

VILLAGE OF LINDENHURST, ILLINOIS

ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
APRIL 30, 2020

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
- Other Supplementary Information
- Supplemental Schedules

INDEPENDENT AUDITORS' REPORT

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



INDEPENDENT AUDITORS' REPORT

October 20, 2020

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

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

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

Other Information

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

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

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF LINDENHURST, ILLINOIS

Management's Discussion and Analysis April 30, 2020

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, 2020. Please read it in conjunction with the financial statements, which begin on page 15. 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 an increase this year of \$9,829, resulting in ending fund balance of \$3,108,548, an increase of 0.3 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 \$928,840, or 3.0 percent and net position of the governmental activities increased by \$292,600, or 2.5 percent.
- During the year, government-wide revenues before transfers for the primary government totaled \$11,562,864, while expenses totaled \$12,199,104, resulting in a decrease to net position of \$636,240.
- The Village's net position totaled \$42,289,740 on April 30, 2020, which includes \$34,697,410 net investment in capital assets, \$827,377 subject to external restrictions, and \$6,764,953 unrestricted net position that may be used to meet the ongoing obligations to citizens and creditors.
- Beginning net position was restated due to the Village's consolidation of the Lindenhurst Sanitary District into the Village during the fiscal year.

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 15 – 18) 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 19. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the 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, 2020

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 15 – 18 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, 2020

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 nine 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 five 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, except the Police Currency Seizure Fund, Controlled Substance Fund, and Shop with a Cop Fund. 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 19 – 24 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, recycling and refuse, and sanitary sewer operations.

VILLAGE OF LINDENHURST, ILLINOIS

Management's Discussion and Analysis April 30, 2020

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, the Recycling and Refuse Fund, and the Sanitary Sewer Fund, which are all considered to be a major fund of the Village.

The basic proprietary fund financial statements can be found on pages 25 – 28 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 29 – 30 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 31 – 77 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 78 – 88 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 89 – 102 of this report.

VILLAGE OF LINDENHURST, ILLINOIS

Management's Discussion and Analysis April 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the Village of Lindenhurst's, assets/deferred outflows exceeded liabilities/deferred inflows by \$42,289,740.

	Net Position					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2020	2019	2020	2019	2020	2019
Current/Other Assets	\$ 8,518,129	7,609,429	5,712,058	2,808,624	14,230,187	10,418,053
Capital Assets	8,608,108	8,863,492	51,085,336	37,606,032	59,693,444	46,469,524
Total Assets	17,126,237	16,472,921	56,797,394	40,414,656	73,923,631	56,887,577
Deferred Outflows	2,092,036	720,528	151,482	608,550	2,243,518	1,329,078
Total Assets/ Deferred Outflows	19,218,273	17,193,449	56,948,876	41,023,206	76,167,149	58,216,655
Long-Term Debt	4,840,731	3,313,807	23,746,767	17,817,694	28,587,498	21,131,501
Other Liabilities	1,010,512	932,655	2,204,456	1,605,534	3,214,968	2,538,189
Total Liabilities	5,851,243	4,246,462	25,951,223	19,423,228	31,802,466	23,669,690
Deferred Inflows	1,522,307	1,394,864	552,636	245,779	2,074,943	1,640,643
Total Liabilities/ Deferred Inflows	7,373,550	5,641,326	26,503,859	19,669,007	33,877,409	25,310,333
Net Position						
Net Investment in Capital Assets	8,555,008	8,754,342	26,142,402	19,869,175	34,697,410	28,623,517
Restricted	827,377	407,596	-	-	827,377	407,596
Unrestricted	2,462,338	2,390,185	4,302,615	1,485,024	6,764,953	3,875,209
Total Net Position	11,844,723	11,552,123	30,445,017	21,354,199	42,289,740	32,906,322

A large portion of the Village's net position, \$34,367,410 or 82.0 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, \$827,377 or 2.0 percent, of the Village's net position represents resources that are subject to external restrictions on how they may be used. The remaining 16.0 percent, or \$6,764,953, 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, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Change in Net Position					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2020	2019	2020	2019	2020	2019
Revenues						
Program Revenues						
Charges for Services	\$ 663,025	821,822	5,553,971	5,605,525	6,216,996	6,427,347
Operating Grants/Contrib.	537,140	13,930	-	-	537,140	13,930
Capital Grants/Contrib.	-	1,882	-	-	-	1,882
General Revenues						
Property Taxes	1,234,287	1,212,176	84,075	-	1,318,362	1,212,176
Sales Taxes	1,427,560	1,350,585	-	-	1,427,560	1,350,585
Income Taxes	1,569,821	1,404,101	-	-	1,569,821	1,404,101
Other Taxes	269,933	670,218	1,911	-	271,844	670,218
Other General Revenues (Losses)	380,990	396,195	(159,849)	158,713	221,141	554,908
Total Revenues	6,082,756	5,870,909	5,480,108	5,764,238	11,562,864	11,635,147
Expenses						
General Government	718,298	777,094	-	-	718,298	777,094
Public Works	2,046,742	2,388,580	-	-	2,046,742	2,388,580
Building and Grounds	36,841	21,480	-	-	36,841	21,480
Engineering	138,534	141,880	-	-	138,534	141,880
Public Safety	2,913,605	3,316,716	-	-	2,913,605	3,316,716
Interest	2,136	3,201	-	-	2,136	3,201
Water and Sewer	-	-	4,378,023	5,076,285	4,378,023	5,076,285
Recycling and Refuse	-	-	1,306,708	1,229,194	1,306,708	1,229,194
Sanitary Sewer	-	-	658,217	-	658,217	-
Total Expenses	5,856,156	6,648,951	6,342,948	6,305,479	12,199,104	12,954,430
Change in Net Position						
Before Transfers	226,600	(778,042)	(862,840)	(541,241)	(636,240)	(1,319,283)
Transfers	66,000	179,050	(66,000)	(179,050)	-	-
Change in Net Position	292,600	(598,992)	(928,840)	(720,291)	(636,240)	(1,319,283)
Net Position - Beginning as Restated	11,552,123	12,151,115	31,373,857	22,074,490	42,925,980	34,225,605
Net Position - Ending	11,844,723	11,552,123	30,445,017	21,354,199	42,289,740	32,906,322

VILLAGE OF LINDENHURST, ILLINOIS

Management's Discussion and Analysis April 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Net position of the Village's governmental activities increased by 2.5 percent (\$11,844,723 in 2020 compared to \$11,552,123 in 2019). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled \$2,462,338 at April 30, 2020.

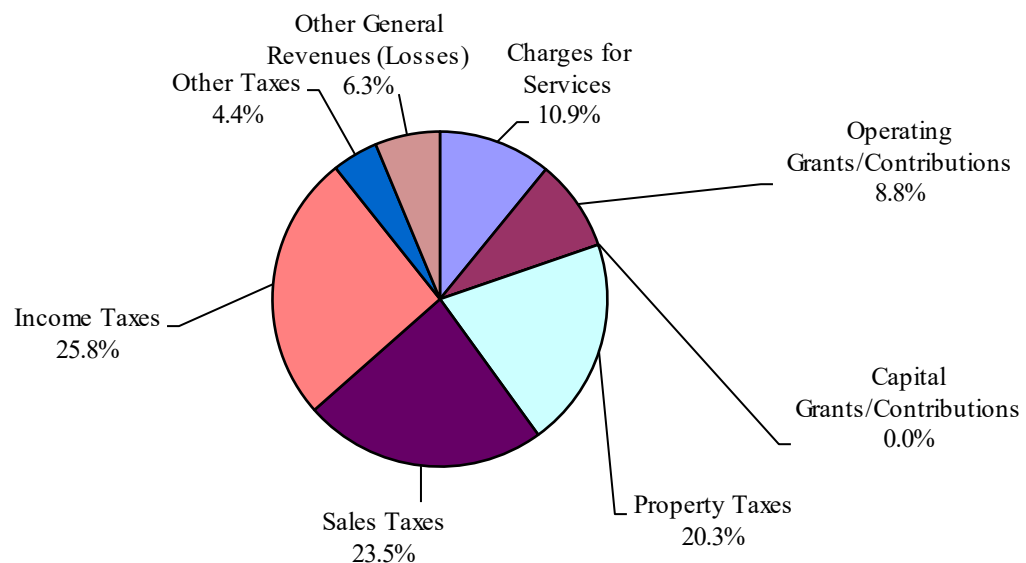
Net position of business-type activities decreased by 3.0 percent (\$30,445,017 in 2020 compared to a restated balance of \$31,373,857 in 2019).

Governmental Activities

Revenues for governmental activities totaled \$6,082,756, while the cost of all governmental functions totaled \$5,856,156. This results in an increase of \$226,600 prior to transfers in of \$66,000. In 2019, expenses of \$6,648,951 exceeded revenues of \$5,870,909, resulting in a deficit of \$778,042 prior to transfers in of \$179,050. The increase in 2020 was due in part to a decrease in IMRF net pension liability and related items.

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.

Revenues by Source - Governmental Activities



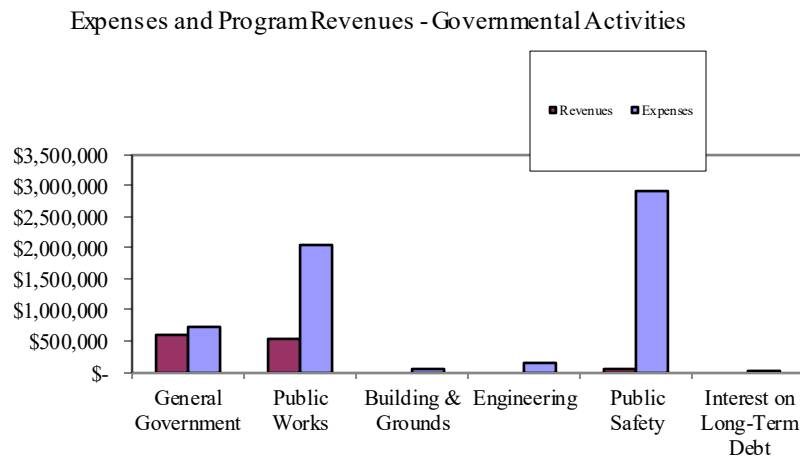
VILLAGE OF LINDENHURST, ILLINOIS

Management's Discussion and Analysis April 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

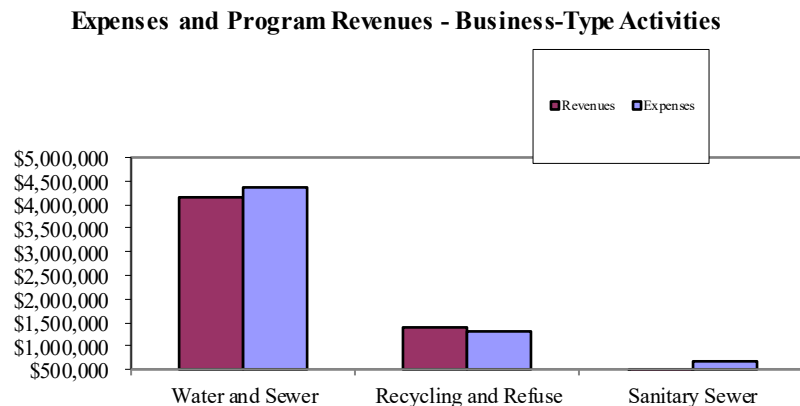
Governmental Activities – Continued

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 \$5,480,108, while the cost of all business-type activities totaled \$6,342,948. This results in a deficit of \$862,840 prior to transfers out of \$66,000. In 2019, expenses of \$6,305,479 exceed revenues of \$5,764,238, resulting in a deficit of \$541,241 prior to transfers out of \$179,050. The deficit in the current year is primarily due unrealized losses of \$519,842 in the Sanitary Sewer Fund.



