | | |
| Land (Acres) | 1 | 1 | 1 |
| Buildings | 1 | 1 | 1 |
| Vehicles | 19 | 19 | 19 |
| Fire | | | |
| Land (Acres) | 1 | 1 | 1 |
| Buildings | 1 | 1 | 1 |
| Vehicles | 13 | 13 | 12 |
| Public Works | | | |
| Land (Acres) | 3 | 3 | 3 |
| Streets (Lane Miles) | 35 | 35 | 35 |
| Buildings | 1 | 1 | 1 |
| Vehicles | 29 | 29 | 29 |
| Enterprise | | | |
| Land (Acres) | 35 | 35 | 35 |
| Combined Sanitary/Storm (Miles) | 59 | 59 | 59 |
| Water Mains (Miles) | 53 | 53 | 53 |
| Buildings | 1 | 1 | 1 |
| Vehicles | 17 | 17 | 17 |

Data Source: Various Village Departments

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|------|------|------|------|------|------|------|
| 47 | 47 | 47 | 47 | 47 | 47 | 47 |
| 352 | 352 | 352 | 352 | 352 | 352 | 352 |
| 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 22 | 26 | 26 | 28 | 28 | 28 | 33 |
| 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 12 | 13 | 13 | 13 | 11 | 11 | 12 |
| 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| 35 | 35 | 35 | 35 | 35 | 35 | 35 |
| 1 | 19 | 19 | 19 | 19 | 19 | 19 |
| 29 | 26 | 26 | 28 | 28 | 29 | 30 |
| 35 | 35 | 35 | 35 | 35 | 35 | 35 |
| 59 | 59 | 59 | 59 | 59 | 59 | 59 |
| 53 | 53 | 53 | 53 | 53 | 53 | 53 |
| 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 17 | 17 | 17 | 17 | 17 | 17 | 18 |

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Surety Bonds of Principal Officials
April 30, 2020 (Unaudited)**

| Principal Official | |
|----------------------------|----------|
| Village President | \$ 3,000 |
| Village Clerk | 3,000 |
| Finance Director/Treasurer | 50,000 |

Data Source: Village Records