

# VILLAGE OF LINDENHURST, ILLINOIS

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## ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED  
APRIL 30, 2017

# VILLAGE OF LINDENHURST, ILLINOIS

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## **FINANCIAL SECTION**

This section includes:

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

## **INDEPENDENT AUDITORS' REPORT**

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



## **INDEPENDENT AUDITORS' REPORT**

July 13, 2017

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

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Lindenhurst, Illinois, as of and for the year ended April 30, 2017, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 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 Lindenhurst, Illinois, as of April 30, 2017, 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 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 Lindenhurst, Illinois' basic financial statements. The combining and individual fund financial statements and schedules, and supplemental schedules are presented for purposes of additional analysis and are not a required part of the financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 13, 2017, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provision of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

  
LAUTERBACH & AMEN, LLP



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

# **VILLAGE OF LINDENHURST, ILLINOIS**

## **Management's Discussion and Analysis April 30, 2017**

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Our discussion and analysis of the Village of Lindenhurst's financial performance provides an overview of the Village's financial activities for the fiscal year ended April 30, 2017. Please read it in conjunction with the financial statements, which begin on page 4. It should be noted that information contained in this report may vary from other management reports prepared by the Village due to the use of different accounting methods.

### **FINANCIAL HIGHLIGHTS**

- The General Fund reported a deficit this year of \$454,408, resulting in ending fund balance of \$3,348,238, an increase of 11.9 percent.
- The Village of Lindenhurst's net position decreased as a result of this year's operations. Net position of business-type activities decreased by \$949,314, or 4.0 percent and net position of the governmental activities increased by \$247,712, or 2.1 percent.
- During the year, government-wide revenues before transfers for the primary government totaled \$10,698,275, while expenses totaled \$11,399,877, resulting in a decrease to net position of \$701,602.
- The Village's net position totaled \$34,755,324 on April 30, 2017, which includes \$28,234,806 net investment in capital assets, \$740,190 subject to external restrictions, and \$5,780,328 unrestricted net position that may be used to meet the ongoing obligations to citizens and creditors.

### **USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 4 – 7) provide information about the activities of the Village of Lindenhurst as a whole and present a longer-term view of the Village's finances. Fund financial statements begin on page 8. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Village's operations in more detail than the government-wide statements by providing information about the Village's most significant funds. The remaining statements provide financial information about activities for which the Village acts solely as a trustee or agent for the benefit of those outside of the government.

# **VILLAGE OF LINDENHURST, ILLINOIS**

## **Management's Discussion and Analysis April 30, 2017**

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

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

The government-wide financial statements provide readers with a broad overview of the Village's finances, in a matter similar to a private-sector business. The government-wide financial statements can be found on pages 4 – 7 of this report.

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

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

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

#### **Fund Financial Statements**

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

# **VILLAGE OF LINDENHURST, ILLINOIS**

## **Management's Discussion and Analysis April 30, 2017**

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

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

##### **Governmental Funds**

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

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

The Village maintains eleven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Motor Fuel Tax Fund, Retirement Fund and Community Capital Fund, which are all considered major funds. Data from the other seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Village adopts an annual appropriated budget for all of the governmental funds. A budgetary comparison statement for these funds has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 8 – 13 of this report.

##### **Proprietary Funds**

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

# **VILLAGE OF LINDENHURST, ILLINOIS**

## **Management's Discussion and Analysis April 30, 2017**

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

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

#### **Proprietary Funds – Continued**

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Fund and Recycling and Refuse Fund, which are both considered to be a major fund of the Village.

The basic proprietary fund financial statements can be found on pages 14 – 16 of this report.

#### **Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The accounting use for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 17 – 18 of this report.

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

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19 – 56 of this report.

#### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village of Lindenhurst's I.M.R.F. and police employee pension obligations and budgetary comparison schedules for the General Fund, Motor Fuel Tax Fund, and Retirement Fund. Required supplementary information can be found on pages 57 – 64 of this report. The combining statements referred to earlier in connection with non-major governmental funds is presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 65 – 80 of this report.

## VILLAGE OF LINDENHURST, ILLINOIS

### Management's Discussion and Analysis April 30, 2017

#### GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the Village of Lindenhurst's, assets/deferred outflows exceeded liabilities/deferred inflows by \$34,755,324.

	Net Position					
	Governmental		Business-type		Total	
	Activities		Activities			
	2017	2016	2017	2016	2017	2016
Current/Other Assets	\$ 7,231,806	7,935,503	3,798,634	7,010,265	11,030,440	14,945,768
Capital Assets	8,447,529	7,965,999	39,385,220	26,022,309	47,832,749	33,988,308
Total Assets	15,679,335	15,901,502	43,183,854	33,032,574	58,863,189	48,934,076
Deferred Outflows	1,047,245	1,211,746	712,695	395,104	1,759,940	1,606,850
Total Assets/ Deferred Outflows	16,726,580	17,113,248	43,896,549	33,427,678	60,623,129	50,540,926
Long-Term Debt	2,713,670	3,125,548	19,940,605	7,774,860	22,654,275	10,900,408
Other Liabilities	583,216	561,380	1,384,300	2,158,112	1,967,516	2,719,492
Total Liabilities	3,296,886	3,686,928	21,324,905	9,932,972	24,621,791	13,619,900
Deferred Inflows	1,219,762	1,464,100	26,252	-	1,246,014	1,464,100
Total Liabilities/ Deferred Inflows	4,516,648	5,151,028	21,351,157	9,932,972	25,867,805	15,084,000
Net Postion						
Net Investment in Capital Assets	8,034,529	7,302,249	20,200,277	18,631,551	28,234,806	25,933,800
Restricted	740,190	660,588	-	-	740,190	660,588
Unrestricted	3,435,213	3,999,383	2,345,115	4,863,155	5,780,328	8,862,538
Total Net Position	12,209,932	11,962,220	22,545,392	23,494,706	34,755,324	35,456,926

A large portion of the Village's net position, \$28,234,806 or 81.2 percent, reflects its investment in capital assets (for example, land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$740,190 or 2.1 percent, of the Village's net position represents resources that are subject to external restrictions on how they may be used. The remaining 16.7 percent, or \$5,780,328, represents unrestricted net assets and may be used to meet the government's ongoing obligations to citizens and creditors.

# VILLAGE OF LINDENHURST, ILLINOIS

## Management's Discussion and Analysis April 30, 2017

### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Change in Net Position					
	Governmental		Business-Type		Total	
	Activities		Activities			
	2017	2016	2017	2016	2017	2016
Revenues						
Program Revenues						
Charges for Services	\$ 868,280	862,376	4,937,812	4,690,846	5,806,092	5,553,222
Operating Grants/Contrib.	14,288	14,268	-	-	14,288	14,268
Capital Grants/Contrib.	320,967	-	-	-	320,967	-
General Revenues						
Property Taxes	1,183,107	1,158,360	-	-	1,183,107	1,158,360
Sales Taxes	1,050,477	1,030,091	-	-	1,050,477	1,030,091
Income Taxes	1,367,018	1,541,251	-	-	1,367,018	1,541,251
Other Taxes	709,224	742,558	-	-	709,224	742,558
Other General Revenues	245,395	425,579	1,707	75,348	247,102	500,927
Total Revenues	5,758,756	5,774,483	4,939,519	4,766,194	10,698,275	10,540,677
Expenses						
General Government	603,622	1,077,646	-	-	603,622	1,077,646
Public Works	1,503,962	2,478,921	-	-	1,503,962	2,478,921
Building and Grounds	112,660	36,023	-	-	112,660	36,023
Engineering	166,153	128,324	-	-	166,153	128,324
Public Safety	2,697,980	2,835,261	-	-	2,697,980	2,835,261
Interest	10,265	9,474			10,265	9,474
Water and Sewer	-	-	5,128,986	4,441,038	5,128,986	4,441,038
Recycling and Refuse	-	-	1,176,249	1,161,035	1,176,249	1,161,035
Total Expenses	5,094,642	6,565,649	6,305,235	5,602,073	11,399,877	12,167,722
Change in Net Position						
Before Transfers	664,114	(791,166)	(1,365,716)	(835,879)	(701,602)	(1,627,045)
Transfers	(416,402)	69,550	416,402	(69,550)	-	-
Change in Net Position	247,712	(721,616)	(949,314)	(905,429)	(701,602)	(1,627,045)
Net Position - Beginning	11,962,220	12,683,836	23,494,706	24,400,135	35,456,926	37,083,971
Net Position - Ending	12,209,932	11,962,220	22,545,392	23,494,706	34,755,324	35,456,926

# VILLAGE OF LINDENHURST, ILLINOIS

## Management's Discussion and Analysis April 30, 2017

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### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

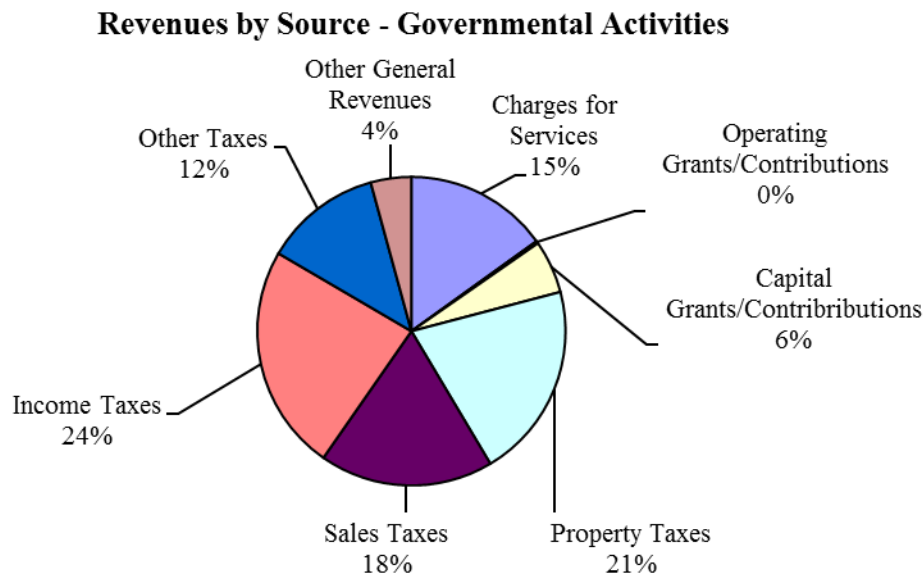
Net position of the Village's governmental activities increased by 2.1 percent (\$12,209,932 in 2017 compared to \$11,962,220 in 2016). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled \$3,435,213 at April 30, 2017.

Net position of business-type activities decreased by 4.0 percent (\$22,545,392 in 2017 compared to restated \$23,494,706 in 2016).

#### Governmental Activities

Revenues for governmental activities totaled \$5,758,756, while the cost of all governmental functions totaled \$5,094,642. This results in a surplus of \$664,114 prior to transfers out of \$416,402. In 2016, expenses of \$6,565,649 exceeded revenues of \$4,939,519, resulting in a deficit of \$791,166 prior to transfers in of \$69,550. The large deficit in 2016 was due in large part to the implementation of GASB Statement No. 68.

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





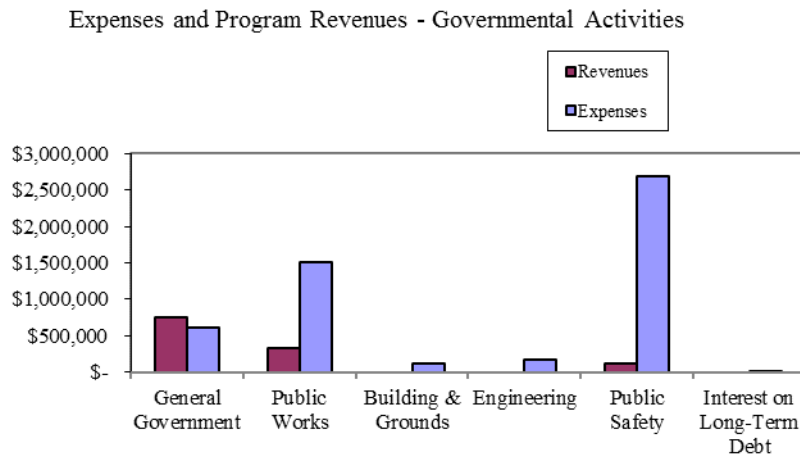
# VILLAGE OF LINDENHURST, ILLINOIS

## Management's Discussion and Analysis April 30, 2017

### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

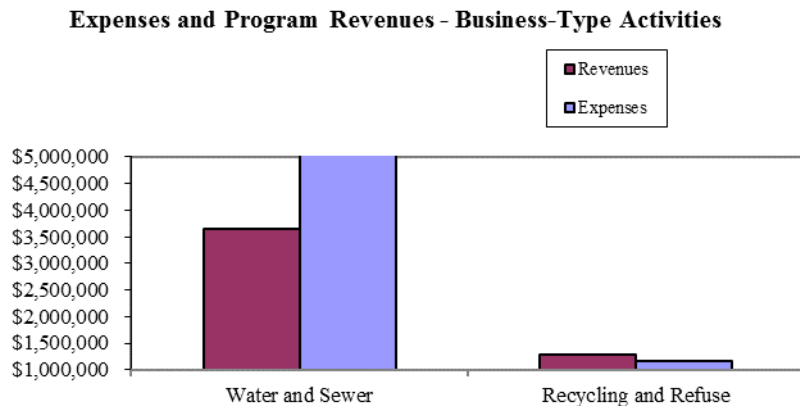
#### Governmental Activities – Continued

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



#### Business-Type activities

Business-Type activities posted total revenues of \$4,939,519, while the cost of all business-type activities totaled \$6,305,235. This results in a deficit of \$1,365,716 prior to transfers in of \$416,402. In 2016, expenses of \$5,602,073 exceed revenues of \$4,766,194, resulting in a deficit of \$935,879 prior to transfers out of \$69,550. The deficit in the current year is due a significant increase in utility customers' expenses, resulting in a large increase in water and sewer expenses.