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

VILLAGE OF LINDENHURST, ILLINOIS

Management's Discussion and Analysis April 30, 2020

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 \$6,350,627, which is \$805,345, or 14.5 percent, higher than last year's total of \$5,545,282. Of the \$6,350,627 total, \$2,996,667, or approximately 47.2 percent, of the fund balance constitutes unassigned fund balance.

The General Fund reported a positive change in fund balance for the year of \$9,829, an increase of 0.3 percent. This was due in part to more taxes being received in the current year. Also, the General Fund had a \$303,085 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, 2020, unassigned fund balance in the General Fund was \$2,996,667, which represents 96.4 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 75.7 percent of total General Fund expenditures.

The Motor Fuel Tax Fund reported a surplus for the year of \$407,985 for the year, or 179.5 percent. This increase is due to decreasing spending on road resurfacing in 2020.

The Retirement Fund reported a surplus for the year of \$2,092 or 3.4 percent. This increase is due to more property tax revenue received in the current year compared to expenditures of \$144,054 in the current year.

The Community Capital Fund reported a surplus for the year of \$380,048, or 18.0 percent. This increase is due to transfers received from the General Fund for the purpose of funding current and future capital projects.

VILLAGE OF LINDENHURST, ILLINOIS

Management's Discussion and Analysis April 30, 2020

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, the Recycling and Refuse Fund, and the Sanitary Sewer Funds 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 Sanitary Sewer Fund accounts for the provision of sanitary sewer 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 \$11,552, while the previous fiscal year reported a deficit of \$758,646. Unrestricted net position in the Water and Sewer Fund totaled \$603,773 at April 30, 2020. The surplus in the Recycling and Refuse Fund during the current fiscal year was \$91,123, while the previous fiscal year reported a surplus of \$38,355. Unrestricted net position in the Recycling and Refuse Fund totaled \$557,877 at April 30, 2020. The Sanitary Sewer Fund reported a deficit in net position for the year of \$1,008,411. Unrestricted net position in the Sanitary Sewer Fund totaled \$3,140,965 at April 30, 2020.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Village of Lindenhurst's made no budget amendment to the General Fund during the year. General Fund actual revenues for the year totaled \$4,273,353, compared to budgeted revenues of \$3,884,720. The taxes, intergovernmental, charges for services, and interest were higher than budgeted.

The General Fund actual expenditures for the year were \$226,523 higher than budgeted (\$3,960,439 actual compared to \$3,733,916 budgeted). The public safety function's actual expenditures were higher than budgeted expenditures by \$313,109.

VILLAGE OF LINDENHURST, ILLINOIS

Management's Discussion and Analysis April 30, 2020

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, 2020 was \$59,693,444 (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		Totals	
	Activities		Activities			
	2020	2019	2020	2019	2020	2019
Land	\$ 995,032	995,032	10,000	10,000	1,005,032	1,005,032
Construction in Progress	592,196	329,825	-	-	592,196	329,825
Building and Improvements	2,101,193	2,182,084	16,710,406	17,365,529	18,811,599	19,547,613
Vehicles and Equipment	763,640	722,266	46,536	15,493	810,176	737,759
Other Infrastructure	4,156,047	4,634,285	-	-	4,156,047	4,634,285
Water and Sewerage Infrastructure	-	-	34,318,394	35,131,733	34,318,394	35,131,733
Totals	8,608,108	8,863,492	51,085,336	52,522,755	59,693,444	61,386,247

This year's major additions included:

Construction in Progress	\$ 262,371
Vehicles and Equipment	284,164
Other Infrastructure	56,172
Water and Sewer Infrastructure	227,598
	<u>830,305</u>

Additional information on the Village's capital assets can be found in Note 3 of this report.

VILLAGE OF LINDENHURST, ILLINOIS

Management's Discussion and Analysis April 30, 2020

CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

Debt Administration

At year-end, the Village of Lindenhurst had total outstanding debt of \$24,996,034 as compared to a restated balance of \$26,870,289 the previous year, a decrease of \$1,874,255. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2020	2019	2020	2019	2020	2019
General Obligation Alternate Bonds	\$ 53,100	109,150	36,900	75,850	90,000	185,000
Debt Certificates	-	-	490,000	640,000	490,000	640,000
IEPA Loan Payables	-	-	24,103,071	25,443,437	24,103,071	25,443,437
Installment Contract Payable	-	-	312,963	601,852	312,963	601,852
Totals	53,100	109,150	24,942,934	26,761,139	24,996,034	26,870,289

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 \$30,143,676.

Additional information on the Village's long-term debt can be found in Note 3 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 2020-2021 budget and the associated property tax rates and charges for services. These factors include general and local economic conditions and expected revenues.

As of the date of this report, the extent of the impact of COVID-19 on the Village's operations and financial position cannot be determined.

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, 2020**

See Following Page

VILLAGE OF LINDENHURST, ILLINOIS

Statement of Net Position

April 30, 2020

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 6,813,629	4,464,038	11,277,667
Receivables - Net of Allowances			
Property Taxes	1,263,529	170,200	1,433,729
Accounts	89,864	1,032,301	1,122,165
Other	53,248	12,827	66,075
Due from Other Governments	257,903	-	257,903
Prepays	39,956	32,692	72,648
Total Current Assets	8,518,129	5,712,058	14,230,187
Noncurrent Assets			
Capital Assets			
Nondepreciable	1,587,228	10,000	1,597,228
Depreciable	27,287,226	84,673,799	111,961,025
	28,874,454	84,683,799	113,558,253
Accumulated Depreciation	(20,266,346)	(33,598,463)	(53,864,809)
Total Noncurrent Assets	8,608,108	51,085,336	59,693,444
Total Assets	17,126,237	56,797,394	73,923,631
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Items - IMRF	111,637	147,983	259,620
Deferred Items - Police Pension	1,973,930	-	1,973,930
Deferred Items - RBP	6,469	3,499	9,968
Total Deferred Outflows of Resources	2,092,036	151,482	2,243,518
Total Assets and Deferred Outflows of Resources	19,218,273	56,948,876	76,167,149

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

	Governmental Activities	Business-Type Activities	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 811,576	102,774	914,350
Accrued Payroll	122,726	42,550	165,276
Deposits Payable	-	69,523	69,523
Accrued Interest Payable	319	76,436	76,755
Compensated Absences Payable	22,791	6,433	29,224
Current Portion of Long-Term Liabilities	53,100	1,906,740	1,959,840
Total Current Liabilities	1,010,512	2,204,456	3,214,968
Noncurrent Liabilities			
Compensated Absences Payable	91,164	25,733	116,897
Net Pension Liability - IMRF	470,035	623,070	1,093,105
Net Pension Liability - Police Pension	4,165,538	-	4,165,538
Total Pension Liability - RBP	113,994	61,770	175,764
Debt Certificates Payable	-	335,000	335,000
IEPA Loan Payable	-	22,677,120	22,677,120
Installment Contract Payable	-	24,074	24,074
Total Noncurrent Liabilities	4,840,731	23,746,767	28,587,498
Total Liabilities	5,851,243	25,951,223	31,802,466
DEFERRED INFLOWS OF RESOURCES			
Deferred Items - IMRF	289,107	383,235	672,342
Property Taxes	1,233,200	169,401	1,402,601
Total Deferred Inflows of Resources	1,522,307	552,636	2,074,943
Total Liabilities and Deferred Inflows of Resources	7,373,550	26,503,859	33,877,409
NET POSITION			
Net Investment in Capital Assets	8,555,008	26,142,402	34,697,410
Restricted			
Insurance	71,925	-	71,925
Road Projects	635,230	-	635,230
Payroll Taxes and Retirement	62,802	-	62,802
Police Currency Seizure	5,397	-	5,397
DUI Programs	13,064	-	13,064
Controlled Substance Act	5,128	-	5,128
Prison Review Agency	15,082	-	15,082
Shop with a Cop	18,749	-	18,749
Unrestricted	2,462,338	4,302,615	6,764,953
Total Net Position	11,844,723	30,445,017	42,289,740

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, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Governmental Activities				
General Government	\$ 718,298	603,432	-	-
Public Works	2,046,742	-	537,140	-
Building and Grounds	36,841	-	-	-
Engineering	138,534	-	-	-
Public Safety	2,913,605	59,593	-	-
Interest on Long-Term Debt	2,136	-	-	-
Total Governmental Activities	5,856,156	663,025	537,140	-
Business-Type Activities				
Water and Sewer	4,378,023	4,156,140	-	-
Recycling and Refuse	1,306,708	1,397,831	-	-
Sanitary Sewer	658,217	-	-	-
Total Business-Type Activities	6,342,948	5,553,971	-	-
Total Primary Government	12,199,104	6,216,996	537,140	-

General Revenues

Taxes

Property Taxes

Intergovernmental - Unrestricted

Sales Taxes

Income Taxes

Other Taxes

Investment Income (Loss)

Miscellaneous

Interfund Activity - Transfers

Change in Net Position

Net Position - Beginning As Restated

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
(114,866)	-	(114,866)
(1,509,602)	-	(1,509,602)
(36,841)	-	(36,841)
(138,534)	-	(138,534)
(2,854,012)	-	(2,854,012)
(2,136)	-	(2,136)
(4,655,991)	-	(4,655,991)
-	(221,883)	(221,883)
-	91,123	91,123
-	(658,217)	(658,217)
-	(788,977)	(788,977)
(4,655,991)	(788,977)	(5,444,968)
1,234,287	84,075	1,318,362
1,427,560	-	1,427,560
1,569,821	-	1,569,821
269,933	1,911	271,844
135,457	(275,892)	(140,435)
245,533	116,043	361,576
66,000	(66,000)	-
4,948,591	(139,863)	4,808,728
292,600	(928,840)	(636,240)
11,552,123	31,373,857	42,925,980
11,844,723	30,445,017	42,289,740