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

## **VILLAGE OF LINDENHURST, ILLINOIS**

### **Management's Discussion and Analysis April 30, 2017**

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

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

##### **Governmental Funds**

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

The Village's governmental funds reported combining ending fund balances of \$5,758,785, which is \$754,718, or 11.6 percent, lower than last year's total of \$6,513,503. Of the \$5,758,785 total, \$3,215,943, or approximately 55.8 percent, of the fund balance constitutes unassigned fund balance.

The General Fund reported a negative change in fund balance for the year of \$454,408, a decrease of 11.9 percent. This was due in large part to expenditures of the general government, engineering, and public safety being over budget. In total budgeted expenditures totaled \$3,490,572 while actual expenditures totaled \$3,744,124. Also, the General Fund had a \$885,918 transfer out to Community Capital Fund for capital related expenditures paid by the Fund in the current fiscal year. These variances are further outlined on the General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance.

The General Fund is the chief operating fund of the Village. At April 30, 2017, unassigned fund balance in the General Fund was \$3,215,943, which represents 96.0 percent of the total fund balance of the General Fund. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance in the General Fund represents approximately 85.9 percent of total General Fund expenditures.

The Motor Fuel Tax Fund reported a surplus of \$294,913 for the year, or 146.4 percent. This increase is due to a significant decrease in expenditures spent in the current year (\$88,115 spent in fiscal year ending April 30, 2017 compared to \$918,387 spent in fiscal year ending April 30, 2016).

The Retirement Fund reported a deficit for the year of \$210,892 or 78.3 percent. This decrease is due to less property tax revenue received in the current year compared to expenditures of \$368,555 in the current year.

The Community Capital Fund reported a deficit for the year of \$369,967, or 17.3 percent. This decrease is due to planned capital expenditures in the current fiscal year.

## **VILLAGE OF LINDENHURST, ILLINOIS**

### **Management's Discussion and Analysis April 30, 2017**

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

##### **Proprietary Funds**

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

The Village reports the Water and Sewer Fund and the Recycling and Refuse Fund both as a major proprietary fund. The Water and Sewer Fund accounts for the provision on water and sewer services to the residents of the Village. The Recycling and Refuse Fund accounts for the provision of recycling services to the residents of the Village.

The Village intends to run the fund at a breakeven rate. Periodically, there will be an annual surplus or draw down due to timing of capital projects. The deficit in the Water and Sewer Fund during the current fiscal year was \$1,060,081, while the previous fiscal year reported a deficit of \$983,670. Unrestricted net position in the Water and Sewer Fund totaled \$2,022,157 at April 30, 2017. The surplus in the Recycling and Refuse Fund during the current fiscal year was \$110,767, while the previous fiscal year reported a surplus of \$78,241. Unrestricted net position in the Recycling and Refuse Fund totaled \$322,958 at April 30, 2017.

##### **GENERAL FUND BUDGETARY HIGHLIGHTS**

The Village of Lindenhurst's made several budget amendment to the General Fund during the year. General Fund actual revenues for the year totaled \$4,156,108, compared to budgeted revenues of \$3,941,397. The taxes and charges for services were higher than budgeted.

The General Fund actual expenditures for the year were \$253,552 higher than budgeted (\$3,744,124 actual compared to \$3,490,572 budgeted). The general government, engineering, and public safety functions' actual expenditures were higher than budgeted expenditures by \$43,024, \$36,569 and \$239,458, respectively.

## VILLAGE OF LINDENHURST, ILLINOIS

### Management's Discussion and Analysis April 30, 2017

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## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

The Village of Lindenhurst's investment in capital assets for its governmental and business type activities as of April 30, 2017 was \$47,832,749 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, vehicles and equipment, other infrastructure, and water and sewerage infrastructure.

	Capital Assets - Net of Depreciation					
	Governmental		Business-type		Total	
	Activities		Activities			
	2017	2016	2017	2016	2017	2016
Land	\$ 944,576	944,576	-	-	944,576	944,576
Construction in Progress	1,286,066	187,988	4,647,064	5,383,255	5,933,130	5,571,243
Building and Improvements	1,755,199	2,209,907	2,654,600	2,752,497	4,409,799	4,962,404
Vehicles and Equipment	515,574	612,193	4,263	11,005	519,837	623,198
Other Infrastructure	3,946,114	4,011,335	-	-	3,946,114	4,011,335
Water and Sewerage Infrastructure	-	-	32,079,293	17,875,552	32,079,293	17,875,552
Total	8,447,529	7,965,999	39,385,220	26,022,309	47,832,749	33,988,308

This year's major additions included:

Construction in Progress	\$ 13,267,406
Other Infrastructure	87,702
Water and Sewer Infrastructure	2,105,481
	<u>15,460,589</u>

Additional information on the Village's capital assets can be found in note 3 on pages 35 – 36 of this report.

## VILLAGE OF LINDENHURST, ILLINOIS

### Management's Discussion and Analysis April 30, 2017

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#### CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

##### Debt Administration

At year-end, the Village of Lindenhurst had total outstanding debt of \$19,597,943 as compared to \$8,054,508 the previous year, an increase of \$11,543,435. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental		Business-type		Total	
	Activities		Activities			
	2017	2016	2017	2016	2017	2016
General Obligation Alternate Bonds	\$ 413,000	663,750	287,000	461,250	700,000	1,125,000
Debt Certificates	-	-	925,000	1,060,000	925,000	1,060,000
IEPA Loan Payables	-	-	16,793,313	5,869,508	16,793,313	5,869,508
Installment Contract Payable	-	-	1,179,630	-	1,179,630	-
Total	413,000	663,750	19,184,943	7,390,758	19,597,943	8,054,508

State statutes limit the amount of general obligation debt a non-home rule governmental entity may issue to 8.625 percent of its total assessed valuation. The current debt limit for the Village is \$28,051,534.

Additional information on the Village's long-term debt can be found in Note 3 on pages 37 – 41 of this report.

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

The Village's elected and appointed officials considered many factors when setting the fiscal-year 2017-2018 budget and the associated property tax rates and charges for services. These factors include general and local economic conditions and expected revenues.

The budgets were developed using the Village's five-year corporate revenue and expense projections and the water and sewer utility projected revenue and expenses.

#### REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Village's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to: Village of Lindenhurst, 2301 E. Sand Lake Road, Lindenhurst, Illinois, 60046.

## **BASIC FINANCIAL STATEMENTS**

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

- Government-Wide Financial Statements
- Fund Financial Statements

Governmental Funds

Proprietary Funds

Fiduciary 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 LINDENHURST, ILLINOIS

## Statement of Net Position

April 30, 2017

	Governmental Activities	Business-Type Activities	Totals
<b>ASSETS</b>			
Current Assets			
Cash and Cash Equivalents	\$ 5,360,125	2,858,455	8,218,580
Receivables - Net of Allowances			
Property Taxes	1,155,040	-	1,155,040
Accounts	61,518	904,710	966,228
Other	9,992	-	9,992
Due from Other Governments	616,111	-	616,111
Prepays	29,020	35,469	64,489
Total Current Assets	7,231,806	3,798,634	11,030,440
Noncurrent Assets			
Capital Assets			
Nondepreciable	2,230,642	4,647,064	6,877,706
Depreciable	24,388,103	56,427,737	80,815,840
	26,618,745	61,074,801	87,693,546
Accumulated Depreciation	(18,171,216)	(21,689,581)	(39,860,797)
Total Noncurrent Assets	8,447,529	39,385,220	47,832,749
Total Assets	15,679,335	43,183,854	58,863,189
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Items - IMRF	527,732	712,695	1,240,427
Deferred Items - Police Pension	519,513	-	519,513
Total Deferred Outflows of Resources	1,047,245	712,695	1,759,940
Total Assets and Deferred Outflows of Resources	16,726,580	43,896,549	60,623,129

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

	Governmental Activities	Business-Type Activities	Totals
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	\$ 72,695	538,511	611,206
Accrued Payroll	245,286	98,294	343,580
Deposits Payable	-	73,340	73,340
Accrued Interest Payable	1,258	24,373	25,631
Compensated Absences Payable	16,177	4,329	20,506
Current Portion of Long-Term Liabilities	247,800	645,453	893,253
Total Current Liabilities	583,216	1,384,300	1,967,516
Noncurrent Liabilities			
Compensated Absences Payable	64,706	17,314	82,020
Net Pension Liability - IMRF	1,024,670	1,383,801	2,408,471
Net Pension Liability - Police Pension	1,459,094	-	1,459,094
General Obligation Alternate Bonds Payable	165,200	114,800	280,000
Debt Certificates Payable	-	785,000	785,000
IEPA Loan Payable	-	16,748,949	16,748,949
Installment Contract Payable	-	890,741	890,741
Total Noncurrent Liabilities	2,713,670	19,940,605	22,654,275
Total Liabilities	3,296,886	21,324,905	24,621,791
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Items - IMRF	19,438	26,252	45,690
Deferred Items - Police Pension	45,284	-	45,284
Property Taxes	1,155,040	-	1,155,040
Total Deferred Inflows of Resources	1,219,762	26,252	1,246,014
Total Liabilities and Deferred Inflows of Resources	4,516,648	21,351,157	25,867,805
<b>NET POSITION</b>			
Net Investment in Capital Assets	8,034,529	20,200,277	28,234,806
Restricted			
Insurance	103,275	-	103,275
Road Projects	496,413	-	496,413
Payroll Taxes and Retirement	58,374	-	58,374
Police Currency Seizure	5,397	-	5,397
DUI Programs	21,875	-	21,875
Controlled Substance Act	7,003	-	7,003
Prison Review Agency	33,483	-	33,483
Shop with a Cop	14,370	-	14,370
Unrestricted	3,435,213	2,345,115	5,780,328
Total Net Position	12,209,932	22,545,392	34,755,324

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



# VILLAGE OF LINDENHURST, ILLINOIS

## Statement of Activities

For the Fiscal Year Ended April 30, 2017

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Governmental Activities				
General Government	\$ 603,622	753,035	-	-
Public Works	1,503,962	-	14,288	320,967
Building and Grounds	112,660	-	-	-
Engineering	166,153	-	-	-
Public Safety	2,697,980	115,245	-	-
Interest on Long-Term Debt	10,265	-	-	-
Total Governmental Activities	5,094,642	868,280	14,288	320,967
Business-Type Activities				
Water and Sewer	5,128,986	3,650,796	-	-
Recycling and Refuse	1,176,249	1,287,016	-	-
Total Business-Type Activities	6,305,235	4,937,812	-	-
Total Primary Government	11,399,877	5,806,092	14,288	320,967

### General Revenues

#### Taxes

Property Taxes

Intergovernmental - Unrestricted

Sales Taxes

Income Taxes

Other Taxes

Interest Income

Miscellaneous

Interfund 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
149,413	-	149,413
(1,168,707)	-	(1,168,707)
(112,660)	-	(112,660)
(166,153)	-	(166,153)
(2,582,735)	-	(2,582,735)
(10,265)	-	(10,265)
(3,891,107)	-	(3,891,107)
-	(1,478,190)	(1,478,190)
-	110,767	110,767
-	(1,367,423)	(1,367,423)
(3,891,107)	(1,367,423)	(5,258,530)
1,183,107	-	1,183,107
1,050,477	-	1,050,477
1,367,018	-	1,367,018
709,224	-	709,224
20,959	(12,489)	8,470
224,436	14,196	238,632
(416,402)	416,402	-
4,138,819	418,109	4,556,928
247,712	(949,314)	(701,602)
11,962,220	23,494,706	35,456,926
12,209,932	22,545,392	34,755,324