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

VILLAGE OF LINDENHURST, ILLINOIS

Balance Sheet - Governmental Funds

April 30, 2020

	<u>General</u>
ASSETS	
Cash and Cash Equivalents	\$ 3,663,286
Receivables - Net of Allowances	
Property Taxes	1,085,473
Accounts	39,690
Other	49,516
Due from Other Governments	215,011
Prepays	<u>39,956</u>
Total Assets	<u><u>5,092,932</u></u>
LIABILITIES	
Accounts Payable	741,937
Accrued Payroll	122,726
Due to Other Funds	<u>64,577</u>
Total Liabilities	929,240
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	<u>1,055,144</u>
Total Liabilities and Deferred Inflows of Resources	<u><u>1,984,384</u></u>
FUND BALANCES	
Nonspendable	39,956
Restricted	71,925
Assigned	-
Unassigned	<u>2,996,667</u>
Total Fund Balances	<u><u>3,108,548</u></u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u>5,092,932</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
592,338	62,802	2,437,783	57,420	6,813,629
-	178,056	-	-	1,263,529
-	-	50,174	-	89,864
-	-	3,732	-	53,248
42,892	-	-	-	257,903
-	-	-	-	39,956
635,230	240,858	2,491,689	57,420	8,518,129
-	-	5,062	-	746,999
-	-	-	-	122,726
-	-	-	-	64,577
-	-	5,062	-	934,302
-	178,056	-	-	1,233,200
-	178,056	5,062	-	2,167,502
-	-	-	-	39,956
635,230	62,802	-	57,420	827,377
-	-	2,486,627	-	2,486,627
-	-	-	-	2,996,667
635,230	62,802	2,486,627	57,420	6,350,627
635,230	240,858	2,491,689	57,420	8,518,129

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, 2020

Total Governmental Fund Balances	\$ 6,350,627
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.	8,608,108
Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Deferred Items - IMRF	(177,470)
Deferred Items - Police Pension	1,973,930
Deferred Items - RBP	6,469
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	(113,955)
Net Pension Liability - IMRF	(470,035)
Net Pension Liability - Police Pension	(4,165,538)
Net Pension Liability - RBP	(113,994)
General Obligation Bonds Payable	(53,100)
Accrued Interest Payable	(319)
Net Position of Governmental Activities	<u>11,844,723</u>

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

VILLAGE OF LINDENHURST, ILLINOIS

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

See Following Page

VILLAGE OF LINDENHURST, ILLINOIS

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

	<u>General</u>
Revenues	
Taxes	\$ 1,094,824
Intergovernmental	2,604,691
Licenses and Permits	95,664
Fines and Forfeitures	52,510
Charges for Services	232,438
Interest	127,673
Miscellaneous	65,553
Total Revenues	<u>4,273,353</u>
Expenditures	
Current	
General Government	493,947
Public Works	787,408
Building and Grounds	36,841
Engineering	138,534
Public Safety	2,491,320
Capital Outlay	12,389
Debt Service	
Principal Retirement	-
Interest and Fiscal Charges	-
Total Expenditures	<u>3,960,439</u>
Excess (Deficiency) of Revenues	
Over (Under) Expenditures	<u>312,914</u>
Other Financing Sources (Uses)	
Disposal of Capital Assets	-
Transfers In	-
Transfers Out	(303,085)
	<u>(303,085)</u>
Net Change in Fund Balances	9,829
Fund Balances - Beginning	<u>3,098,719</u>
Fund Balances - Ending	<u><u>3,108,548</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
-	139,463	-	-	1,234,287
537,140	6,683	655,940	-	3,804,454
-	-	275,330	-	370,994
-	-	-	7,083	59,593
-	-	-	-	232,438
7,384	-	-	400	135,457
-	-	164,610	10,520	240,683
544,524	146,146	1,095,880	18,003	6,077,906
-	144,054	-	-	638,001
136,539	-	-	-	923,947
-	-	-	-	36,841
-	-	-	-	138,534
-	-	-	12,612	2,503,932
-	-	1,031,294	-	1,043,683
-	-	56,050	-	56,050
-	-	2,423	-	2,423
136,539	144,054	1,089,767	12,612	5,343,411
407,985	2,092	6,113	5,391	734,495
-	-	4,850	-	4,850
-	-	369,085	-	369,085
-	-	-	-	(303,085)
-	-	373,935	-	70,850
407,985	2,092	380,048	5,391	805,345
227,245	60,710	2,106,579	52,029	5,545,282
635,230	62,802	2,486,627	57,420	6,350,627

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, 2020

Net Change in Fund Balances - Total Governmental Funds	\$ 805,345
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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	567,609
Depreciation Expense	(801,236)
Disposals - Cost	(161,474)
Disposals - Accumulated Depreciation	139,717

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

Change in Deferred Items - IMRF	(450,758)
Change in Deferred Items - Police Pension	1,713,029
Change in Deferred Items - RBP	5,540

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

Change in Compensated Absences Payable	(7,425)
Change in Net Pension Liability - IMRF	507,014
Change in Net Pension Liability - Police Pension	(2,058,603)
Change in Total OPEB Liability - RBP	(22,495)
Retirement of Debt	56,050

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

292,600

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, 2020

See Following Page

VILLAGE OF LINDENHURST, ILLINOIS

Statement of Net Position - Proprietary Funds
April 30, 2020

	Business-Type Activities - Enterprise Funds			
	Water and Sewer	Recycling and Refuse	Sanitary Sewer	Totals
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 894,451	392,210	3,177,377	4,464,038
Receivables - Net of Allowances				
Accounts	786,246	246,055	-	1,032,301
Property Taxes	-	-	170,200	170,200
Interest	5,814	-	7,013	12,827
Prepays	32,692	-	-	32,692
Total Current Assets	1,719,203	638,265	3,354,590	5,712,058
Noncurrent Assets				
Capital Assets				
Nondepreciable	-	-	10,000	10,000
Depreciable	60,999,692	-	23,674,107	84,673,799
Accumulated Depreciation	(24,273,853)	-	(9,324,610)	(33,598,463)
Total Noncurrent Assets	36,725,839	-	14,359,497	51,085,336
Total Assets	38,445,042	638,265	17,714,087	56,797,394
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Items - IMRF	135,002	12,981	-	147,983
Deferred Items - RBP	3,499	-	-	3,499
Total Deferred Outflows of Resources	138,501	12,981	-	151,482
Total Assets and Deferred Outflows of Resources	38,583,543	651,246	17,714,087	56,948,876

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

	Business-Type Activities - Enterprise Funds			
	Water and Sewer	Recycling and Refuse	Sanitary Sewer	Totals
LIABILITIES				
Current Liabilities				
Accounts Payable	101,099	1,675	-	102,774
Accrued Payroll	39,128	3,422	-	42,550
Deposits Payable	69,523	-	-	69,523
Accrued Interest Payable	32,212	-	44,224	76,436
Compensated Absences Payable	6,433	-	-	6,433
Current Portion of Long-Term Liabilities	1,301,298	-	605,442	1,906,740
Total Current Liabilities	1,549,693	5,097	649,666	2,204,456
Noncurrent Liabilities				
Compensated Absences Payable	25,733	-	-	25,733
Net Pension Liability - IMRF	568,415	54,655	-	623,070
Total Pension Liability - RBP	61,770	-	-	61,770
Debt Certificates Payable	335,000	-	-	335,000
IEPA Loan Payable	14,793,347	-	7,883,773	22,677,120
Installment Contract Payable	24,074	-	-	24,074
Total Noncurrent Liabilities	15,808,339	54,655	7,883,773	23,746,767
Total Liabilities	17,358,032	59,752	8,533,439	25,951,223
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	-	-	169,401	169,401
Deferred Items - IMRF	349,618	33,617	-	383,235
Total Deferred Inflows of Resources	349,618	33,617	169,401	552,636
Total Liabilities and Deferred Inflows of Resources	17,707,650	93,369	8,702,840	26,503,859
NET POSITION				
Net Investment in Capital Assets	20,272,120	-	5,870,282	26,142,402
Unrestricted	603,773	557,877	3,140,965	4,302,615
Total Net Position	20,875,893	557,877	9,011,247	30,445,017

VILLAGE OF LINDENHURST, ILLINOIS

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds For the Fiscal Year Ended April 30, 2020

	Business-Type Activities - Enterprise Funds			
	Water and Sewer	Recycling and Refuse	Sanitary Sewer	Totals
Operating Revenues				
Charges for Services	\$ 4,156,140	1,397,831	-	5,553,971
Operating Expenses				
Operations	2,910,629	1,306,708	9,185	4,226,522
Depreciation	1,142,889	-	557,226	1,700,115
Total Operating Expenses	4,053,518	1,306,708	566,411	5,926,637
Operating Income (Loss)	102,622	91,123	(566,411)	(372,666)
Nonoperating Revenues (Expenses)				
Interest Income	161,649	-	82,301	243,950
Unrealized Gains (Losses)	-	-	(519,842)	(519,842)
Other Income	114,682	-	1,361	116,043
Property Taxes	-	-	84,075	84,075
Replacement Taxes	-	-	1,911	1,911
Interest Expense	(324,505)	-	(91,806)	(416,311)
	(48,174)	-	(442,000)	(490,174)
Income (Loss) before Transfers	54,448	91,123	(1,008,411)	(862,840)
Transfers Out	(66,000)	-	-	(66,000)
Change in Net Position	(11,552)	91,123	(1,008,411)	(928,840)
Net Position - Beginning as Restated	20,887,445	466,754	10,019,658	31,373,857
Net Position - Ending	20,875,893	557,877	9,011,247	30,445,017

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, 2020

	Business-Type Activities - Enterprise Funds			
	Water and Sewer	Recycling and Refuse	Sanitary Sewer	Totals
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 4,174,165	1,384,775	(506,222)	5,052,718
Payments to Employees	(777,715)	(65,324)	-	(843,039)
Payments to Suppliers	(2,301,641)	(1,200,444)	108,880	(3,393,205)
	1,094,809	119,007	(397,342)	816,474
Cash Flows from Noncapital and Related Activities				
Transfers Out	(66,000)	-	-	(66,000)
Cash Flows from Capital and Related Financing Activities				
Purchase of Capital Assets	(262,696)	-	-	(262,696)
Principal Paid on Debt	(1,283,138)	-	(535,067)	(1,818,205)
Interest Paid on Debt	(324,505)	-	(91,806)	(416,311)
	(1,870,339)	-	(626,873)	(2,497,212)
Cash Flows from Investing Activities				
Interest Received	161,649	-	82,301	243,950
Net Change in Cash and Cash Equivalents	(679,881)	119,007	(941,914)	(1,502,788)
Cash and Cash Equivalents - Beginning	1,574,332	273,203	4,119,291	5,966,826
Cash and Cash Equivalents - Ending	894,451	392,210	3,177,377	4,464,038
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	102,622	91,123	(566,411)	(372,666)
Adjustments to Reconcile Operating Income to Net Income to Net Cash Provided by (Used in) Operating Activities:				
Depreciation	1,142,889	-	557,226	1,700,115
Other Income (Loss)	114,682	-	(432,495)	(317,813)
Other Expense - IMRF and RBP	(107,966)	42,552	-	(65,414)
(Increase) Decrease in Current Assets	(96,657)	(13,056)	(73,727)	(183,440)
Increase (Decrease) in Current Liabilities	(60,761)	(1,612)	118,065	55,692
Net Cash Provided by Operating Activities	1,094,809	119,007	(397,342)	816,474

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

VILLAGE OF LINDENHURST, ILLINOIS

Statement of Fiduciary Net Position
April 30, 2020

	Pension Trust Police Pension
ASSETS	
Cash and Cash Equivalents	\$ 264,686
Investments	
U.S. Treasury Obligations	758,424
U.S. Agency Obligations	1,443,849
State and Local Obligations	47,885
Corporate Bonds	1,341,829
Illinois Funds	354,742
Annuities	1,014,045
Mutual Funds	3,260,638
Common Stock	668,368
Accounts Receivable	
Accrued Interest	21,545
Due from Other Funds	<u>64,577</u>
NET POSITION	
Net Position Restricted for Pensions	<u><u>9,240,588</u></u>

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, 2020

	Pension Trust Police Pension
Additions	
Contributions - Employer	\$ 366,019
Contributions - Plan Members	121,977
Total Contributions	<u>487,996</u>
Investment Income	
Interest Earned	377,235
Net Change in Fair Value	<u>(207,962)</u>
	169,273
Less Investment Expenses	<u>(33,088)</u>
Net Investment Income	<u>136,185</u>
Total Additions	<u>624,181</u>
Deductions	
Administration	10,275
Benefits	<u>262,276</u>
Total Deductions	<u>272,551</u>
Change in Fiduciary Net Position	351,630
Net Position Restricted for Pensions	
Beginning	<u>8,888,958</u>
Ending	<u><u>9,240,588</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, 2020

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, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION

Government-Wide Statements

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Village's police 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 recycling and refuse services are classified as business-type activities.

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

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions and business-type activities (general government, public 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, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. 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, 2020

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 seven 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. The Sanitary Sewer Fund, also a major fund, is used to account for the debt and other expenses related to improvements made to the waste water treatment plant and its associated appurtenances. All activities necessary to provide such services are accounted including administration, operations, maintenance, and collections.

VILLAGE OF LINDENHURST, ILLINOIS

Notes to the Financial Statements April 30, 2020

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 custodial 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.

The Village's fiduciary fund is presented in the fiduciary fund financial statement. Since by definition these assets are being held for the benefit of a third party (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, 2020

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.

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, 2020

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, 2020

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.

Prepays

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

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 acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

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

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

VILLAGE OF LINDENHURST, ILLINOIS

Notes to the Financial Statements April 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Capital Assets – Continued

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

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 Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

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

VILLAGE OF LINDENHURST, ILLINOIS

Notes to the Financial Statements April 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Deferred Outflows/Inflows of Resources

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

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, Controlled Substance, and Shop with a Cop 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 22, 2019.

VILLAGE OF LINDENHURST, ILLINOIS

Notes to the Financial Statements April 30, 2020

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued

EXCESS OF ACTUAL EXPENDITURES/EXPENSES OVER BUDGET IN INDIVIDUAL FUNDS

The following fund had an excess of actual expenditures/expenses, exclusive of depreciation, over budget as of the date of this report:

Fund	Excess
General	\$ 226,523
Motor Fuel Tax	639
Recycling and Refuse	30,942

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 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. The Illinois Funds is not registered with the SEC as an investment company. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

VILLAGE OF LINDENHURST, ILLINOIS

Notes to the Financial Statements April 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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.

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 \$1,891,525 and the bank balances totaled \$1,531,878.

VILLAGE OF LINDENHURST, ILLINOIS

Notes to the Financial Statements April 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

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	\$ 5,257,431	-	3,203,017	1,033,454	1,020,960
Illinois Funds	4,128,711	673,175	-	-	-
	9,386,142	673,175	3,203,017	1,033,454	1,020,960

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

Investments by Fair Value Level	Totals	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. Agency Obligations	\$ 5,257,431	-	5,257,431	-
Investments Measured at the Net Asset Value (NAV)				
Illinois Funds	4,128,711			
Total Investments Measured at Fair Value	9,386,142			

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

Interest Rate Risk. 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, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

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. The Villages investment in the Illinois Fund is not subject to custodial credit risk.

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 AA+ to AAA by Standard and Poor'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 the total cash and investments portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

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

Deposits. At year-end, the carrying amount of the Fund's deposits totaled \$264,686 and the bank balances totaled \$244,669.

VILLAGE OF LINDENHURST, ILLINOIS

Notes to the Financial Statements April 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

Investments. 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	\$ 758,424	7,094	472,376	278,954	-
U.S. Agency Obligations	1,443,849	34,066	893,993	193,052	322,738
State and Local Obligations	47,885	-	36,936	-	10,949
Corporate Bonds	1,341,829	173,631	574,066	541,340	52,792
Illinois Funds	354,742	354,742	-	-	-
	<u>3,946,729</u>	<u>569,533</u>	<u>1,977,371</u>	<u>1,013,346</u>	<u>386,479</u>

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

	Totals	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. Treasury Obligations	\$ 758,424	758,424	-	-
U.S. Agency Obligations	1,443,849	-	1,443,849	-
State and Local Obligations	47,885	-	47,885	-
Corporate Bonds	1,341,829	-	1,341,829	-
	<u>3,591,987</u>	<u>758,424</u>	<u>2,833,563</u>	<u>-</u>
Equity Securities				
Annuities	1,014,045	1,014,045	-	-
Mutual Funds	3,260,638	3,260,638	-	-
Common Stock	668,368	668,368	-	-
	<u>4,943,051</u>	<u>4,943,051</u>	<u>-</u>	<u>-</u>
Total Investments by Fair Value Level	<u>8,535,038</u>	<u>5,701,475</u>	<u>2,833,563</u>	<u>-</u>
Investments Measured at the Net Asset Value (NAV)				
Illinois Funds	<u>354,742</u>			
Total Investments Measured at Fair Value	<u>8,889,780</u>			

VILLAGE OF LINDENHURST, ILLINOIS

Notes to the Financial Statements April 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

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

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.

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 or rated AA+ by Standard & Poor's, the state and local obligations were all rated Aa2 to A by Moody's, and the corporate bonds were rated Baa3 to A1 by Moody's. The Illinois Funds were rated AAAM by Standard & 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 \$3,260,638 invested in mutual funds, \$668,368 invested in common stock, and \$1,014,045 invested in annuities. At year-end, the Fund does not have any investments over 5 percent of the net plan position available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

VILLAGE OF LINDENHURST, ILLINOIS

Notes to the Financial Statements April 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

The 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%	1.25%
Equities	45.00%	5.15% - 6.95%
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 September 2020 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of April 30, 2020 are listed in the table above.

Rate of Return

For the year ended April 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (0.61%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

VILLAGE OF LINDENHURST, ILLINOIS

Notes to the Financial Statements April 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

PROPERTY TAXES

Property taxes for 2019 attach as an enforceable lien on January 1, 2019, 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 RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund Transfers

Interfund transfers for the year consisted of the following:

Transfers In	Transfers Out	Amount
Community Capital	General	\$ 132,000 (2)
Community Capital	General	171,085 (1)
Community Capital	Water and Sewer	<u>66,000 (1)</u>
		<u><u>369,085</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 and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Interfund Balances

Interfund balances are advances in anticipation of receipts to cover temporary cash shortages. The composition of interfund balances as of the date of this report, is as follows:

Receivable Fund	Payable Fund	Amount
Police Pension	General	<u><u>\$ 64,577</u></u>

VILLAGE OF LINDENHURST, ILLINOIS

Notes to the Financial Statements April 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 995,032	-	-	995,032
Construction in Progress	329,825	262,371	-	592,196
	<u>1,324,857</u>	<u>262,371</u>	<u>-</u>	<u>1,587,228</u>
Depreciable Capital Assets				
Building and Improvements	4,156,545	-	-	4,156,545
Vehicles and Equipment	2,414,208	249,066	161,474	2,501,800
Other Infrastructure	20,572,709	56,172	-	20,628,881
	<u>27,143,462</u>	<u>305,238</u>	<u>161,474</u>	<u>27,287,226</u>
Less Accumulated Depreciation				
Building and Improvements	1,974,461	80,891	-	2,055,352
Vehicles and Equipment	1,691,942	185,935	139,717	1,738,160
Other Infrastructure	15,938,424	534,410	-	16,472,834
	<u>19,604,827</u>	<u>801,236</u>	<u>139,717</u>	<u>20,266,346</u>
Total Net Depreciable Capital Assets	<u>7,538,635</u>	<u>(495,998)</u>	<u>21,757</u>	<u>7,020,880</u>
Total Net Capital Assets	<u>8,863,492</u>	<u>(233,627)</u>	<u>21,757</u>	<u>8,608,108</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 112,173
Public Works	624,964
Public Safety	<u>64,099</u>
	<u>801,236</u>

VILLAGE OF LINDENHURST, ILLINOIS

Notes to the Financial Statements April 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS – Continued

Business-Type Activities

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

	Restated Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 10,000	-	-	10,000
Depreciable Capital Assets				
Building and Improvements	28,727,858	-	-	28,727,858
Vehicles and Equipment	1,214,170	35,098	-	1,249,268
Water and Sewerage Infrastructure	54,469,075	227,598	-	54,696,673
	84,411,103	262,696	-	84,673,799
Less Accumulated Depreciation				
Building and Improvements	11,362,329	655,123	-	12,017,452
Vehicles and Equipment	1,198,677	4,055	-	1,202,732
Water and Sewerage Infrastructure	19,337,342	1,040,937	-	20,378,279
	31,898,348	1,700,115	-	33,598,463
Total Net Depreciable Capital Assets	52,512,755	(1,437,419)	-	51,075,336
Total Net Capital Assets	52,522,755	(1,437,419)	-	51,085,336

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

Water and Sewer	\$ 1,142,889
Sanitary Sewer	557,226
	<u>1,700,115</u>

VILLAGE OF LINDENHURST, ILLINOIS

Notes to the Financial Statements April 30, 2020

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.	Community Capital	\$ 109,150	-	56,050	53,100
	Water and Sewer	75,850	-	38,950	36,900
		185,000	-	95,000	90,000

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	\$ 640,000	-	150,000	490,000

VILLAGE OF LINDENHURST, ILLINOIS

Notes to the Financial Statements April 30, 2020

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. IEPA loans currently outstanding are as follows:

Issue	Fund Debt Retired by	Restated Beginning Balances	Issuances	Retirements	Ending Balances
Illinois Environmental Protection Agency (IEPA) Loan Payable of 2001 due in annual installments of \$140,551, including interest at 2.625% through February 1, 2020.	Sanitary Sewer	\$ 235,163	-	235,163	-
Illinois Environmental Protection Agency (IEPA) Loan Payable of 2010 due in annual installments \$44,364 through December 23, 2030.	Water and Sewer	532,370	-	44,364	488,006
Illinois Environmental Protection Agency (IEPA) Loan Payable of 2013 due in annual installments of \$709,693, including interest at 1.25% through November 30, 2032.	Sanitary Sewer	8,789,119	-	299,904	8,489,215
Illinois Environmental Protection Agency (IEPA) Loan Payable of 2015 due in annual installments of \$404,995, including interest at 2.21% through March 21, 2036.	Water and Sewer	5,713,452	-	280,268	5,433,184
Illinois Environmental Protection Agency (IEPA) Loan Payable of 2016 due in annual installments of \$667,666, including interest at 1.86% through March 11, 2037.	Water and Sewer	10,173,333	-	480,667	9,692,666
		25,443,437	-	1,340,366	24,103,071

VILLAGE OF LINDENHURST, ILLINOIS

Notes to the Financial Statements April 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

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	\$ 601,852	-	288,889	312,963

Long-Term Liability Activity

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

Type of Debt	Restated Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 106,530	14,850	7,425	113,955	22,791
Net Pension Liability - IMRF	977,049	-	507,014	470,035	-
Net Pension Liability - Police	2,106,935	2,058,603	-	4,165,538	-
Total OPEB Liability - RBP	91,499	22,495	-	113,994	-
General Obligation Alternate Bonds	109,150	-	56,050	53,100	53,100
	<u>3,391,163</u>	<u>2,095,948</u>	<u>570,489</u>	<u>4,916,622</u>	<u>75,891</u>
Business-Type Activities					
Compensated Absences	24,003	16,326	8,163	32,166	6,433
Net Pension Liability - IMRF	1,295,170	-	672,100	623,070	-
Total OPEB Liability - RBP	49,603	12,167	-	61,770	-
General Obligation Alternate Bonds	75,850	-	38,950	36,900	36,900
Debt Certificates	640,000	-	150,000	490,000	155,000
IEPA Loan Payable	25,443,437	-	1,340,366	24,103,071	1,425,951
Installment Contract Payable	601,852	-	288,889	312,963	288,889
	<u>28,129,915</u>	<u>28,493</u>	<u>2,498,468</u>	<u>25,659,940</u>	<u>1,913,173</u>

VILLAGE OF LINDENHURST, ILLINOIS

Notes to the Financial Statements April 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Long-Term Liability Activity – Continued

For governmental activities, the compensated absences, the net pension liabilities, and the total OPEB liability are liquidated by the General Fund. The Community Capital Fund makes payments on the general obligation alternate bonds.