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

**VILLAGE OF LINDENHURST, ILLINOIS**

**Balance Sheet - Governmental Funds**

**April 30, 2017**

	<u>General</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 3,096,244
Receivables - Net of Allowances	
Property Taxes	988,627
Accounts	12,798
Other	5,546
Due from Other Governments	502,554
Prepays	<u>29,020</u>
Total Assets	<u><u>4,634,789</u></u>
<b>LIABILITIES</b>	
Accounts Payable	52,638
Accrued Payroll	<u>245,286</u>
Total Liabilities	<u>297,924</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Taxes	<u>988,627</u>
Total Liabilities and Deferred Inflows of Resources	<u><u>1,286,551</u></u>
<b>FUND BALANCES</b>	
Nonspendable	29,020
Restricted	103,275
Assigned	-
Unassigned	<u>3,215,943</u>
Total Fund Balances	<u><u>3,348,238</u></u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u><u>4,634,789</u></u></u>

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

Special Revenue		Capital Projects		
Motor Fuel Tax	Retirement	Community Capital	Nonmajor	Totals
464,749	58,374	1,658,630	82,128	5,360,125
-	166,413	-	-	1,155,040
-	-	48,720	-	61,518
-	-	4,446	-	9,992
31,664	-	81,893	-	616,111
-	-	-	-	29,020
496,413	224,787	1,793,689	82,128	7,231,806
-	-	20,057	-	72,695
-	-	-	-	245,286
-	-	20,057	-	317,981
-	166,413	-	-	1,155,040
-	166,413	20,057	-	1,473,021
-	-	-	-	29,020
496,413	58,374	-	82,128	740,190
-	-	1,773,632	-	1,773,632
-	-	-	-	3,215,943
496,413	58,374	1,773,632	82,128	5,758,785
496,413	224,787	1,793,689	82,128	7,231,806

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

## VILLAGE OF LINDENHURST, ILLINOIS

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

April 30, 2017

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<b>Total Governmental Fund Balances</b>	<b>\$ 5,758,785</b>
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Amounts reported for governmental activities in the Statement of Net Position  
are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	8,447,529
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Deferred outflows (inflows) of resources related to the pensions not reported  
in the funds.

Deferred Items - IMRF	508,294
Deferred Items - Police Pension	474,229

Some liabilities reported in the Statement of Net Position do not require  
the use of current financial resources and therefore are not reported  
as liabilities in governmental funds. These liabilities consist of:

Compensated Absences Payable	(80,883)
Net Pension Liability - IMRF	(1,024,670)
Net Pension Liability - Police Pension	(1,459,094)
General Obligation Bonds Payable	(413,000)
Accrued Interest Payable	<u>(1,258)</u>

<b>Net Position of Governmental Activities</b>	<b><u>12,209,932</u></b>
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**VILLAGE OF LINDENHURST, ILLINOIS**

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
For the Fiscal Year Ended April 30, 2017**

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**See Following Page**

## VILLAGE OF LINDENHURST, ILLINOIS

### Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds For the Fiscal Year Ended April 30, 2017

	General
Revenues	
Taxes	\$ 1,031,480
Intergovernmental	2,505,687
Licenses and Permits	182,104
Fines and Forfeitures	96,004
Charges for Services	263,780
Interest	18,380
Miscellaneous	58,673
Total Revenues	<u>4,156,108</u>
Expenditures	
Current	
General Government	545,298
Public Works	635,204
Building and Grounds	15,662
Engineering	166,153
Public Safety	2,375,307
Capital Outlay	6,500
Debt Service	
Principal Retirement	-
Interest and Fiscal Charges	-
Total Expenditures	<u>3,744,124</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>411,984</u>
Other Financing Sources (Uses)	
Disposal of Capital Assets	-
Transfers In	19,526
Transfers Out	(885,918)
	<u>(866,392)</u>
Net Change in Fund Balances	(454,408)
Fund Balances - Beginning	<u>3,802,646</u>
Fund Balances - Ending	<u><u>3,348,238</u></u>

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

Special Revenue		Capital Projects		
Motor Fuel Tax	Retirement	Community Capital	Nonmajor	Totals
-	151,627	-	-	1,183,107
380,849	6,036	569,402	-	3,461,974
-	-	307,151	-	489,255
-	-	-	19,241	115,245
-	-	-	-	263,780
2,179	-	-	400	20,959
-	-	149,340	16,423	224,436
383,028	157,663	1,025,893	36,064	5,758,756
-	368,555	-	736	914,589
88,115	-	-	-	723,319
-	-	-	-	15,662
-	-	-	-	166,153
-	-	-	30,166	2,405,473
-	-	1,613,818	-	1,620,318
-	-	250,750	-	250,750
-	-	10,808	-	10,808
88,115	368,555	1,875,376	30,902	6,107,072
294,913	(210,892)	(849,483)	5,162	(348,316)
-	-	10,000	-	10,000
-	-	959,968	-	979,494
-	-	(490,452)	(19,526)	(1,395,896)
-	-	479,516	(19,526)	(406,402)
294,913	(210,892)	(369,967)	(14,364)	(754,718)
201,500	269,266	2,143,599	96,492	6,513,503
496,413	58,374	1,773,632	82,128	5,758,785

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



## VILLAGE OF LINDENHURST, ILLINOIS

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

For the Fiscal Year Ended April 30, 2017

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<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ (754,718)</b>
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Amounts reported for governmental activities in the Statement of Activities  
are different because:

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

Capital Outlays	1,185,780
Depreciation Expense	(704,250)
Disposals - Cost	(21,006)
Disposals - Accumulated Depreciation	21,006

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

Change in Deferred Items - IMRF	(317,861)
Change in Deferred Items - Police Pension	406,836

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.

Decrease to Compensated Absences Payable	82,773
Decrease to Net Pension Liability - IMRF	634,862
(Increase) to Net Pension Liability - Police Pension	(537,003)
Retirement of Debt	250,750

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.

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**Changes in Net Position of Governmental Activities**

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**247,712**

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

**VILLAGE OF LINDENHURST, ILLINOIS**

**Statement of Net Position - Proprietary Funds  
April 30, 2017**

	Business-Type Activities - Enterprise Funds		
	Water and Sewer	Recycling and Refuse	Totals
<b>ASSETS</b>			
Current Assets			
Cash and Cash Equivalents	\$ 2,647,891	210,564	2,858,455
Receivables - Net of Allowances			
Accounts	683,324	221,386	904,710
Prepays	35,469	-	35,469
Total Current Assets	3,366,684	431,950	3,798,634
Noncurrent Assets			
Capital Assets			
Nondepreciable	4,647,064	-	4,647,064
Depreciable	56,427,737	-	56,427,737
	61,074,801	-	61,074,801
Accumulated Depreciation	(21,689,581)	-	(21,689,581)
Total Noncurrent Assets	39,385,220	-	39,385,220
Total Assets	42,751,904	431,950	43,183,854
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Items - IMRF	704,581	8,114	712,695
Total Assets/ Deferred Outflows of Resources	43,456,485	440,064	43,896,549
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	448,168	90,343	538,511
Accrued Payroll	87,583	10,711	98,294
Deposits Payable	73,340	-	73,340
Accrued Interest Payable	24,373	-	24,373
Compensated Absences Payable	4,329	-	4,329
Current Portion of Long-Term Liabilities	645,453	-	645,453
Total Current Liabilities	1,283,246	101,054	1,384,300
Noncurrent Liabilities			
Compensated Absences Payable	17,314	-	17,314
Net Pension Liability - IMRF	1,368,048	15,753	1,383,801
General Obligation Alternate Bonds Payable	114,800	-	114,800
Debt Certificates Payable	785,000	-	785,000
IEPA Loan Payable	16,748,949	-	16,748,949
Installment Contract Payable	890,741	-	890,741
Total Noncurrent Liabilities	19,924,852	15,753	19,940,605
Total Liabilities	21,208,098	116,807	21,324,905
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Items - IMRF	25,953	299	26,252
Total Liabilities and Deferred Inflows of Resources	21,234,051	117,106	21,351,157
<b>NET POSITION</b>			
Net Investment in Capital Assets	20,200,277	-	20,200,277
Unrestricted	2,022,157	322,958	2,345,115
Total Net Position	22,222,434	322,958	22,545,392

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

# VILLAGE OF LINDENHURST, ILLINOIS

## Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds For the Fiscal Year Ended April 30, 2017

	Business-Type Activities - Enterprise Funds		
	Water and Sewer	Recycling and Refuse	Totals
Operating Revenues			
Charges for Services	\$ 3,647,967	1,287,016	4,934,983
Operating Expenses			
Operations	3,915,334	1,176,249	5,091,583
Depreciation	911,898	-	911,898
Total Operating Expenses	4,827,232	1,176,249	6,003,481
Operating Income (Loss)	(1,179,265)	110,767	(1,068,498)
Nonoperating Revenues (Expenses)			
Connection and Permit Fees	2,829	-	2,829
Interest Income	(12,489)	-	(12,489)
Other Income	14,196	-	14,196
Interest Expense	(301,754)	-	(301,754)
	(297,218)	-	(297,218)
Income (Loss) before Transfers	(1,476,483)	110,767	(1,365,716)
Transfers In	490,452	-	490,452
Transfers Out	(74,050)	-	(74,050)
	416,402	-	416,402
Change in Net Position	(1,060,081)	110,767	(949,314)
Net Position - Beginning	23,282,515	212,191	23,494,706
Net Position - Ending	22,222,434	322,958	22,545,392

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

# VILLAGE OF LINDENHURST, ILLINOIS

## Statement of Cash Flows - Proprietary Funds For the Fiscal Year Ended April 30, 2017

	Business-Type Activities - Enterprise Funds		
	Water and Sewer	Recycling and Refuse	Totals
Cash Flows from Operating Activities			
Receipts from Customers and Users	\$ 5,249,352	1,282,909	6,532,261
Payments to Employees	(916,920)	(75,161)	(992,081)
Payments to Suppliers	(3,678,547)	(1,114,547)	(4,793,094)
	653,885	93,201	747,086
Cash Flows from Noncapital and Related Activities			
Transfers In	490,452	-	490,452
Transfers Out	(74,050)	-	(74,050)
	416,402	-	416,402
Cash Flows from Capital and Related Financing Activities			
Purchase of Capital Assets	(14,274,809)	-	(14,274,809)
Issuance of Debt	12,388,790	-	12,388,790
Principal Paid on Debt	(594,605)	-	(594,605)
Interest Paid on Debt	(301,754)	-	(301,754)
	(2,782,378)	-	(2,782,378)
Cash Flows from Investing Activities			
Interest Received	(12,489)	-	(12,489)
Net Change in Cash and Cash Equivalents	(1,724,580)	93,201	(1,631,379)
Cash and Cash Equivalents - Beginning	4,372,471	117,363	4,489,834
Cash and Cash Equivalents - Ending	2,647,891	210,564	2,858,455
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	(1,179,265)	110,767	(1,068,498)
Adjustments to Reconcile Operating Income to Net Income to Net Cash Provided by (Used in) Operating Activities:			
Depreciation	911,898	-	911,898
Other Income	17,025	-	17,025
Other Expense - IMRF	314,666	(15,865)	298,801
(Increase) Decrease in Current Assets	1,584,360	(4,107)	1,580,253
Increase (Decrease) in Current Liabilities	(994,799)	2,406	(992,393)
Net Cash Provided by Operating Activities	653,885	93,201	747,086

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

# VILLAGE OF LINDENHURST, ILLINOIS

## Statement of Fiduciary Net Position April 30, 2017

	Pension Trust Police Pension	Agency
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 189,544	168,138
Investments		
U.S. Government and Agency Obligations	2,328,617	-
State and Local Obligations	10,050	-
Corporate Bonds	629,275	
Annuities	1,202,032	-
Mutual Funds	2,717,611	-
Common Stock	575,039	-
Illinois Funds	15,567	-
Accounts Receivable		
Accrued Interest	17,879	-
Total Assets	7,685,614	168,138
<b>LIABILITIES</b>		
Other Liabilities	-	1,380
Due to Developers or Homeowners	-	166,758
Total Liabilities	-	168,138
<b>NET POSITION</b>		
Net Position Restricted for Pensions	7,685,614	

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

## VILLAGE OF LINDENHURST, ILLINOIS

### Statement of Changes in Fiduciary Net Position For the Fiscal Year Ended April 30, 2017

	Pension Trust Police Pension
Additions	
Contributions - Employer	\$ 297,436
Contributions - Plan Members	126,569
Total Contributions	<u>424,005</u>
Investment Income	
Interest Earned	641,083
Net Change in Fair Value	(71,477)
	<u>569,606</u>
Less Investment Expenses	(25,082)
Net Investment Income	<u>544,524</u>
Total Additions	<u>968,529</u>
Deductions	
Administration	6,665
Benefits	311,979
Total Deductions	<u>318,644</u>
Change in Fiduciary Net Position	649,885
Net Position Restricted for Pensions	
Beginning	<u>7,035,729</u>
Ending	<u><u>7,685,614</u></u>

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

## **VILLAGE OF LINDENHURST, ILLINOIS**

### **Notes to the Financial Statements April 30, 2017**

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

The Village of Lindenhurst (the Village), Illinois, incorporated in 1956, is a municipal corporation governed by an elected president and Board of Trustees. The Village's major operations include general government administration, public works, building and grounds, engineering, public safety (police), waterworks and sewerage services, and recycling and refuse services.