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

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 - 2019	<u>\$ 349,491,896</u>
Legal Debt Limit - 8.625% of Assessed Value	30,143,676
Amount of Debt Applicable to Limit	<u>490,000</u>
Legal Debt Margin	<u>29,653,676</u>

VILLAGE OF LINDENHURST, ILLINOIS

Notes to the Financial Statements April 30, 2020

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		General Obligation		IEPA		Installment			
	Alternate Bonds		Alternate Bonds		Debt Certificates		Loans Payable		Contract Payable	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 53,100	1,274	36,900	886	155,000	20,880	1,425,951	400,767	288,889	4,824
2022	-	-	-	-	165,000	14,340	1,449,059	377,659	24,074	53
2023	-	-	-	-	170,000	7,310	1,472,574	354,144	-	-
2024	-	-	-	-	-	-	1,496,506	330,212	-	-
2025	-	-	-	-	-	-	1,520,859	305,859	-	-
2026	-	-	-	-	-	-	1,545,643	281,075	-	-
2027	-	-	-	-	-	-	1,570,867	255,851	-	-
2028	-	-	-	-	-	-	1,596,538	230,180	-	-
2029	-	-	-	-	-	-	1,622,662	204,056	-	-
2030	-	-	-	-	-	-	1,649,250	177,468	-	-
2031	-	-	-	-	-	-	1,676,303	150,417	-	-
2032	-	-	-	-	-	-	1,659,487	122,867	-	-
2033	-	-	-	-	-	-	1,685,749	96,605	-	-
2034	-	-	-	-	-	-	1,004,138	68,523	-	-
2035	-	-	-	-	-	-	1,024,250	48,411	-	-
2036	-	-	-	-	-	-	1,044,768	27,892	-	-
2037	-	-	-	-	-	-	658,467	9,199	-	-
Totals	53,100	1,274	36,900	886	490,000	42,530	24,103,071	3,441,185	312,963	4,877

VILLAGE OF LINDENHURST, ILLINOIS

Notes to the Financial Statements April 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION/FUND BALANCE CLASSIFICATIONS

Net Investment in Capital Assets

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

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 8,608,108
Less Capital Related Debt:	
General Obligation Refunding (Alternate Revenue Source) Bonds of 2013	<u>(53,100)</u>
Net Investment in Capital Assets	<u>8,555,008</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	51,085,336
Less Capital Related Debt:	
General Obligation Refunding (Alternate Revenue Source) Bonds of 2013	(36,900)
Debt Certificates of 2008	(490,000)
Illinois Environmental Protection Agency Loan Payable of 2010	(488,006)
Illinois Environmental Protection Agency Loan Payable of 2013	(8,489,215)
Illinois Environmental Protection Agency Loan Payable of 2015	(5,433,184)
Illinois Environmental Protection Agency Loan Payable of 2016	(9,692,666)
Installment Contract of 2015	<u>(312,963)</u>
Net Investment in Capital Assets	<u>26,142,402</u>

VILLAGE OF LINDENHURST, ILLINOIS

Notes to the Financial Statements April 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION/FUND BALANCE CLASSIFICATIONS – Continued

Fund Balance Classifications

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

	General	Special Revenue Motor Fuel Tax	Retirement	Capital Projects Community Capital	Nonmajor	Totals
Fund Balances						
Nonspendable						
Prepays	\$ 39,956	-	-	-	-	39,956
Restricted						
Insurance	71,925	-	-	-	-	71,925
Road Projects	-	635,230	-	-	-	635,230
Payroll Taxes and Retirement	-	-	62,802	-	-	62,802
Police Currency Seizure	-	-	-	-	5,397	5,397
DUI Programs	-	-	-	-	13,064	13,064
Controlled Substance Act	-	-	-	-	5,128	5,128
Prison Review Agency	-	-	-	-	15,082	15,082
Shop with a Cop	-	-	-	-	18,749	18,749
	71,925	635,230	62,802	-	57,420	827,377
Assigned						
Community Capital	-	-	-	2,486,627	-	2,486,627
Unassigned	2,996,667	-	-	-	-	2,996,667
Total Fund Balances	3,108,548	635,230	62,802	2,486,627	57,420	6,350,627

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

VILLAGE OF LINDENHURST, ILLINOIS

Notes to the Financial Statements April 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION/FUND BALANCE CLASSIFICATIONS – Continued

Fund Balance Classifications – Continued

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

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

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

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

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

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

Net Position Restatements

Beginning net position was restated due to the consolidation of Lindenhurst. The following is a summary of the net position as originally reported and as restated:

Net Position	As Reported	As Restated	Increase
Business-Type Activities	\$ 21,354,199	31,373,857	10,019,658
Sanitary District	-	10,019,658	10,019,658

VILLAGE OF LINDENHURST, ILLINOIS

Notes to the Financial Statements April 30, 2020

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.

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.

Financial Impact from COVID-19

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

VILLAGE OF LINDENHURST, ILLINOIS

Notes to the Financial Statements April 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

COMMITMENTS

Sales Tax Rebate

The Village entered into an Economic Incentive Agreement with an automobile dealership based upon sales tax revenue generated and paid by this dealership during the calendar year. Upon signing the agreement, the Village paid \$125,000 to the dealership. The Village is holding the first \$287,205 of sales tax revenue paid by the dealership. Once the dealership has been open for five years, the amount will be paid in full to the dealership. After the initial \$287,205 is collected, the Village agrees to 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. As of April 30, 2020, the Village has reimbursed \$124,825 in sales taxes. All payments have been recorded as an expenditure in the General Fund.

LINDENHURST SANITARY DISTRICT

Under an agreement between the Village of Lindenhurst (the Village) and the Lindenhurst Sanitary District, the entities agreed to combine the wastewater services with the Village for the purpose of enhancing the provision of those services to the Village's citizens. On May 1, 2019, the Sanitary District transferred the assets and liabilities comprising its wastewater operations to the Village. As a result, the Village recognized a restatement for the following assets, liabilities, and net position:

Assets	
Cash and Investments	\$ 4,119,291
Receivables - Net of Allowances	103,486
Capital Assets	14,916,723
Total Assets	<u>19,139,500</u>
Liabilities	
Accounts Payable	372
Accrued Interest	11,729
IEPA Loans Payable	9,024,282
Total Liabilities	<u>9,036,383</u>
Deferred Inflows	
Property Taxes	83,459
Total Liabilities and Deferred Inflows	<u>9,119,842</u>
Net Position/Restatement	<u>10,019,658</u>

VILLAGE OF LINDENHURST, ILLINOIS

Notes to the Financial Statements April 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

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.

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, 2019 and the statement of revenues and expense for the year then ended:

Current Assets	\$ 2,392,009	Current Liabilities	\$ 228,593
Noncurrent Assets		Deferred Inflows	<u>43,294</u>
Capital Assets	1,544,259	Total Liabilities/ Def. Inflows	<u>271,887</u>
Deferred Outflows	<u>282,720</u>	Net Investment in Capital Assets	981,527
Total Assets/ Def. Outflows	<u><u>4,218,988</u></u>	Restricted	308,130
		Unrestricted	<u>2,657,444</u>
		Net Position	<u><u>3,947,101</u></u>

VILLAGE OF LINDENHURST, ILLINOIS

Notes to the Financial Statements April 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

JOINT VENTURE – Continued

Solid Waste Agency of Lake County (SWALCO) – Continued

Operating Revenues	\$ 1,053,705
Operating Expenses	<u>1,261,706</u>
Operating Income	(208,001)
Nonoperating Revenue	<u>37,609</u>
Change in Net Position	(170,392)
Net Position - Beginning	<u>4,117,493</u>
Net Position - Ending	<u><u>3,947,101</u></u>

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. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

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

	Net Pension Liabilities	Deferred Outflows	Deferred Inflows	Pension Expenses
IMRF	\$ 1,093,105	259,620	672,342	51,048
Police Pension	<u>4,165,538</u>	<u>1,973,930</u>	<u>-</u>	<u>711,593</u>
	<u><u>5,258,643</u></u>	<u><u>2,233,550</u></u>	<u><u>672,342</u></u>	<u><u>762,641</u></u>

VILLAGE OF LINDENHURST, ILLINOIS

Notes to the Financial Statements April 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF)

Plan Descriptions

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

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

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

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

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

VILLAGE OF LINDENHURST, ILLINOIS

Notes to the Financial Statements April 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

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

Inactive Plan Members Currently Receiving Benefits	42
Inactive Plan Members Entitled to but not yet Receiving Benefits	16
Active Plan Members	<u>19</u>
Total	<u><u>77</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 fiscal year-ended April 30, 2020 was 13.08% of covered payroll.