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

#### **REPORTING ENTITY**

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.

The Village's financial reporting entity comprises the following:

Primary Government:

Village of Lindenhurst

#### **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 fiduciary fund, and specifically a pension trust fund, due to the fiduciary responsibility exercised over the PPERS.

## **VILLAGE OF LINDENHURST, ILLINOIS**

### **Notes to the Financial Statements April 30, 2017**

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#### **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 safety, economic development, highway and street maintenance and reconstruction, public improvements, and general administrative services are classified as governmental activities. The Village's water and sewer services and parking 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 works, building and grounds, engineering, public safety, etc.). The functions are supported by general government revenues (property, sales and 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 LINDENHURST, ILLINOIS

### Notes to the Financial Statements April 30, 2017

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#### 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. 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 single 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 LINDENHURST, ILLINOIS

### Notes to the Financial Statements April 30, 2017

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

##### BASIS OF PRESENTATION – Continued

##### Fund Financial Statements – 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 nine special revenue funds. The Motor Fuel Tax Fund, a major fund, is used to account for the activities involved with street maintenance and construction. Financing is provided by the Village's share of state gasoline taxes. State law requires these gasoline taxes to be used to maintain streets. The Retirement Fund, also a major fund, is used to account for the revenues from IMRF and social security property tax levies along with the related expenditures.

**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 capital projects funds. The Community Capital Fund, a major fund, is used to account for community infrastructure and capital improvements including: storm water improvements, bike path and sidewalk improvements, municipal facility improvements, road improvements, and other projects as determined by the Village Board.

##### 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 Water and Sewer Fund, a major fund, is used to account for the provision of water and sewer services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations and maintenance, financing and related debt service, billing and collection. The Recycling and Refuse Fund, also a major fund, is used to account for the provision of recycling and refuse services for a fee. All activities necessary to provide such services are accounted including administration, operations, maintenance and billing and collection.

## **VILLAGE OF LINDENHURST, ILLINOIS**

### **Notes to the Financial Statements April 30, 2017**

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

##### **BASIS OF PRESENTATION – Continued**

##### **Fund Financial Statements – 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 accounts for the accumulation of resources to be used for disability and retirement annuity payments to employees covered by the plan.

**Agency funds** are used to account for assets held by the Village in a purely custodial capacity. The Village maintains two agency funds. The Special Service Area Fund is used to account for the funds collected to pay for the SSA expenses related to the Falling Waters Subdivision. The Escrow Fund is used to account for the miscellaneous building department escrows and the escrows the Village maintains for developers.

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

#### **MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

##### **Measurement Focus**

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

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

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

All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets/deferred outflows 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.

## **VILLAGE OF LINDENHURST, ILLINOIS**

### **Notes to the Financial Statements April 30, 2017**

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

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

###### **Measurement Focus – Continued**

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 fund equity is classified as net position.

Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

###### **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 (60) 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 (60) 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/deferred inflows are 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 income, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

All proprietary, pension trust and agency 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.

## **VILLAGE OF LINDENHURST, ILLINOIS**

### **Notes to the Financial Statements April 30, 2017**

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

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

###### **Basis of Accounting – Continued**

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

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

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

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

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

###### **Receivables**

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

## VILLAGE OF LINDENHURST, ILLINOIS

### Notes to the Financial Statements April 30, 2017

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

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

##### 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.

##### Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more, and \$25,000 or more for infrastructure, are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market 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 are capitalized at estimated fair market value on the date donated.

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

Buildings and Improvements	45 Years
Vehicles and Equipment	5 - 12 Years
Water and Sewerage Infrastructure	50 Years
Other Infrastructure	15 - 50 Years

## **VILLAGE OF LINDENHURST, ILLINOIS**

### **Notes to the Financial Statements April 30, 2017**

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

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

##### **Compensated Absences**

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

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

##### **Long-Term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Assets. 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.

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

Deferred outflow/inflow of resources represents an acquisition 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.

## VILLAGE OF LINDENHURST, ILLINOIS

### Notes to the Financial Statements April 30, 2017

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

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

##### Net Position

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

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

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

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

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

##### BUDGETARY INFORMATION

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual budgets are adopted for all funds except the Police Currency Seizure, Police Benevolent, Shop with a Cop and Grant Funds. All annual budgets lapse at fiscal year-end.

Budgeted expenditures are controlled at the departmental level with the Village administrator’s oversight. All transfers and any revision that changes the total expenditures not contemplated of any fund must be approved by the Board of Trustees. All budget amendments must be approved by the Board of Trustees.

The budget was approved on April 25, 2016 and was amended May 9, 2016, July 11, 2016, August 22, 2016, December 12, 2016, and February 13, 2017.

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

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

Fund	Excess
General	\$ 253,552
Community Capital	94,244
Police Pension	16,204



## **VILLAGE OF LINDENHURST, ILLINOIS**

### **Notes to the Financial Statements April 30, 2017**

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#### **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. 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.

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

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

The Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office which allows governments within the State to pool their funds for investment purposes. Although not registered with the SEC, Illinois Funds operates in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

# VILLAGE OF LINDENHURST, ILLINOIS

## Notes to the Financial Statements April 30, 2017

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

#### DEPOSITS AND INVESTMENTS – Continued

#### 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 totaled \$643,458 and the bank balances totaled \$1,233,890.

*Investments.* The Village 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. Agency Obligations	\$ 6,940,381	319,651	1,624,018	3,021,936	1,974,776
Illinois Funds	387,066	387,066	-	-	-
Corporate Bonds	247,675	-	-	-	247,675
	7,575,122	706,717	1,624,018	3,021,936	2,222,451

The Village has the following recurring fair value measurements as of April 30, 2017:

	April 30, 2017	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				
Debt Securities				
U.S. Agency Obligations	\$ 6,940,381	-	6,940,381	-
Corporate Bonds	247,675	247,675	-	-
Total Investments by Fair Value Level	7,188,056	247,675	6,940,381	-
Investments Measured at the Net Asset Value (NAV)				
Illinois Funds	387,066			
Total Investments Measured at Fair Value	7,575,122			

*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 does not address interest rate risk.

## VILLAGE OF LINDENHURST, ILLINOIS

### Notes to the Financial Statements April 30, 2017

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#### 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**

*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 address custodial credit risk for deposits. At year-end, the entire amount of the bank balance of deposits of the Village was insured or collateralized with securities held by the Village, its agent, or by the pledging financial institution's trust department or agent in the name of the Village.

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 address custodial credit risk for investments.

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Village minimizes risk by limiting investments to the safest type of securities. At year-end, the Villages investments in U.S. Agency obligations were not rated or rated AAA, the corporate bonds were all rated A2 by Moody's and the Illinois Funds were rated AAAm by Standard & Poor's.

*Concentration Credit 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 credit risk. At year-end, the Village does not have any investments over 5 percent of cash and 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).

##### **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 \$189,544 and the bank balances totaled \$274,605.

*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. Treasury Obligations	\$ 433,258	44,944	242,212	146,102	-
U.S. Agency Obligations	1,895,359	35,011	513,225	951,395	395,728
State and Local Obligations	10,050	-	10,050	-	-
Corporate Bonds	629,275	56,929	427,113	145,233	-
Illinois Funds	15,567	15,567	-	-	-
	2,983,509	152,451	1,192,600	1,242,730	395,728

# VILLAGE OF LINDENHURST, ILLINOIS

## Notes to the Financial Statements April 30, 2017

### 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.* The Fund has the following recurring fair value measurements as of April 30, 2019:

Investments by Fair Value Level	April 30, 2017	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)
Debt Securities				
U.S. Treasury Obligations	\$ 433,258	433,258	-	-
U.S. Agency Obligations	1,895,359	-	1,895,359	-
State and Local Obligations	10,050	-	10,050	-
Corporate Bonds	629,275	-	629,275	-
	2,967,942	433,258	2,534,684	-
Equity Securities				
Annuities	1,202,032	1,202,032	-	-
Mutual Funds	2,717,611	2,717,611	-	-
Common Stock	575,039	575,039	-	-
	4,494,682	4,494,682	-	-
Total Investments by Fair Value Level	7,462,624	4,927,940	2,534,684	-
Investments Measured at the Net Asset Value (NAV)				
Illinois Funds	15,567			
Total Investments Measured at Fair Value	7,478,191			

*Interest Rate Risk.* The Fund limits its exposure interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed for expected current cash flows. The investment policy does not limit the maximum maturity length of investments in the Fund.

*Custodial Credit Risk.* The Fund's investment policy requires all bank balances to be covered by federal depository insurance. At year-end, the deposits of the Fund are insured or collateralized with securities held by the Fund, its agent, or by the pledging financial institution's trust department or agent in the name of the Fund.

## VILLAGE OF LINDENHURST, ILLINOIS

### Notes to the Financial Statements April 30, 2017

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#### 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

*Credit Risk.* The Fund limits its exposure to credit risk by primarily investing in obligations guaranteed by the U.S. Government, securities issued by the agencies of the U.S. Government that are explicitly or implicitly guaranteed by the U.S. Government, and investment grade corporate bonds rated at or above BB- by Standard and Poor's, Baa3 by Mood's and BBB by Fitch by at least two or the three rating agencies. At year-end, the Fund's investments in U.S. Agency obligations were not rated, the state and local obligations were all rated AA- to AA+ by Standard & Poor's, the corporate bonds were rated BBB to AA+ by Standard and Poor's, and the Illinois Funds are rated AAAM by Standard and Poor's.

*Concentration Credit Risk.* The Fund does not have a formal investment policy to address concentration credit risk. In addition to the securities and fair values listed above, the Fund also has \$2,717,611 invested in mutual funds, \$575,039 invested in common stock, and \$1,202,032 invested in annuities. At year-end, the Fund does not have any investments over 5 percent of plan net position (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	50.00%	0.60%
Equities	45.00%	5.00% - 6.50%
Cash and Cash Equivalents	5.00%	0.00%

Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities, mutual funds and variable annuities to 45%. Securities in any one company should not exceed 5% of the total fund.

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in May 2017 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, 2017 are listed in the table above.

## VILLAGE OF LINDENHURST, ILLINOIS

### Notes to the Financial Statements April 30, 2017

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#### 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

##### Rate of Return

For the year ended April 30, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.60%. 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 2016 attach as an enforceable lien on January 1, 2016, 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 June and September. The County collects such taxes and remits them periodically.

##### INTERFUND TRANSFERS

Interfund transfers for the year consisted of the following:

Transfers In	Transfers Out	Amount
General	Nonmajor Governmental	\$ 19,526 (3)
Community Capital	General	885,918 (2)
Community Capital	Water and Sewer	74,050 (1)
Water and Sewer	Community Capital	<u>490,452 (1)</u>
		<u><u>1,469,946</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) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (3) close out the remaining fund balances in the Police Benevolent Fund of \$502 and in the Veterans Memorial Fund of \$19,024 into the General Fund as of April 30, 2017.