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

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

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

VILLAGE OF LINDENHURST, ILLINOIS

Notes to the Financial Statements April 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

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

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

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

VILLAGE OF LINDENHURST, ILLINOIS

Notes to the Financial Statements April 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Discount Rate

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

Discount Rate Sensitivity

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

	1% Decrease	Current Discount Rate	1% Increase
	6.25%	7.25%	8.25%
Net Pension Liability/(Asset)	\$ 2,898,587	1,093,105	(375,303)

VILLAGE OF LINDENHURST, ILLINOIS

Notes to the Financial Statements April 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2018	\$ 12,832,462	10,560,243	2,272,219
Changes for the Year:			
Service Cost	135,908	-	135,908
Interest on the Total Pension Liability	909,311	-	909,311
Changes of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience of the Total Pension Liability	108,617	-	108,617
Changes of Assumptions	-	-	-
Contributions - Employer	-	168,742	(168,742)
Contributions - Employees	-	60,265	(60,265)
Net Investment Income	-	2,059,943	(2,059,943)
Benefit Payments, including Refunds of Employee Contributions	(716,395)	(716,395)	-
Other (Net Transfer)	-	44,000	(44,000)
Net Changes	437,441	1,616,555	(1,179,114)
Balances at December 31, 2019	13,269,903	12,176,798	1,093,105

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

For the year ended April 30, 2020, the Village recognized pension expense of \$51,048. At April 30, 2020, 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, 2020

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

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

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 70,319	(83,908)	(13,589)
Change in Assumptions	121,026	(25,399)	95,627
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(563,035)	(563,035)
Total Pension Expense to be Recognized in Future Periods	191,345	(672,342)	(480,997)
Pension Contributions Made Subsequent to the Measurement Date	68,275	-	68,275
Total Deferred Amounts Related to IMRF	259,620	(672,342)	(412,722)

\$68,275 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended April 30, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2021	\$ (117,720)
2022	(148,837)
2023	47,638
2024	(262,078)
2025	-
Thereafter	-
Total	(480,997)

VILLAGE OF LINDENHURST, ILLINOIS

Notes to the Financial Statements April 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan

Plan Descriptions

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

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

Inactive Plan Members Currently Receiving Benefits	4
Inactive Plan Members Entitled to but not yet Receiving Benefits	2
Active Plan Members	<u>14</u>
Total	<u><u>20</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, 2020

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Plan Descriptions – Continued

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

Contributions. Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended April 30, 2020, the Village's contribution was 27.81% of covered payroll.

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

VILLAGE OF LINDENHURST, ILLINOIS

Notes to the Financial Statements April 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Actuarial Assumptions

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

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

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 6.50%, and 7.00% the prior year valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

VILLAGE OF LINDENHURST, ILLINOIS

Notes to the Financial Statements April 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Discount Rate Sensitivity

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

	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Net Pension Liability	\$ 6,631,297	4,165,538	2,219,110

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2019	\$ 10,995,893	8,888,958	2,106,935
Changes for the Year:			
Service Cost	345,621	-	345,621
Interest on the Total Pension Liability	760,533	-	760,533
Changes of Benefit Terms	19,527	-	19,527
Difference Between Expected and Actual Experience of the Total Pension Liability	290,470	-	290,470
Changes of Assumptions	1,256,358	-	1,256,358
Contributions - Employer	-	366,019	(366,019)
Contributions - Employees	-	121,977	(121,977)
Net Investment Income	-	136,185	(136,185)
Benefit Payments, including Refunds of Employee Contributions	(262,276)	(262,276)	-
Administrative Expense	-	(10,275)	10,275
Net Changes	2,410,233	351,630	2,058,603
Balances at April 30, 2020	13,406,126	9,240,588	4,165,538

VILLAGE OF LINDENHURST, ILLINOIS

Notes to the Financial Statements April 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

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

For the year ended April 30, 2020, the Village recognized pension expense of \$711,593. At April 30, 2020, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 272,171	-	272,171
Change in Assumptions	1,121,844	-	1,121,844
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	579,915	-	579,915
Total Deferred Amounts Related to Police Pension	1,973,930	-	1,973,930

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

Fiscal Year	Net Deferred Outflows of Resources
2021	\$ 327,382
2022	327,382
2023	327,382
2024	265,697
2025	166,982
Thereafter	559,105
Total	1,973,930

VILLAGE OF LINDENHURST, ILLINOIS

Notes to the Financial Statements April 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plan

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

Benefits Provided. RBP provides healthcare benefits for retirees and their dependents. Retirees contribute 100% of the premium for the level and type of coverage.

Plan Membership. As of April 30, 2020, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	-
Inactive Plan Members Entitled to but not yet Receiving Benefits	-
Active Plan Members	<u>29</u>
Total	<u><u>29</u></u>

Total OPEB Liability

The Village's total OPEB liability was measured as of April 30, 2020, and was determined by an actuarial valuation as of April 30, 2019.

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

VILLAGE OF LINDENHURST, ILLINOIS

Notes to the Financial Statements April 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Total OPEB Liability – Continued

Actuarial Assumptions and Other Inputs – Continued.

Inflation	3.50%
Salary Increases	3.50%
Discount Rate	2.91%
Healthcare Cost Trend Rates	7.50% for 2020, decreasing 0.5% per year to an ultimate rate of 4.0% for 2027 and later
Retirees' Share of Benefit-Related Costs	100% of projected health insurance premiums for retirees

The discount rate was based on the expected rate of return associated with funded benefits, and for unfunded benefits, the 20-year muni bond rates.

Mortality rates were based on the RP2014 Blue Collar base rates projected to 2018 using scale MP2018 for Police. For all others the RP2014 base rates projected to 2018 using scale MP2018 was used.

Change in the Total OPEB Liability

	Total OPEB Liability
Balance at April 30, 2019	<u>\$ 141,102</u>
Changes for the Year:	
Service Cost	21,827
Interest on the Total Pension Liability	5,312
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	-
Changes of Assumptions or Other Inputs	9,424
Benefit Payments	<u>(1,901)</u>
Net Changes	<u>34,662</u>
Balance at April 30, 2020	<u><u>175,764</u></u>

VILLAGE OF LINDENHURST, ILLINOIS

Notes to the Financial Statements April 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

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

The following presents the total OPEB liability, calculated using a Single Discount Rate of 2.91%, as well as what the total OPEB liability would be if it were calculated using a Single Discount Rate that is one percentage point lower or one percentage point higher:

	1% Decrease (1.91%)	Current Discount Rate (2.91%)	1% Increase (3.91%)
Total OPEB Liability	\$ 186,234	175,764	164,993

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

The following presents the total OPEB liability, calculated using a Healthcare Trend Rate of 8.00%, as well as what the total OPEB liability would be if it were calculated using a Healthcare Trend Rate that is one percentage point lower or one percentage point higher:

	(6.50% Decreasing to 3.00%)	Healthcare Cost Trend Rates (7.50% Decreasing to 4.00%)	(8.50% Decreasing to 5.00%)
Total OPEB Liability	\$ 152,286	175,764	202,952

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

For the year ended April 30, 2020, the Village recognized OPEB expense of \$28,028. At April 30, 2020, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

VILLAGE OF LINDENHURST, ILLINOIS

Notes to the Financial Statements April 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

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

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ -	-	-
Change in Assumptions	9,968	-	9,968
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	-	-
Total Deferred Amounts Related to OPEB	9,968	-	9,968

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

Fiscal Year	Net Deferred Outflows of Resources
2021	\$ 889
2022	889
2023	889
2024	889
2025	889
Thereafter	5,523
Total	9,968

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
- Schedule of Changes in the Employer's Total OPEB Liability
 - Retiree Benefit Plan
- 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, 2020

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ 246,866	\$ 246,866	\$ -	\$ 1,640,312	15.05%
2017	237,458	693,390	455,932	1,557,099	44.53%
2018	236,678	236,678	-	1,551,381	15.26%
2019	202,329	202,329	-	1,338,659	15.11%
2020	181,885	181,885	-	1,390,666	13.08%

Notes to the Required Supplementary Information:

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

Note:

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

VILLAGE OF LINDENHURST, ILLINOIS

Police Pension Fund

Required Supplementary Information Schedule of Employer Contributions April 30, 2020

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 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%
2018	366,521	415,939	49,418	1,379,350	30.15%
2019	386,913	394,832	7,919	1,274,583	30.98%
2020	366,521	366,019	(502)	1,316,132	27.81%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	21 Years
Asset Valuation Method	Market Value
Inflation	2.25%
Salary Increases	2.25%
Investment Rate of Return	6.50%
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. Information for additional years 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, 2020

	12/31/15
Total Pension Liability	
Service Cost	\$ 166,445
Interest	802,043
Differences Between Expected and Actual Experience	468,760
Change of Assumptions	30,531
Benefit Payments, Including Refunds of Member Contributions	(530,897)
Net Change in Total Pension Liability	936,882
Total Pension Liability - Beginning	10,904,726
Total Pension Liability - Ending	11,841,608
Plan Fiduciary Net Position	
Contributions - Employer	\$ 246,866
Contributions - Members	113,351
Net Investment Income	46,682
Benefit Payments, Including Refunds of Member Contributions	(530,897)
Other (Net Transfer)	90,599
Net Change in Plan Fiduciary Net Position	(33,399)
Plan Net Position - Beginning	9,421,814
Plan Net Position - Ending	9,388,415
Employer's Net Pension Liability	\$ 2,453,193
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.28%
Covered Payroll	\$ 1,640,312
Employer's Net Pension Liability as a Percentage of Covered Payroll	149.56%

Note:

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

12/31/16	12/31/17	12/31/18	12/31/19
156,665	163,066	142,675	135,908
865,237	932,757	898,792	909,311
518,639	(516,180)	(145,089)	108,617
(65,438)	(345,541)	381,998	-
(643,174)	(636,618)	(716,935)	(716,395)
831,929	(402,516)	561,441	437,441
11,841,608	12,673,537	12,271,021	12,832,462
12,673,537	12,271,021	12,832,462	13,269,903
693,390	246,601	217,846	168,742
91,986	68,612	61,346	60,265
647,141	1,885,427	(697,689)	2,059,943
(643,174)	(636,618)	(716,935)	(716,395)
87,308	(396,545)	263,132	44,000
876,651	1,167,477	(872,300)	1,616,555
9,388,415	10,265,066	11,432,543	10,560,243
10,265,066	11,432,543	10,560,243	12,176,798
2,408,471	838,478	2,272,219	1,093,105
81.00%	93.17%	82.29%	91.76%
1,557,099	1,512,856	1,363,246	1,339,224
154.68%	55.42%	166.68%	81.62%

VILLAGE OF LINDENHURST, ILLINOIS

Police Pension Fund

Required Supplementary Information

Schedule of Changes in the Employer's Net Pension Liability

April 30, 2020

	2015
Total Pension Liability	
Service Cost	\$ 303,356
Interest	484,185
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	(249,959)
Change of Assumptions	406,698
Benefit Payments, Including Refunds of Member Contributions	(60,135)
Net Change in Total Pension Liability	884,145
Total Pension Liability - Beginning	6,705,978
Total Pension Liability - Ending	7,590,123
Plan Fiduciary Net Position	
Contributions - Employer	\$ 279,776
Contributions - Members	130,286
Net Investment Income	313,096
Benefit Payments, Including Refunds of Member Contributions	(60,135)
Administrative Expense	(6,344)
Net Change in Plan Fiduciary Net Position	656,679
Plan Net Position - Beginning	6,126,383
Plan Net Position - Ending	6,783,062
Employer's Net Pension Liability	\$ 807,061
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	89.37%
Covered Payroll	\$ 1,216,773
Employer's Net Pension Liability as a Percentage of Covered Payroll	66.33%

Note:

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

2016	2017	2018	2019	2020
310,910	381,243	344,621	334,378	345,621
545,535	547,038	633,819	704,347	760,533
-	-	-	-	19,527
(345,837)	230,870	237,657	15,537	290,470
-	339,716	-	-	1,256,358
(142,911)	(311,979)	(196,741)	(222,433)	(262,276)
367,697	1,186,888	1,019,356	831,829	2,410,233
7,590,123	7,957,820	9,144,708	10,164,064	10,995,893
7,957,820	9,144,708	10,164,064	10,995,893	13,406,126
293,600	297,436	415,939	394,832	366,019
123,535	126,569	125,016	122,259	121,977
(14,796)	544,524	338,529	241,514	136,185
(142,911)	(311,979)	(196,741)	(222,433)	(262,276)
(6,761)	(6,665)	(9,239)	(6,332)	(10,275)
252,667	649,885	673,504	529,840	351,630
6,783,062	7,035,729	7,685,614	8,359,118	8,888,958
7,035,729	7,685,614	8,359,118	8,888,958	9,240,588
922,091	1,459,094	1,804,946	2,106,935	4,165,538
88.41%	84.04%	82.24%	80.84%	68.93%
1,248,370	1,178,338	1,379,350	1,274,583	1,316,132
73.86%	123.83%	130.85%	165.30%	316.50%

VILLAGE OF LINDENHURST, ILLINOIS

Police Pension Fund

Required Supplementary Information

Schedule of Investment Returns

April 30, 2020

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2015	5.04%
2016	(0.47%)
2017	6.60%
2018	5.68%
2019	5.69%
2020	(0.61%)

Note:

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

VILLAGE OF LINDENHURST, ILLINOIS

Retiree Benefits Plan

Required Supplementary Information

Schedule of Changes in the Employer's Total OPEB Liability

April 30, 2020

	2019	2020
Total OPEB Liability		
Service Cost	\$ 20,478	21,827
Interest	4,546	5,312
Changes in Benefit Terms	-	-
Differences Between Expected and Actual Experience	-	-
Change of Assumptions or Other Inputs	1,559	9,424
Benefit Payments	-	(1,901)
Net Change in Total OPEB Liability	26,583	34,662
Total OPEB Liability - Beginning	114,519	141,102
Total OPEB Liability - Ending	141,102	175,764
Covered Payroll	\$ 2,263,493	2,342,716
Total OPEB Liability as a Percentage of Covered Payroll	6.23%	7.50%

Notes:

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

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

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, 2020

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 737,175	737,175	1,094,824
Intergovernmental	2,520,545	2,520,545	2,604,691
Licenses and Permits	165,000	165,000	95,664
Fines and Forfeitures	87,000	87,000	52,510
Charges for Services	230,000	230,000	232,438
Interest	75,000	75,000	127,673
Miscellaneous	70,000	70,000	65,553
Total Revenues	3,884,720	3,884,720	4,273,353
Expenditures			
Current			
General Government	501,040	501,040	493,947
Public Works	828,210	828,210	787,408
Building and Grounds	43,830	43,830	36,841
Engineering	169,425	169,425	138,534
Public Safety	2,178,211	2,178,211	2,491,320
Capital Outlay	13,200	13,200	12,389
Total Expenditures	3,733,916	3,733,916	3,960,439
Excess (Deficiency) of Revenues Over (Under) Expenditures	150,804	150,804	312,914
Other Financing (Uses)			
Transfers Out	(132,000)	(132,000)	(303,085)
Net Change in Fund Balance	18,804	18,804	9,829
Fund Balance - Beginning			3,098,719
Fund Balance - Ending			3,108,548

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, 2020

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
State Motor Fuel Tax	\$ 368,058	368,058	533,672
State Grants	14,000	14,000	3,468
Interest	7,000	7,000	7,384
Total Revenues	389,058	389,058	544,524
Expenditures			
Public Works			
Commodities			
Snow Emergency	1,000	1,000	-
Asphalt Products	28,000	28,000	30,856
Road Salt	106,900	106,900	105,683
Total Expenditures	135,900	135,900	136,539
Net Change in Fund Balance	253,158	253,158	407,985
Fund Balance - Beginning			227,245
Fund Balance - Ending			635,230

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, 2020

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 140,757	140,757	139,463
Intergovernmental			
State Replacement Tax	4,800	4,800	6,683
Total Revenues	145,557	145,557	146,146
Expenditures			
General Government			
FICA	73,458	73,458	65,844
IMRF	99,573	99,573	78,210
Total Expenditures	173,031	173,031	144,054
Net Change in Fund Balance	(27,474)	(27,474)	2,092
Fund Balance - Beginning			60,710
Fund Balance - Ending			62,802

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 Statement – Agency Funds

INDIVIDUAL FUND DESCRIPTIONS

GENERAL FUND

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

SPECIAL REVENUE FUNDS

The Special Revenue Funds are 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.

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.

Controlled Substance Fund

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

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.

INDIVIDUAL FUND DESCRIPTIONS

CAPITAL PROJECT FUND

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

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.

ENTERPRISE FUNDS

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

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.

Sanitary Sewer Fund

The Sanitary Sewer Fund is used to account for the debt and other expenses related to improvements made to the waste water treatment plant and its associated appurtenances. All activities necessary to provide such services are accounted including administration, operations, maintenance, and collections.

INDIVIDUAL FUND DESCRIPTIONS

PENSION TRUST FUND

Police Pension Fund

The Police Pension Fund is used to account for the resources necessary to provide retirement and disability pension benefits to full-time sworn police personnel. Although this is a single-employer pension plan, the defined benefits and employer and employee contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. Financing is provided by the Village contributions, employee payroll withholdings, and investment income.

VILLAGE OF LINDENHURST, ILLINOIS

General Fund

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

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 737,175	737,175	1,094,824
Intergovernmental			
State Sales Tax	900,000	900,000	980,192
State Income Tax	1,309,445	1,309,445	1,424,326
Municipal Tax	311,100	311,100	200,173
Total Intergovernmental	2,520,545	2,520,545	2,604,691
Licenses and Permits	165,000	165,000	95,664
Fines and Forfeitures	87,000	87,000	52,510
Charges for Services			
Franchise Fees	230,000	230,000	232,438
Interest	75,000	75,000	127,673
Miscellaneous	70,000	70,000	65,553
Total Revenues	3,884,720	3,884,720	4,273,353

VILLAGE OF LINDENHURST, ILLINOIS

General Fund

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

	Budget		Actual
	Original	Final	
General Government			
Personnel Salaries	\$ 192,208	192,208	182,483
Retirement and Benefits	28,904	28,904	32,810
Contract Services	60,238	60,238	60,569
Professional Fees	56,045	56,045	51,357
Insurance	95,800	95,800	101,022
Dues and Subscriptions	8,545	8,545	8,992
Training and Conferences	4,000	4,000	1,916
Supplies	9,750	9,750	5,974
Printing	2,900	2,900	2,860
Office Expenditures	3,470	3,470	2,672
Communication	11,180	11,180	16,686
Miscellaneous Expenditures	28,000	28,000	26,606
Total General Government	501,040	501,040	493,947
Public Works			
Personnel Salaries	370,412	370,412	381,575
Retirement and Benefits	99,243	99,243	67,170
Contract Services	158,000	158,000	157,406
Professional Fees	117,010	117,010	124,612
Fuel	11,880	11,880	10,837
Training and Conferences	4,840	4,840	1,517
Supplies	42,430	42,430	29,423
Rental	2,000	2,000	3,447
Maintenance and Repairs	5,000	5,000	3,812
Road Maintenance	7,400	7,400	5,247
Office Expenditures	7,500	7,500	364
Communication	1,495	1,495	1,168
Miscellaneous Expenditures	1,000	1,000	830
Total Public Works	828,210	828,210	787,408
Building and Grounds			
Professional Fees	12,100	12,100	7,672
Supplies	500	500	-
Maintenance and Repairs	29,345	29,345	26,517
Office Expenditures	885	885	1,265
Miscellaneous Expenditures	1,000	1,000	1,387
Total Building and Grounds	43,830	43,830	36,841

VILLAGE OF LINDENHURST, ILLINOIS

General Fund

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

	Budget		Actual
	Original	Final	
Engineering			
Personnel Salaries	\$ 58,804	58,804	30,951
Retirement and Benefits	13,621	13,621	11,720
Professional Fees	46,000	46,000	50,385
Office Expenditures	50,000	50,000	45,478
Miscellaneous	1,000	1,000	-
Total Engineering	169,425	169,425	138,534
Public Safety			
Personnel Salaries	1,584,807	1,584,807	1,525,047
Pension Contribution	-	-	366,019
Retirement and Benefits	236,559	236,559	257,918
Professional Fees	124,354	124,354	126,362
Fuel	27,000	27,000	27,787
Dues and Subscriptions	3,930	3,930	2,840
Training and Conferences	13,360	13,360	9,534
Supplies	28,800	28,800	23,395
Printing	3,000	3,000	2,002
Maintenance and Repairs	30,580	30,580	27,512
Communication	109,886	109,886	113,100
Miscellaneous Expenditures	15,935	15,935	9,804
Total Public Safety	2,178,211	2,178,211	2,491,320
Capital Outlay			
Public Works	7,100	7,100	7,230
Public Safety	6,100	6,100	5,159
Total Capital Outlay	13,200	13,200	12,389
Total Expenditures	3,733,916	3,733,916	3,960,439

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, 2020

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
State Sales Tax	\$ 499,074	499,074	447,368
State Income Tax	145,495	145,495	145,495
Video Gaming	57,200	57,200	63,077
Licenses and Permits	296,000	296,000	275,330
Interest	5,000	5,000	-
Miscellaneous			
Rentals	170,704	170,704	164,610
Total Revenues	1,173,473	1,173,473	1,095,880
Expenditures			
Capital Outlay			
Equipment	81,000	81,000	84,429
Vehicles	321,090	321,090	166,432
Projects	1,997,358	1,997,358	780,433
Debt Service			
Principal Retirement	56,050	56,050	56,050
Interest and Fiscal Charges	2,424	2,424	2,423
Total Expenditures	2,457,922	2,457,922	1,089,767
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,284,449)	(1,284,449)	6,113
Other Financing Sources			
Disposal of Capital Assets	-	-	4,850
Transfers In	198,000	198,000	369,085
	198,000	198,000	373,935
Net Change in Fund Balance	(1,086,449)	(1,086,449)	380,048
Fund Balance - Beginning			2,106,579
Fund Balance - Ending			2,486,627

VILLAGE OF LINDENHURST, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

Combining Balance Sheet

April 30, 2020

		Police Currency Seizure
ASSETS		
Cash and Cash Equivalents		\$ <u>5,397</u>
FUND BALANCES		
Restricted		<u>5,397</u>

DUI	Controlled Substance	Prison Review Agency	Shop with a Cop	Totals
13,064	5,128	15,082	18,749	57,420
13,064	5,128	15,082	18,749	57,420

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, 2020

	Police Currency Seizure
Revenues	
Fines and Forfeitures	\$ -
Interest	-
Miscellaneous	-
Total Revenues	-
Expenditures	
Public Safety	-
Net Change in Fund Balances	-
Fund Balances - Beginning	5,397
Fund Balances - Ending	5,397