## VILLAGE OF LINDENHURST, ILLINOIS

### Notes to the Financial Statements April 30, 2017

#### 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	\$ 944,576	-	-	944,576
Construction in Progress	187,988	1,098,078	-	1,286,066
	<u>1,132,564</u>	<u>1,098,078</u>	<u>-</u>	<u>2,230,642</u>
Depreciable Capital Assets				
Building and Improvements	3,903,552	-	-	3,903,552
Vehicles and Equipment	1,877,458	-	-	1,877,458
Other Infrastructure	18,540,397	87,702	21,006	18,607,093
	<u>24,321,407</u>	<u>87,702</u>	<u>21,006</u>	<u>24,388,103</u>
Less Accumulated Depreciation				
Building and Improvements	1,693,645	454,708	-	2,148,353
Vehicles and Equipment	1,265,265	96,619	-	1,361,884
Other Infrastructure	14,529,062	152,923	21,006	14,660,979
	<u>17,487,972</u>	<u>704,250</u>	<u>21,006</u>	<u>18,171,216</u>
Total Net Depreciable Capital Assets	<u>6,833,435</u>	<u>(616,548)</u>	<u>-</u>	<u>6,216,887</u>
Total Net Capital Assets	<u>7,965,999</u>	<u>481,530</u>	<u>-</u>	<u>8,447,529</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 98,595
Public Works	549,315
Public Safety	<u>56,340</u>
	<u>704,250</u>

## VILLAGE OF LINDENHURST, ILLINOIS

### Notes to the Financial Statements April 30, 2017

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#### 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				
Construction in Progress	\$ 5,383,255	12,169,328	12,905,519	4,647,064
Depreciable Capital Assets				
Building and Improvements	5,053,753	-	-	5,053,753
Vehicles and Equipment	1,256,976	-	41,177	1,215,799
Water and Sewerage Infrastructure	35,147,185	15,011,000	-	50,158,185
	41,457,914	15,011,000	41,177	56,427,737
Less Accumulated Depreciation				
Building and Improvements	2,301,256	97,897	-	2,399,153
Vehicles and Equipment	1,245,971	6,742	41,177	1,211,536
Water and Sewerage Infrastructure	17,271,633	807,259	-	18,078,892
	20,818,860	911,898	41,177	21,689,581
Total Net Depreciable Capital Assets	20,639,054	14,099,102	-	34,738,156
Total Net Capital Assets	26,022,309	26,268,430	12,905,519	39,385,220

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

Water and Sewer	<u>\$ 911,898</u>
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## VILLAGE OF LINDENHURST, ILLINOIS

### Notes to the Financial Statements April 30, 2017

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

##### LONG-TERM DEBT

##### General Obligation Alternate Bonds

The Village issues bonds to provide funds for the acquisition and construction of major capital facilities. General obligation alternate bonds provide for the collection, segregation and distribution of certain water and wastewater revenues received by the Village for the payment of principal and interest on the general obligation alternate bonds. General obligation alternate bonds outstanding are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation (Alternate Revenue Source) Refunding Bonds of 2013 due in annual installments of \$10,000 to \$465,000 plus interest of 0.45% to 2.40% through February 1, 2021.	General	\$ 663,750	-	250,750	413,000
	Water and Sewer	461,250	-	174,250	287,000
		<u>1,125,000</u>	<u>-</u>	<u>425,000</u>	<u>700,000</u>

##### Debt Certificates

The Village issues debt certificates to provide funds for the acquisition and construction of major capital facilities. Debt certificates have been issued for business-type activities. Debt Certificates issued for business-type activities are reported in the proprietary funds as they are expected to be repaid from proprietary revenues. Debt certificates currently outstanding are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
Debt Certificates of 2008 due in annual installments of \$100,000 to \$170,000 plus interest of 4.05% to 4.30% through January 1, 2023.	Water and Sewer	\$ 1,060,000	-	135,000	925,000

## VILLAGE OF LINDENHURST, ILLINOIS

### Notes to the Financial Statements April 30, 2017

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

##### LONG-TERM DEBT – Continued

##### IEPA Loans Payable

The Village has entered into loan agreements with the IEPA to provide low interest financing for water and sewer improvements. At year-end, the 2015 and the 2016 IEPA loans have not been finalized and repayment schedules are not available. IEPA loans currently outstanding are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
Illinois Environmental Protection Agency (IEPA) Loan Payable of 2010 due in annual installments of \$44,364 through December 23, 2030.	Water and Sewer	\$ 665,462	-	44,364	621,098
Illinois Environmental Protection Agency (IEPA) Loan Payable of 2015 due in annual installments of \$257,489, including interest at 2.21% through August 1, 2036.	Water and Sewer	4,128,725	1,712,227	120,621	5,720,331
Illinois Environmental Protection Agency (IEPA) Loan Payable of 2016 due in annual installments of \$65,136, including interest at 1.86% through October 21, 2036.	Water and Sewer	1,075,321	9,376,563	-	10,451,884
		<u>5,869,508</u>	<u>11,088,790</u>	<u>164,985</u>	<u>16,793,313</u>

##### Installment Contract Payable

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

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
Installment Contract of 2016 due in monthly installments of \$24,074 plus interest of 2.63% through May 12, 2021.	Water and Sewer	\$ -	1,300,000	120,370	1,179,630

## VILLAGE OF LINDENHURST, ILLINOIS

### Notes to the Financial Statements April 30, 2017

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

#### LONG-TERM DEBT – Continued

#### Long-Term Liability Activity

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

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 163,656	82,773	165,546	80,883	16,177
Net Pension Liability - IMRF	1,659,532	-	634,862	1,024,670	-
Net Pension Liability - Police	922,091	537,003	-	1,459,094	-
General Obligation Alternate Bonds	663,750	-	250,750	413,000	247,800
	<u>3,409,029</u>	<u>619,776</u>	<u>1,051,158</u>	<u>2,977,647</u>	<u>263,977</u>
Business-Type Activities					
Compensated Absences	21,643	-	-	21,643	4,329
Net Pension Liability - IMRF	793,661	590,140	-	1,383,801	-
General Obligation Alternate Bonds	461,250	-	174,250	287,000	172,200
Debt Certificates	1,060,000	-	135,000	925,000	140,000
IEPA Loan Payable	5,869,508	11,088,790	164,985	16,793,313	44,364
Installment Contract Payable	-	1,300,000	120,370	1,179,630	288,889
	<u>8,206,062</u>	<u>12,978,930</u>	<u>594,605</u>	<u>20,590,387</u>	<u>649,782</u>

For governmental activities, the compensated absences, the net pension liabilities, and the general obligation alternate bonds are generally liquidated by the General Fund.

For business-type activities, the Water and Sewer Fund makes payments on the general obligation alternate bonds, the debt certificates, the IEPA loan payable, and the installment contract payable. The compensated absences are generally liquidated by the Water and Sewer Fund. The net pension liability is generally liquidated by the Water and Sewer Fund and Recycling and Refuse Fund.

# VILLAGE OF LINDENHURST, ILLINOIS

## Notes to the Financial Statements April 30, 2017

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

#### LONG-TERM DEBT – Continued

#### Debt Service Requirements to Maturity

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

Fiscal Year	Governmental Activities		Business-Type Activities							
	General Obligation Alternate Bonds		General Obligation Alternate Bonds		Debt Certificates		IEPA Loans Payable		Installment Contract Payable	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 247,800	7,549	172,200	5,245	140,000	38,893	44,364	-	288,889	27,934
2019	56,050	3,460	38,950	2,404	145,000	33,153	44,364	-	288,889	20,231
2020	56,050	2,424	38,950	1,684	150,000	27,150	44,364	-	288,889	12,554
2021	53,100	1,274	36,900	886	155,000	20,880	44,364	-	288,889	4,824
2022	-	-	-	-	165,000	14,340	44,364	-	24,074	53
2023	-	-	-	-	170,000	7,310	44,364	-	-	-
2024	-	-	-	-	-	-	44,364	-	-	-
2025	-	-	-	-	-	-	44,364	-	-	-
2026	-	-	-	-	-	-	44,364	-	-	-
2027	-	-	-	-	-	-	44,364	-	-	-
2028	-	-	-	-	-	-	44,364	-	-	-
2029	-	-	-	-	-	-	44,364	-	-	-
2030	-	-	-	-	-	-	44,364	-	-	-
2031	-	-	-	-	-	-	44,366	-	-	-
Totals	413,000	14,707	287,000	10,219	925,000	141,726	621,098	-	1,179,630	65,596

#### Special Service Area Debt

Special Service Area Number Four Refunding Bonds of 2008 in the amount of \$1,300,000 bearing interest at rates from 2.75% to 4.10% are payable annually beginning January 1, 2009 through January 1, 2018 in principal amounts ranging from \$120,000 to \$150,000. These bonds are payable by specific user fees or a tax levy from the Special Service Area only and are general obligations of the Special Service Area only, and are not Village obligations. Proceeds from the bonds were used for a current refunding of the Village's outstanding Special Service Area Number Four, Unlimited Ad Valorem Tax Bonds of 1997. Bonds outstanding at April 30, 2017 was \$0. The bonds have been paid in full.

These Special Service Area bonds are treated as special assessment debt without Village obligation. The Village acts only as an agent for the property owners in collecting assessments and forwarding payments to the bond paying agent. Transactions are recorded in an Agency Fund.

## VILLAGE OF LINDENHURST, ILLINOIS

### Notes to the Financial Statements April 30, 2017

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

##### LONG-TERM DEBT – Continued

##### Legal Debt Margin

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

Assessed Valuation - 2016	<u>\$ 325,235,181</u>
Legal Debt Limit - 8.625% of Assessed Value	28,051,534
Amount of Debt Applicable to Limit	<u>925,000</u>
Legal Debt Margin	<u>27,126,534</u>

#### NET POSITION/FUND BALANCE CLASSIFICATIONS

##### Net Investment in Capital Assets

Net investment in capital assets was comprised of the following as of April 30, 2017:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 8,447,529
Less Capital Related Debt:	
General Obligation Refunding (Alternate Revenue Source) Bonds of 2013	<u>(413,000)</u>
Net Investment in Capital Assets	<u>8,034,529</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	39,385,220
Less Capital Related Debt:	
General Obligation Refunding (Alternate Revenue Source) Bonds of 2013	(287,000)
Debt Certificates of 2008	(925,000)
Illinois Environmental Protection Agency Loan Payable of 2010	(621,098)
Illinois Environmental Protection Agency Loan Payable of 2015	(5,720,331)
Illinois Environmental Protection Agency Loan Payable of 2015	(10,451,884)
Installment Contract of 2015	<u>(1,179,630)</u>
Net Investment in Capital Assets	<u>20,200,277</u>

## VILLAGE OF LINDENHURST, ILLINOIS

### Notes to the Financial Statements April 30, 2017

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

#### NET POSITION/FUND BALANCE CLASSIFICATIONS – Continued

##### Fund Balance Classifications

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.

**Assigned Fund Balance.** The Village reports assigned fund balance in the Community Capital Fund, a major fund. The Village's Board/executive director, under authorization assigned in the Village's fund balance policy, has assigned these funds for future Village improvement projects and equipment and vehicle purchases based on approved Board/management expenditures as determined through the annual budget process.

**Minimum Fund Balance Policy.** The Villages policy manual states that the General Fund should maintain a minimum unassigned fund balance equal to 75% of the current year's operating expenses.

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

	General	Special Revenue		Capital Projects	Nonmajor	Totals
		Motor Fuel Tax	Retirement	Community Capital		
Fund Balances						
Nonspendable						
Prepays	\$ 29,020	-	-	-	-	29,020
Restricted						
Insurance	103,275	-	-	-	-	103,275
Road Projects	-	496,413	-	-	-	496,413
Payroll Taxes and Retirement	-	-	58,374	-	-	58,374
Police Currency Seizure	-	-	-	-	5,397	5,397
DUI Programs	-	-	-	-	21,875	21,875
Controlled Substance Act	-	-	-	-	7,003	7,003
Prison Review Agency	-	-	-	-	33,483	33,483
Shop with a Cop	-	-	-	-	14,370	14,370
	103,275	496,413	58,374	-	82,128	740,190
Assigned						
Community Capital	-	-	-	1,773,632	-	1,773,632
Unassigned	3,215,943	-	-	-	-	3,215,943
Total Fund Balances	3,348,238	496,413	58,374	1,773,632	82,128	5,758,785

## **VILLAGE OF LINDENHURST, ILLINOIS**

### **Notes to the Financial Statements April 30, 2017**

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#### **NOTE 4 – OTHER INFORMATION**

##### **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. The Village has purchased insurance from private insurance companies. Risks covered included certain types of liabilities and bonds. Premiums have been displayed as expenditures/expenses in appropriate funds. 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.

##### **OTHER POST-EMPLOYMENT BENEFITS**

The Village has evaluated its potential other post-employment benefits liability. Former employees who choose to retain their rights to health insurance through the Village are required to pay 100% of the current premium. However, there is minimal participation. As the Village provides no explicit benefit, and there is minimal participation, there is no material implicit subsidy to calculate in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*. Therefore, the Village has not recorded a liability as of April 30, 2017.

##### **CONTINGENT LIABILITIES**

###### **Litigation**

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

###### **Grants**

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

##### **COMMITMENTS**

###### **Sales Tax Rebate**

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 paid by this dealership up to \$50,000,000 in each sales tax year. Thereafter, the Village agrees to remit 65% of sales tax revenue paid by the dealership for gross receipts that exceed \$50,000,000 in each sales tax year. The agreement expires on April 30, 2032, or when total payments to the dealership are \$287,205. For the year ended April 30, 2017, the Village collected and will rebate \$125,000 of sales tax to this dealership. Cumulative payments through April 30, 2017 are \$125,000.