DUI	Controlled Substance	Prison Review Agency	Shop with a Cop	Totals
3,759	-	3,324	-	7,083
300	-	100	-	400
-	-	-	10,520	10,520
4,059	-	3,424	10,520	18,003
1,942	1,875	4,915	3,880	12,612
2,117	(1,875)	(1,491)	6,640	5,391
10,947	7,003	16,573	12,109	52,029
13,064	5,128	15,082	18,749	57,420

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, 2020

	Budget		Actual
	Original	Final	
Revenues			
Fines and Forfeitures	\$ 4,800	4,800	3,759
Interest	-	-	300
Total Revenues	4,800	4,800	4,059
Expenditures			
Public Safety			
Commodities	5,000	5,000	1,942
Capital Outlay	2,500	2,500	-
Total Expenditures	7,500	7,500	1,942
Net Change in Fund Balance	(2,700)	(2,700)	2,117
Fund Balance - Beginning			10,947
Fund Balance - Ending			13,064

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, 2020**

	Budget		Actual
	Original	Final	
Revenues			
Fines and Forfeitures	\$ 6,960	6,960	3,324
Interest	300	300	100
Total Revenues	7,260	7,260	3,424
Expenditures			
Public Safety			
Maintenance and Repairs	5,000	5,000	4,915
Miscellaneous	1,000	1,000	-
Total Expenditures	6,000	6,000	4,915
Net Change in Fund Balance	1,260	1,260	(1,491)
Fund Balance - Beginning			16,573
Fund Balance - Ending			15,082

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, 2020

	Budget		
	Original	Final	Actual
Operating Revenues			
Charges for Services			
Water Sales and Sewer Usage	\$ 4,621,148	4,621,148	4,156,140
Operating Expenses			
Operations			
Administration	1,334,467	1,334,467	873,665
Sewer Plant	767,884	767,884	715,122
Water Plant	1,481,441	1,481,441	1,312,680
Capital Outlay	332,000	256,000	9,162
Depreciation	-	-	1,142,889
Total Operating Expenses	3,915,792	3,839,792	4,053,518
Operating Income (Loss)	705,356	781,356	102,622
Nonoperating Revenues (Expenses)			
Interest Income	77,250	77,250	161,649
Other Income	130,330	130,330	114,682
Interest Expense	(1,414,738)	(1,414,738)	(324,505)
	(1,207,158)	(1,207,158)	(48,174)
Income (Loss) before Transfers	(501,802)	(425,802)	54,448
Transfers Out	(66,000)	(66,000)	(66,000)
Change in Net Position	(567,802)	(491,802)	(11,552)
Net Position - Beginning			20,887,445
Net Position - Ending			20,875,893

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, 2020**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Refuse Collection	\$ 1,415,950	1,415,950	1,396,846
Recycling Proceeds	2,500	2,500	985
Total Operating Revenues	1,418,450	1,418,450	1,397,831
Operating Expenses			
Operations			
Recycling and Refuse	1,275,766	1,275,766	1,306,708
Income before Transfers	142,684	142,684	91,123
Transfers Out	(135,000)	(135,000)	-
Change in Net Position	7,684	7,684	91,123
Net Position - Beginning			466,754
Net Position - Ending			557,877

VILLAGE OF LINDENHURST, ILLINOIS**Sanitary Sewer - Enterprise Fund****Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended April 30, 2020**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Payments from Village	\$ 125,000	125,000	-
Connection Fees	30,000	30,000	-
Total Operating Revenues	155,000	155,000	-
Operating Expenses			
Operations			
Sanitary Sewer	231,000	209,600	9,185
Depreciaton	-	-	557,226
Total Operating Expenses	231,000	209,600	566,411
Operating Income (Loss)	(76,000)	(54,600)	(566,411)
Nonoperating Revenue (Expenses)			
Interest Income	150,000	150,000	82,301
Unearned Gains (Losses)	-	-	(519,842)
Property Taxes	170,000	170,000	84,075
Replacement Taxes	3,000	3,000	1,911
Other Income	-	-	1,361
Interest Expense	(991,102)	(98,980)	(91,806)
	(668,102)	224,020	(442,000)
Change in Net Position	(744,102)	169,420	(1,008,411)
Net Position - Beginning as Restated			10,019,658
Net Position - Ending			9,011,247

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, 2020

	Budget		Actual
	Original	Final	
Additions			
Contributions - Employer	\$ 366,521	366,521	366,019
Contributions - Plan Members	-	-	121,977
Total Contributions	366,521	366,521	487,996
Investment Income			
Interest Earned	-	-	377,235
Net Change in Fair Value	-	-	(207,962)
	-	-	169,273
Less Investment Expenses	-	-	(33,088)
Net Investment Income	-	-	136,185
Total Additions	366,521	366,521	624,181
Deductions			
Administration	-	-	10,275
Benefits	366,521	366,521	262,276
Total Deductions	366,521	366,521	272,551
Change in Fiduciary Net Position	-	-	351,630
Net Position Restricted for Pension			
Beginning			8,888,958
Ending			9,240,588

SUPPLEMENTAL SCHEDULES

VILLAGE OF LINDENHURST, ILLINOIS

Schedule of Long-Term Debt Requirements

General Obligation (Alternate Revenue Source) Refunding Bonds of 2013 April 30, 2020

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
2021	\$ 90,000	2,160	92,160	2020	1,080	2021	1,080

VILLAGE OF LINDENHURST, ILLINOIS

Schedule of Long-Term Debt Requirements

Debt Certificate of 2008

April 30, 2020

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
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>490,000</u>	<u>42,530</u>	<u>532,530</u>		<u>21,265</u>		<u>21,265</u>

VILLAGE OF LINDENHURST, ILLINOIS

Long-Term Debt Requirements

IEPA Loan Payable of 2010

April 30, 2020

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
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
	488,006	-	488,006

VILLAGE OF LINDENHURST, ILLINOIS

Schedule of Long-Term Debt Requirements

IEPA Loan Payable of 2013

April 30, 2020

Date of Issue	November 30, 2013
Date of Maturity	November 30, 2032
Authorized Issue	\$11,897,765
Interest Rates	1.25%
Interest Dates	May 30 and November 30
Principal Maturity Date	May 30 and November 31
Payable at	Illinois Environment Protection Agency

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	May 30	Amount	Nov. 30	Amount
2021	\$ 605,442	104,251	709,693	2020	53,068	2021	51,183
2022	613,034	96,659	709,693	2021	49,284	2022	47,375
2023	620,720	88,973	709,693	2022	45,453	2023	43,520
2024	628,504	81,189	709,693	2023	41,573	2024	39,616
2025	636,385	73,308	709,693	2024	37,645	2025	35,663
2026	644,364	65,329	709,693	2025	33,668	2026	31,661
2027	652,444	57,249	709,693	2026	29,641	2027	27,608
2028	660,626	49,067	709,693	2027	25,562	2028	23,505
2029	668,908	40,785	709,693	2028	21,435	2029	19,350
2030	677,296	32,397	709,693	2029	17,253	2030	15,144
2031	685,779	23,914	709,693	2030	13,030	2031	10,884
2032	694,388	15,305	709,693	2031	8,734	2032	6,571
2033	701,325	8,368	709,693	2032	4,394	2033	3,974
	<u>8,489,215</u>	<u>736,794</u>	<u>9,226,009</u>		<u>380,740</u>		<u>356,054</u>

VILLAGE OF LINDENHURST, ILLINOIS

Schedule of Long-Term Debt Requirements

IEPA Loan Payable of 2015

April 30, 2020

Date of Issue	July 15, 2015
Date of Maturity	March 21, 2036
Authorized Issue	\$5,845,810
Interest Rates	2.21%
Interest Dates	September 21 and March 21
Principal Maturity Date	September 21 and March 21
Payable at	Illinois Environment Protection Agency

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Sept. 21	Amount	Mar. 21	Amount
2021	\$ 286,496	118,499	404,995	2020	60,037	2021	58,462
2022	292,862	112,133	404,995	2021	56,871	2022	55,262
2023	299,370	105,625	404,995	2022	53,635	2023	51,990
2024	306,023	98,972	404,995	2023	50,327	2024	48,645
2025	312,823	92,172	404,995	2024	46,945	2025	45,227
2026	319,775	85,220	404,995	2025	43,488	2026	41,732
2027	326,881	78,114	404,995	2026	39,955	2027	38,159
2028	334,146	70,849	404,995	2027	36,343	2028	34,506
2029	341,571	63,424	404,995	2028	32,651	2029	30,773
2030	349,161	55,834	404,995	2029	28,876	2030	26,958
2031	356,920	48,075	404,995	2030	25,018	2031	23,057
2032	364,851	40,144	404,995	2031	21,074	2032	19,070
2033	372,959	32,036	404,995	2032	17,042	2033	14,994
2034	381,247	23,748	404,995	2033	12,921	2034	10,827
2035	389,719	15,276	404,995	2034	8,709	2035	6,567
2036	398,380	6,614	404,994	2035	4,402	2036	2,212
	<u>5,433,184</u>	<u>1,046,735</u>	<u>6,479,919</u>		<u>538,294</u>		<u>508,441</u>

VILLAGE OF LINDENHURST, ILLINOIS

Schedule of Long-Term Debt Requirements

IEPA Loan Payable of 2016

April 30, 2020

Date of Issue	April 30, 2016
Date of Maturity	March 11, 2037
Authorized Issue	\$10,986,707
Interest Rates	1.86%
Interest Dates	September 11 and March 11
Principal Maturity Date	September 11 and March 11
Payable at	Illinois Environment Protection Agency

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Sept. 11	Amount	Mar. 11	Amount
2021	\$ 489,649	178,017	667,666	2020	90,142	2021	87,875
2022	498,799	168,867	667,666	2021	85,588	2022	83,279
2023	508,120	159,546	667,666	2022	80,949	2023	78,597
2024	517,615	150,051	667,666	2023	76,224	2024	73,827
2025	527,287	140,379	667,666	2024	71,410	2025	68,969
2026	537,140	130,526	667,666	2025	66,506	2026	64,020
2027	547,178	120,488	667,666	2026	61,511	2027	58,977
2028	557,402	110,264	667,666	2027	56,422	2028	53,842
2029	567,819	99,847	667,666	2028	51,238	2029	48,609
2030	578,429	89,237	667,666	2029	45,957	2030	43,280
2031	589,238	78,428	667,666	2030	40,578	2031	37,850
2032	600,248	67,418	667,666	2031	35,098	2032	32,320
2033	611,465	56,201	667,666	2032	29,516	2033	26,685
2034	622,891	44,775	667,666	2033	23,829	2034	20,946
2035	634,531	33,135	667,666	2034	18,036	2035	15,099
2036	646,388	21,278	667,666	2035	12,135	2036	9,143
2037	658,467	9,199	667,666	2036	6,124	2037	3,075
	<u>9,692,666</u>	<u>1,657,656</u>	<u>11,350,322</u>		<u>851,263</u>		<u>806,393</u>

VILLAGE OF LINDENHURST, ILLINOIS

Long-Term Debt Requirements

Installment Contract of 2016

April 30, 2020

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
2021	\$ 288,889	4,824	293,713
2022	24,074	53	24,127
	312,963	4,877	317,840