## **VILLAGE OF LINDENHURST, ILLINOIS**

### **Notes to the Financial Statements April 30, 2017**

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

##### **COMMITMENTS – Continued**

##### **Lindenhurst Sanitary District**

The Lindenhurst Sanitary District (Sanitary District) has passed a comprehensive sewer use ordinance and the Village has passed a comprehensive wastewater service charge ordinance. The Sanitary District and the Village agree to be bound by both of these ordinances. The Village has set and will continue to set the wastewater service charges for the users of the system and agrees that it will include in the setting of the debt service portion of the charges an amount sufficient to provide for the payment to the Sanitary District, or deposit on account for the Sanitary District, all amounts required to pay revenue bonds currently issued by the Sanitary District to the State of Illinois, purchased with money from the Water Pollution Control Revolving Loan Fund, and to meet such other covenants as are required by the State in the bonds, the related bond ordinance, loan agreement and other related documents.

The Village agrees to cooperate fully with the Sanitary District in the setting and collection of sewer user charges so as to provide timely payment of said bonds (namely, the repayment of the loan, evidenced by said bonds, to the State of Illinois).

The Village agrees to run and operate the sewerage treatment plant and to pay all necessary costs, all repairs, maintenance, wages of employees and all other like costs attendant to the running of the sewerage treatment plant.

Subsequent to year end, the agreement between the Village and the Lindenhurst Sanitary District was amended. The agreement also provides for an annual Village contribution to the Sanitary District of \$125,000 to be used towards the repayment of the debt related to the Phase III improvements to the Water Pollution Control Facility.

The Village further agrees to obtain all necessary permits, rights, privileges, franchises and license from the State of United States Government and agrees to abide by and conform to all necessary laws, rules and regulations applicable to sewerage treatment plants of the State of Illinois and United States government.

##### **JOINT VENTURE**

##### **Solid Waste Agency of Lake County (SWALCO)**

The Village's contract with SWALCO provides that each member is liable for its proportionate share of annual operating and fixed costs. The Village's share of these costs is expected to be funded through tipping fees paid by refuse haulers. In addition, the Village is obligated for any costs arising from defaults in payment obligations by other members.



## VILLAGE OF LINDENHURST, ILLINOIS

### Notes to the Financial Statements April 30, 2017

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#### NOTE 4 – OTHER INFORMATION – Continued

##### JOINT VENTURE – Continued

##### Solid Waste Agency of Lake County (SWALCO) – Continued

In 1991, the Village joined SWALCO. SWALCO is a municipal corporation with 43 members whose purpose is to provide a solution to solid waste disposal problems. Upon approval by a majority of its members, SWALCO may issue bonds for which the individual members would be financially liable.

The following represents a summary of SWALCO's latest available balance sheet at November 30, 2016 and the statement of revenues and expense for the year then ended:

Current Assets	\$ 2,002,241	Current Liabilities	\$ 44,695
Noncurrent Assets		Deferred Inflows	<u>98,091</u>
Capital Assets	1,908,447	Total Liabilities/ Def. Inflows	<u>142,786</u>
Deferred Outflows	<u>220,116</u>	Net Investment in Capital Assets	1,005,916
Total Assets/ Def. Outflows	<u><u>4,130,804</u></u>	Restricted	402,531
		Unrestricted	<u>2,579,571</u>
		Net Position	<u><u>3,988,018</u></u>
Operating Revenues		\$ 1,014,959	
Operating Expenses		<u>1,228,058</u>	
Operating Income		(213,099)	
Nonoperating Revenue		<u>8,802</u>	
Change in Net Position		(204,297)	
Net Position - Beginning		<u>4,192,315</u>	
Net Position - Ending		<u><u>3,988,018</u></u>	

## VILLAGE OF LINDENHURST, ILLINOIS

### Notes to the Financial Statements April 30, 2017

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#### NOTE 4 – OTHER INFORMATION – Continued

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

The Village contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system, and the Police Pension Plan which is a single-employer pension plan. A separate report is issued for the Police Pension Plan may be obtained by writing to the Village at 2301 E. Sand Lake Street, Lindenhurst, Illinois 60046. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at [www.imrf.org](http://www.imrf.org). The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

##### 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.

## VILLAGE OF LINDENHURST, ILLINOIS

### Notes to the Financial Statements April 30, 2017

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#### NOTE 4 – OTHER INFORMATION – Continued

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

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

#### Plan Descriptions – Continued

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

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

*Plan Membership.* As of December 31, 2016, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	37
Inactive Plan Members Entitled to but not yet Receiving Benefits	16
Active Plan Members	<u>19</u>
Total	<u><u>72</u></u>

*Contributions.* As set by statute, the Village's Regular Plan Members are required to contribute 4.5% 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 calendar year 2016 was 44.53% of covered payroll.

*Net Pension Liability.* The Village's net pension liability was measured as of December 31, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

## VILLAGE OF LINDENHURST, ILLINOIS

### Notes to the Financial Statements April 30, 2017

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#### NOTE 4 – OTHER INFORMATION – Continued

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

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

#### Plan Descriptions – Continued

*Actuarial Assumptions.* The total pension liability was determined by an actuarial valuation performed, as of December 31, 2016, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.50%
Salary Increases	3.75% to 14.50%
Cost of Living Adjustments	2.75%
Inflation	2.75%

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). 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 tables was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

## VILLAGE OF LINDENHURST, ILLINOIS

### Notes to the Financial Statements

April 30, 2017

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#### NOTE 4 – OTHER INFORMATION – Continued

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

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

##### Discount Rate

The discount rate used to measure the total pension liability was 7.50%, and discount rate in the prior valuation as 7.46%. 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.

##### Discount Rate Sensitivity

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension 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 (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability	\$ 4,181,127	2,408,471	963,637

## VILLAGE OF LINDENHURST, ILLINOIS

### Notes to the Financial Statements April 30, 2017

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#### NOTE 4 – OTHER INFORMATION – Continued

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

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

#### Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2015	\$ 11,841,608	9,388,415	2,453,193
Changes for the Year:			
Service Cost	156,665	-	156,665
Interest on the Total Pension Liability	865,237	-	865,237
Difference Between Expected and Actual Experience of the Total Pension Liability	518,639	-	518,639
Changes of Assumptions	(65,438)	-	(65,438)
Contributions - Employer	-	693,390	(693,390)
Contributions - Employees	-	91,986	(91,986)
Net Investment Income	-	647,141	(647,141)
Benefit Payments, including Refunds of Employee Contributions	(643,174)	(643,174)	-
Other (Net Transfer)	-	87,308	(87,308)
Net Changes	831,929	876,651	(44,722)
Balances at December 31, 2016	12,673,537	10,265,066	2,408,471

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

For the year ended April 30, 2017, the Village recognized pension expense of \$683,979. At April 30, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

## VILLAGE OF LINDENHURST, ILLINOIS

### Notes to the Financial Statements April 30, 2017

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#### 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 – Continued

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 583,482	-	583,482
Change in Assumptions	75,703	(45,690)	30,013
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	497,379	-	497,379
Total Pension Expense to be Recognized in Future Periods	1,156,564	(45,690)	1,110,874
Pension Contributions Made Subsequent to the Measurement Date	83,863	-	83,863
Total Deferred Amounts Related to IMRF	1,240,427	(45,690)	1,194,737

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
2018	\$ 528,406
2019	381,946
2020	187,401
2021	13,121
2022	-
Thereafter	-
Total	1,110,874

## VILLAGE OF LINDENHURST, ILLINOIS

### Notes to the Financial Statements April 30, 2017

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#### 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, 2017, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	3
Inactive Plan Members Entitled to but not yet Receiving Benefits	1
Active Plan Members	<u>13</u>
Total	<u><u>17</u></u>

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

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



## VILLAGE OF LINDENHURST, ILLINOIS

### Notes to the Financial Statements April 30, 2017

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#### NOTE 4 – OTHER INFORMATION – Continued

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

#### Police Pension Plan – Continued

#### Plan Descriptions – Continued

*Benefits Provided – Continued.* Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officer salary for the pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1<sup>st</sup> after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent of 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, 2017, the Village's contribution was 25.24% of covered payroll.

*Concentrations.* At year-end, the Pension Plan does not have any investments over 5 percent of the total net plan position portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

## VILLAGE OF LINDENHURST, ILLINOIS

### Notes to the Financial Statements April 30, 2017

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#### NOTE 4 – OTHER INFORMATION – Continued

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

#### Police Pension Plan – Continued

#### Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of April 30, 2017, 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	4.00%
Cost of Living Adjustments	2.00%
Inflation	2.00%

Mortality rates were based on the RP-2000 CHBCA Mortality Table (male) with blue collar adjustment projected by Scale BB to 2015.

#### Discount Rate

The discount rate used to measure the total pension liability was 7.00% and the prior year valuation was 7.25%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that 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 LINDENHURST, ILLINOIS

### Notes to the Financial Statements April 30, 2017

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#### 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	\$ 3,018,966	1,459,094	201,650

#### Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2016	\$ 7,957,820	7,035,729	922,091
Changes for the Year:			
Service Cost	381,243	-	381,243
Interest on the Total Pension Liability	547,038	-	547,038
Difference Between Expected and Actual Experience of the Total Pension Liability	230,870	-	230,870
Changes of Assumptions	339,716	-	339,716
Contributions - Employer	-	297,436	(297,436)
Contributions - Employees	-	126,569	(126,569)
Net Investment Income	-	544,524	(544,524)
Benefit Payments, including Refunds of Employee Contributions	(311,979)	(311,979)	-
Administrative Expense	-	(6,665)	6,665
Net Changes	1,186,888	649,885	537,003
Balances at April 30, 2017	9,144,708	7,685,614	1,459,094

## VILLAGE OF LINDENHURST, ILLINOIS

### Notes to the Financial Statements April 30, 2017

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#### NOTE 4 – OTHER INFORMATION – Continued

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

#### Police Pension Plan – Continued

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

For the year ended April 30, 2017, the Village recognized pension expense of \$490,058. At April 30, 2017, 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	\$ 210,205	-	210,205
Change in Assumptions	309,308	-	309,308
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(45,284)	(45,284)
Total Deferred Amounts Related to Police Pension	519,513	(45,284)	474,229

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
2018	\$ 39,752
2019	39,752
2020	39,752
2021	39,752
2022	51,073
Thereafter	264,148
Total	474,229

## **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 Return
  - Police Pension Fund
- Budgetary Comparison Schedules
  - General Fund
  - Motor Fuel Tax - Special Revenue Fund
  - Retirement - 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 LINDENHURST, ILLINOIS

### Illinois Municipal Retirement Fund

#### Required Supplementary Information

#### Schedule of Employer Contributions

April 30, 2017

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2016	\$ 246,866	\$ 246,866	\$ -	\$ 1,640,312	15.05%
2017	237,458	693,390	455,932	1,557,099	44.53%

#### Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	27 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.75%
Salary Increases	3.75% - 14.50%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	An IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012).

#### Note:

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

## VILLAGE OF LINDENHURST, ILLINOIS

### Police Pension Fund

#### Required Supplementary Information Schedule of Employer Contributions April 30, 2017

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2015	\$ 302,440	\$ 279,776	\$ (22,664)	\$ 1,216,773	22.99%
2016	324,906	293,600	(31,306)	1,248,370	23.52%
2017	395,758	297,436	(98,322)	1,178,338	25.24%

#### 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	Market Value
Inflation	2.00%
Salary Increases	4.00%
Investment Rate of Return	7.00%
Retirement Age	See the Notes to the Financial Statements
Mortality	RP 2000 Combined Healthy Mortality Table

#### Note:

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

# VILLAGE OF LINDENHURST, ILLINOIS

## Illinois Municipal Retirement Fund

### Required Supplementary Information Schedule of Changes in the Employer's Net Pension Liability April 30, 2017

	December 31, 2015	December 31, 2016
Total Pension Liability		
Service Cost	\$ 166,445	156,665
Interest	802,043	865,237
Changes in Benefit Terms	-	-
Differences Between Expected and Actual Experience	468,760	518,639
Change of Assumptions	30,531	(65,438)
Benefit Payments, Including Refunds of Member Contributions	(530,897)	(643,174)
Net Change in Total Pension Liability	936,882	831,929
Total Pension Liability - Beginning	10,904,726	11,841,608
Total Pension Liability - Ending	11,841,608	12,673,537
Plan Fiduciary Net Position		
Contributions - Employer	\$ 246,866	693,390
Contributions - Members	113,351	91,986
Contributions - Other	46,682	647,141
Benefit Payments, Including Refunds of Member Contributions	(530,897)	(643,174)
Administrative Expense	90,599	87,308
Net Change in Plan Fiduciary Net Position	(33,399)	876,651
Plan Net Position - Beginning	9,421,814	9,388,415
Plan Net Position - Ending	9,388,415	10,265,066
Employer's Net Pension Liability	\$ 2,453,193	2,408,471
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.28%	81.00%
Covered-Employee Payroll	\$ 1,640,312	1,557,099
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	149.56%	154.68%

Note:

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.



# VILLAGE OF LINDENHURST, ILLINOIS

## Police Pension Fund

### Required Supplementary Information

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

April 30, 2017

	2015	2016	2017
Total Pension Liability			
Service Cost	\$ 303,356	310,910	381,243
Interest	484,185	545,535	547,038
Differences Between Expected and Actual Experience	(249,959)	(345,837)	230,870
Change of Assumptions	406,698	-	339,716
Benefit Payments, Including Refunds of Member Contributions	(60,135)	(142,911)	(311,979)
Net Change in Total Pension Liability	884,145	367,697	1,186,888
Total Pension Liability - Beginning	6,705,978	7,590,123	7,957,820
Total Pension Liability - Ending	7,590,123	7,957,820	9,144,708
Plan Fiduciary Net Position			
Contributions - Employer	\$ 279,776	293,600	297,436
Contributions - Members	130,286	123,535	126,569
Net Investment Income	313,096	(14,796)	544,524
Benefit Payments, Including Refunds of Member Contributions	(60,135)	(142,911)	(311,979)
Administrative Expense	(6,344)	(6,761)	(6,665)
Net Change in Plan Fiduciary Net Position	656,679	252,667	649,885
Plan Net Position - Beginning	6,126,383	6,783,062	7,035,729
Plan Net Position - Ending	6,783,062	7,035,729	7,685,614
Employer's Net Pension Liability	\$ 807,061	922,091	1,459,094
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	89.37%	88.41%	84.04%
Covered-Employee Payroll	\$ 1,216,773	1,248,370	1,178,338
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	66.33%	73.86%	123.83%

Note:

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

## VILLAGE OF LINDENHURST, ILLINOIS

### Police Pension Fund

#### Required Supplementary Information

#### Schedule of Investment Returns

April 30, 2017

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Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2015	5.04%
2016	(0.47%)
2017	6.60%

Note:

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

# VILLAGE OF LINDENHURST, ILLINOIS

## General Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended April 30, 2017

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 722,786	722,786	1,031,480
Intergovernmental	2,542,611	2,542,611	2,505,687
Licenses and Permits	105,000	105,000	182,104
Fines and Forfeitures	155,000	155,000	96,004
Charges for Services	250,000	250,000	263,780
Interest	75,000	75,000	18,380
Miscellaneous	91,000	91,000	58,673
Total Revenues	3,941,397	3,941,397	4,156,108
Expenditures			
Current			
General Government	502,274	502,274	545,298
Public Works	664,060	664,060	635,204
Building and Grounds	30,700	30,700	15,662
Engineering	129,584	129,584	166,153
Public Safety	2,135,849	2,135,849	2,375,307
Capital Outlay	28,105	28,105	6,500
Total Expenditures	3,490,572	3,490,572	3,744,124
Excess (Deficiency) of Revenues Over (Under) Expenditures	450,825	450,825	411,984
Other Financing Sources (Uses)			
Transfers In	-	-	19,526
Transfers Out	(121,250)	(121,250)	(885,918)
	(121,250)	(121,250)	(866,392)
Net Change in Fund Balance	329,575	329,575	(454,408)
Fund Balance - Beginning			3,802,646
Fund Balance - Ending			3,348,238

## VILLAGE OF LINDENHURST, 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, 2017

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
State Motor Fuel Tax	\$ 417,951	417,951	366,561
State Grants	14,000	14,000	14,288
Interest	3,000	3,000	2,179
Total Revenues	434,951	434,951	383,028
Expenditures			
Public Works			
Commodities			
Asphalt Products	30,000	30,000	15,637
Road Salt	103,600	103,600	72,478
Snow Emergency	1,000	1,000	-
Total Expenditures	134,600	134,600	88,115
Net Change in Fund Balance	300,351	300,351	294,913
Fund Balance - Beginning			201,500
Fund Balance - Ending			496,413

# VILLAGE OF LINDENHURST, ILLINOIS

## Retirement - Special Revenue Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended April 30, 2017

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 151,676	151,676	151,627
Intergovernmental			
State Replacement Tax	-	-	6,036
Total Revenues	151,676	151,676	157,663
Expenditures			
General Government			
FICA	75,345	75,345	69,817
IMRF	307,838	307,838	298,738
Total Expenditures	383,183	383,183	368,555
Net Change in Fund Balance	(231,507)	(231,507)	(210,892)
Fund Balance - Beginning			269,266
Fund Balance - Ending			58,374

## **OTHER SUPPLEMENTARY INFORMATION**

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

Such statements and schedules include:

- Budgetary Comparison Schedules – Major Governmental Funds
- Combining Statements – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Proprietary Funds
- Budgetary Comparison Schedule – Fiduciary Fund
- Combining Statements – Agency Funds

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

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## **GENERAL FUND**

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

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## **SPECIAL REVENUE FUNDS**

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

### **Motor Fuel Tax Fund**

The Motor Fuel Tax Fund is used to account for the activities involved with street maintenance and construction. Financing is provided by the Village's share of state gasoline taxes. State law requires these gasoline taxes to be used to maintain streets.

### **Retirement Fund**

The Retirement Fund is used to account for the revenues from IMRF and social security property tax levies along with the related expenditures.

### **Veteran's Memorial Fund**

The Veterans Memorial Fund is used to account for the purchase of brick pavers for the memorial.

### **Police Currency Seizure Fund**

The Police Currency Seizure Fund is used to account for currency seized temporarily during court proceedings.

### **DUI Fund**

The DUI Fund is used to account for surcharges from DUI convictions, in accordance with state law to enhance DUI enforcement.

### **Police Benevolent Fund**

The Police Benevolent Fund is used to account for benefiting Police Officers injured in the line of duty.

### **Controlled Substance Fund**

The Controlled Substance Fund is used to account for money from seizures of the proceeds of criminal acts.

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

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## **SPECIAL REVENUE FUNDS – CONTINUED**

### **Prison Review Agency Fund**

The Prison Review Agency Fund is used to account for surcharges from traffic citations in accordance with state statute, which are used for police squad car equipment.

### **Shop with a Cop Fund**

The Shop with a Cop Fund is used to account for donations made towards and expenses associated with the annual shop with a cop program, which benefits underprovided children.

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## **CAPITAL PROJECT FUND**

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.

### **Community Capital Fund**

The Community Capital Fund is used to account for community infrastructure and capital improvements including: storm water improvements, bike path and sidewalk improvements, municipal facility improvements, road improvements, and other projects as determined by the Village Board.

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## **ENTERPRISE FUNDS**

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

### **Water and Sewer Fund**

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

### **Recycling and Refuse Fund**

The Recycling and Refuse Fund is used to account for the provision of recycling and refuse collection services for a fee. All activities are accounted for including administration, operations, maintenance, and billing and collection.

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

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## **TRUST FUND**

### **PENSION TRUST FUND**

#### **Police Pension Fund**

Pension Trust Funds are set up for the purpose of accounting for money received from nonenterprise fund sources and held by a governmental unit in the capacity of trustee for individuals, entities and nonpublic organizations.

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## **AGENCY FUNDS**

### **Special Service Area # 4 Fund**

The Special Service Area Fund is used to account for the funds collected to pay for the SSA expenses related to the Falling Waters Subdivision.

#### **Escrow Fund**

The Escrow Fund is used to account for the miscellaneous building department escrows and the escrows the Village maintains for developers.

## VILLAGE OF LINDENHURST, ILLINOIS

### General Fund

#### Schedule of Revenues - Budget and Actual For the Fiscal Year Ended April 30, 2017

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 722,786	722,786	1,031,480
Intergovernmental			
State Sales Tax	875,000	875,000	885,073
State Income Tax	1,327,611	1,327,611	1,317,662
Municipal Tax	340,000	340,000	302,952
Total Intergovernmental	2,542,611	2,542,611	2,505,687
Licenses and Permits	105,000	105,000	182,104
Fines and Forfeitures	155,000	155,000	96,004
Charges for Services			
Franchise Fees	250,000	250,000	263,780
Interest	75,000	75,000	18,380
Miscellaneous	91,000	91,000	58,673
Total Revenues	3,941,397	3,941,397	4,156,108

## VILLAGE OF LINDENHURST, ILLINOIS

### General Fund

#### Schedule of Expenditures - Budget and Actual For the Fiscal Year Ended April 30, 2017

	Budget		Actual
	Original	Final	
General Government			
Personnel Salaries	\$ 187,298	187,298	255,295
Retirement and Benefits	26,293	26,293	25,469
Contract Services	59,470	59,470	46,607
Professional Fees	44,263	44,263	39,604
Insurance	110,000	110,000	104,408
Dues and Subscriptions	7,000	7,000	6,485
Training and Conferences	1,000	1,000	1,487
Supplies	8,300	8,300	10,349
Printing	10,700	10,700	9,126
Office Expenditures	3,450	3,450	2,426
Communication	10,700	10,700	10,805
Miscellaneous Expenditures	33,800	33,800	33,237
Total General Government	502,274	502,274	545,298
Public Works			
Personnel Salaries	288,214	288,214	287,777
Retirement and Benefits	66,090	66,090	71,774
Contract Services	144,400	144,400	162,627
Professional Fees	80,904	80,904	46,265
Fuel	9,900	9,900	7,259
Training and Conferences		-	964
Supplies	27,087	27,087	24,898
Rental	6,200	6,200	-
Maintenance and Repairs	12,500	12,500	16,541
Road Maintenance	20,350	20,350	-
Office Expenditures	4,450	4,450	7,130
Communication	2,965	2,965	9,963
Miscellaneous Expenditures	1,000	1,000	6
Total Public Works	664,060	664,060	635,204
Building and Grounds			
Professional Fees	9,000	9,000	4,056
Supplies	1,000	1,000	1,517
Maintenance and Repairs	15,000	15,000	9,714
Office Expenditures	700	700	375
Miscellaneous Expenditures	5,000	5,000	-
Total Building and Grounds	30,700	30,700	15,662

## VILLAGE OF LINDENHURST, ILLINOIS

### General Fund

#### Schedule of Expenditures - Budget and Actual - Continued For the Fiscal Year Ended April 30, 2017

	Budget		Actual
	Original	Final	
Engineering			
Personnel Salaries	\$ 57,750	57,750	57,561
Retirement and Benefits	4,834	4,834	4,560
Professional Fees	45,000	45,000	74,702
Dues and Subscriptions	-	-	689
Office Expenditures	21,000	21,000	28,641
Miscellaneous Expenditures	1,000	1,000	-
Total Engineering	129,584	129,584	166,153
Public Safety			
Personnel Salaries	1,650,386	1,650,386	1,622,400
Pension Contribution	-	-	297,436
Retirement and Benefits	237,229	237,229	233,432
Professional Fees	89,169	89,169	76,600
Fuel	35,000	35,000	18,828
Dues and Subscriptions	2,915	2,915	1,370
Training and Conferences	8,370	8,370	8,073
Supplies	30,300	30,300	37,232
Printing	3,600	3,600	1,971
Office Expenditure	1,350	1,350	-
Maintenance and Repairs	34,285	34,285	25,433
Communication	40,570	40,570	39,343
Miscellaneous Expenditures	2,675	2,675	13,189
Total Public Safety	2,135,849	2,135,849	2,375,307
Capital Outlay			
Public Works	12,605	12,605	4,274
Public Safety	15,500	15,500	2,226
Total Capital Outlay	28,105	28,105	6,500
Total Expenditures	3,490,572	3,490,572	3,744,124

# VILLAGE OF LINDENHURST, ILLINOIS

## Community Capital - Capital Project Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended April 30, 2017

	Budget		
	Original	Final	Actual
Revenues			
Intergovernmental			
State Sales Tax	\$ 97,200	97,200	165,404
State Income Tax	147,512	147,512	49,356
Video Gaming	25,000	25,000	33,675
Grants	-	-	320,967
Licenses and Permits	288,000	288,000	307,151
Interest	5,000	5,000	-
Miscellaneous			
Rentals	192,000	192,000	149,340
Total Revenues	754,712	754,712	1,025,893
Expenditures			
Capital Outlay			
Equipment	81,000	81,000	79,561
Vehicles	130,500	130,500	80,707
Projects	1,569,632	1,569,632	1,453,550
Debt Service			
Principal Retirement	-	-	250,750
Interest and Fiscal Charges	-	-	10,808
Total Expenditures	1,781,132	1,781,132	1,875,376
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,026,420)	(1,026,420)	(849,483)
Other Financing Sources (Uses)			
Disposal of Capital Assets	-	-	10,000
Transfers In	197,300	197,300	959,968
Transfers Out	-	-	(490,452)
	197,300	197,300	479,516
Net Change in Fund Balance	(829,120)	(829,120)	(369,967)
Fund Balance - Beginning			2,143,599
Fund Balance - Ending			1,773,632

**VILLAGE OF LINDENHURST, ILLINOIS**

**Nonmajor Governmental - Special Revenue Funds**

**Combining Balance Sheet**

**April 30, 2016**

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**See Following Page**

**VILLAGE OF LINDENHURST, ILLINOIS**

**Nonmajor Governmental - Special Revenue Funds**

**Combining Balance Sheet**

**April 30, 2017**

		Veteran's Memorial	Police Currency Seizure
ASSETS			
Cash and Cash Equivalents		\$ -	5,397
FUND BALANCES			
Restricted		-	5,397

DUI	Police Benevolent	Controlled Substance	Police Review Agency	Shop with a Cop	Totals
21,875	-	7,003	33,483	14,370	82,128
21,875	-	7,003	33,483	14,370	82,128



## VILLAGE OF LINDENHURST, ILLINOIS

### Nonmajor Governmental - Special Revenue Funds

#### Combining Statement of Revenues, Expenditures and Changes in Fund Balances For the Fiscal Year Ended April 30, 2017

	Veteran's Memorial	Police Currency Seizure
Revenues		
Fines and Forfeitures	\$ -	-
Interest	-	-
Miscellaneous	600	1,316
Total Revenues	600	1,316
Expenditures		
General Government	736	-
Public Safety	-	1,316
Total Expenditures	736	1,316
Excess (Deficiency) of Revenues Over (Under) Expenditures	(136)	-
Other Financing (Uses)		
Transfers Out	(19,024)	-
Net Change in Fund Balances	(19,160)	-
Fund Balances - Beginning	19,160	5,397
Fund Balances - Ending	-	5,397

DUI	Police Benevolent	Controlled Substance	Police Review Agency	Shop with a Cop	Totals
11,028	-	-	8,213	-	19,241
300	-	-	100	-	400
	-	8,222	-	6,285	16,423
11,328	-	8,222	8,313	6,285	36,064
-	-	-	-	-	736
16,743	-	9,000	-	3,107	30,166
16,743	-	9,000	-	3,107	30,902
(5,415)	-	(778)	8,313	3,178	5,162
-	(502)	-	-	-	(19,526)
(5,415)	(502)	(778)	8,313	3,178	(14,364)
27,290	502	7,781	25,170	11,192	96,492
21,875	-	7,003	33,483	14,370	82,128

**VILLAGE OF LINDENHURST, ILLINOIS**

**Veteran's Memorial - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2017**

	Budget		Actual
	Original	Final	
Revenues			
Miscellaneous			
Donations	\$ 2,000	2,000	600
Expenditures			
General Government			
Contractual Services	2,000	2,000	736
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(136)
Other Financing (Uses)			
Transfers Out	-	-	(19,024)
Net Change in Fund Balance	-	-	(19,160)
Fund Balance - Beginning			19,160
Fund Balance - Ending			-

## VILLAGE OF LINDENHURST, ILLINOIS

### DUI - Special Revenue Fund

#### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended April 30, 2017

	Budget		Actual
	Original	Final	
Revenues			
Fines and Forfeitures	\$ 13,000	13,000	11,028
Interest	100	100	300
Total Revenues	13,100	13,100	11,328
Expenditures			
Public Safety			
Commodities	11,000	18,214	16,743
Contractual Services	1,000	1,000	-
Total Expenditures	12,000	19,214	16,743
Net Change in Fund Balance	1,100	(6,114)	(5,415)
Fund Balance - Beginning			27,290
Fund Balance - Ending			21,875

**VILLAGE OF LINDENHURST, ILLINOIS**

**Controlled Substance - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2017**

	Budget		Actual
	Original	Final	
Revenues			
Miscellaneous	\$ -	-	8,222
Expenditures			
Public Safety			
Contractual Services	9,000	9,000	9,000
Net Change in Fund Balance	<u>(9,000)</u>	<u>(9,000)</u>	(778)
Fund Balance - Beginning			<u>7,781</u>
Fund Balance - Ending			<u>7,003</u>

**VILLAGE OF LINDENHURST, ILLINOIS**

**Prison Review Agency - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2017**

	Budget		Actual
	Original	Final	
Revenues			
Fines and Forfeitures	\$ 10,000	10,000	8,213
Interest	300	300	100
Total Revenues	10,300	10,300	8,313
Expenditures			
Public Safety			
Contractual Services	15,000	15,000	-
Net Change in Fund Balance	(4,700)	(4,700)	8,313
Fund Balance - Beginning			25,170
Fund Balance - Ending			33,483

# VILLAGE OF LINDENHURST, 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, 2017

	Budget		
	Original	Final	Actual
Operating Revenues			
Charges for Services			
Water Sales and Sewer Usage	\$ 3,246,828	3,246,828	3,647,967
Operating Expenses			
Operations			
Administration	1,140,601	1,140,601	1,419,515
Sewer Plant	746,053	746,053	718,283
Water Plant	589,574	589,574	614,327
Capital Outlay	12,815,215	17,096,038	1,163,209
Depreciation	-	-	911,898
Total Operating Expenses	15,291,443	19,572,266	4,827,232
Operating Income (Loss)	(12,044,615)	(16,325,438)	(1,179,265)
Nonoperating Revenues (Expenses)			
Connection and Permit Fees	-	-	2,829
Interest Income	75,000	75,000	(12,489)
Other Income	1,000	1,000	14,196
Debt Issuance	12,038,000	14,917,574	-
Interest Expense	(701,021)	(701,021)	(301,754)
	11,412,979	14,292,553	(297,218)
Income (Loss) before Transfers	(631,636)	(2,032,885)	(1,476,483)
Transfers In	-	-	490,452
Transfers Out	(74,050)	(74,050)	(74,050)
	(74,050)	(74,050)	416,402
Change in Net Position	(705,686)	(2,106,935)	(1,060,081)
Net Position - Beginning			23,282,515
Net Position - Ending			22,222,434

## VILLAGE OF LINDENHURST, ILLINOIS

### Recycling and Refuse - Enterprise Fund

#### Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual For the Fiscal Year Ended April 30, 2017

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Refuse Collection	\$ 1,172,665	1,172,665	1,282,137
Recycling Proceeds	500	500	4,879
Total Operating Revenues	1,173,165	1,173,165	1,287,016
Operating Expenses			
Operations			
Recycling and Refuse	1,221,146	1,221,146	1,176,249
Change in Net Position	(47,981)	(47,981)	110,767
Net Position - Beginning			212,191
Net Position - Ending			322,958



# VILLAGE OF LINDENHURST, ILLINOIS

## Police Pension - Pension Trust Fund

### Schedule of Changes in Fiduciary Net Position - Budget and Actual For the Fiscal Year Ended April 30, 2017

	Budget		Actual
	Original	Final	
Additions			
Contributions - Employer	\$ 302,440	302,440	297,436
Contributions - Plan Members	-	-	126,569
Total Contributions	302,440	302,440	424,005
Investment Income			
Interest Earned	-	-	641,083
Net Change in Fair Value	-	-	(71,477)
	-	-	569,606
Less Investment Expenses	-	-	(25,082)
Net Investment Income	-	-	544,524
Total Additions	302,440	302,440	968,529
Deductions			
Administration	-	-	6,665
Benefits	302,440	302,440	311,979
Total Deductions	302,440	302,440	318,644
Change in Fiduciary Net Position	-	-	649,885
Net Position Restricted for Pension			
Beginning			7,035,729
Ending			7,685,614

# VILLAGE OF LINDENHURST, ILLINOIS

## Agency Funds

### Combining Statement of Changes in Assets and Liabilities For the Fiscal Year Ended April 30, 2017

	Beginning Balances	Additions	Deductions	Ending Balances
<b>All Funds</b>				
<b>ASSETS</b>				
Cash and Investments	\$ 371,728	138,138	341,728	168,138
<b>LIABILITIES</b>				
Other Liabilities	4,384	1,380	4,384	1,380
Due to Developers or Homeowners	367,344	136,758	337,344	166,758
Total Liabilities	371,728	138,138	341,728	168,138
<b>Special Service Area #4</b>				
<b>ASSETS</b>				
Cash and Investments	255,904	23,756	225,904	53,756
<b>LIABILITIES</b>				
Due to Developers or Homeowners	255,904	23,756	225,904	53,756
<b>Escrow</b>				
<b>ASSETS</b>				
Cash and Investments	115,824	114,382	115,824	114,382
<b>LIABILITIES</b>				
Other Liabilities	4,384	1,380	4,384	1,380
Due to Developers or Homeowners	111,440	113,002	111,440	113,002
Total Liabilities	115,824	114,382	115,824	114,382

## **SUPPLEMENTAL SCHEDULES**

## VILLAGE OF LINDENHURST, ILLINOIS

### Schedule of Long-Term Debt Requirements

#### General Obligation (Alternate Revenue Source) Refunding Bonds of 2013 April 30, 2017

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Date of Issue	December 11 2013
Date of Maturity	February 1, 2021
Authorized Issue	\$2,025,000
Interest Rates	0.45% - 2.40%
Interest Dates	August 1 and February 1
Principal Maturity Date	February 1
Payable at	State Bank of The Lakes

#### CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Aug. 1	Amount	Feb. 1	Amount
2018	\$ 420,000	12,794	432,794	2017	6,397	2017	6,397
2019	95,000	5,864	100,864	2018	2,932	2018	2,932
2020	95,000	4,108	99,108	2019	2,054	2019	2,054
2021	90,000	2,160	92,160	2020	1,080	2020	1,080
	<u>700,000</u>	<u>24,926</u>	<u>724,926</u>		<u>12,463</u>		<u>12,463</u>

## VILLAGE OF LINDENHURST, ILLINOIS

### Schedule of Long-Term Debt Requirements

#### Debt Certificate of 2008

April 30, 2017

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Date of Issue	July 1 2008
Date of Maturity	January 1, 2023
Authorized Issue	\$2,000,000
Interest Rates	4.05% - 4.30%
Interest Dates	July 1 and January 1
Principal Maturity Date	January 1
Payable at	The Bank of New York Mellon Trust Company, N.A.

#### CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jul. 1	Amount	Jan. 1	Amount
2018	\$ 140,000	38,893	178,893	2017	19,447	2018	19,446
2019	145,000	33,153	178,153	2018	16,577	2019	16,576
2020	150,000	27,150	177,150	2019	13,575	2020	13,575
2021	155,000	20,880	175,880	2020	10,440	2021	10,440
2022	165,000	14,340	179,340	2021	7,170	2022	7,170
2023	170,000	7,310	177,310	2022	3,655	2023	3,655
	<u>925,000</u>	<u>141,726</u>	<u>1,066,726</u>		<u>70,864</u>		<u>70,862</u>

## VILLAGE OF LINDENHURST, ILLINOIS

### Long-Term Debt Requirements

#### IEPA Loan Payable of 2010

April 30, 2017

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Date of Issue	January 1, 2010
Date of Maturity	December 23, 2030
Authorized Issue	\$1,181,870
Interest Rate	Non-Interest
Interest Date	Non-Interest
Principal Maturity Dates	June 23 and December 23
Payable at	Illinois Environment Protection Agency

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

Fiscal Year	Principal	Interest	Totals
2018	\$ 44,364	-	44,364
2019	44,364	-	44,364
2020	44,364	-	44,364
2021	44,364	-	44,364
2022	44,364	-	44,364
2023	44,364	-	44,364
2024	44,364	-	44,364
2025	44,364	-	44,364
2026	44,364	-	44,364
2027	44,364	-	44,364
2028	44,364	-	44,364
2029	44,364	-	44,364
2030	44,364	-	44,364
2031	44,366	-	44,366
	621,098	-	621,098

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## VILLAGE OF LINDENHURST, ILLINOIS

### Long-Term Debt Requirements

#### Installment Contract of 2016

April 30, 2017

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Date of Issue	May 12, 2016
Date of Maturity	May 12, 2021
Authorized Issue	\$1,300,000
Interest Rate	2.63%
Interest Dates	Monthly on the 12th
Principal Maturity Dates	Monthly on the 12th
Payable at	State Bank of the Lakes

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

Fiscal Year	Principal	Interest	Totals
2018	\$ 288,889	27,934	316,823
2019	288,889	20,231	309,120
2020	288,889	12,554	301,443
2021	288,889	4,824	293,713
2022	24,074	53	24,127
	<u>1,179,630</u>	<u>65,596</u>	<u>1,245,226</u>