

VILLAGE OF LINDENHURST, ILLINOIS

ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
APRIL 30, 2022

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 AUDITOR'S REPORT

December 16, 2022

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

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

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, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules, and GASB-required pension, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We 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.

Supplementary 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 other supplementary information and supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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, 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, 2022

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, 2022. Please read it in conjunction with the financial statements, which can be found in the basic financial statements section of this report. 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 Village of Lindenhurst's net position increased as a result of this year's operations. Net position of business-type activities increased by \$444,830, or 1.4 percent and net position of the governmental activities increased by \$2,153,999, or 13.6 percent.
- During the year, government-wide revenues before transfers for the primary government totaled \$14,844,767, while expenses totaled \$12,245,938, resulting in an increase to net position of \$2,598,829.
- The Village's net position totaled \$49,453,863 on April 30, 2022, which includes \$36,964,608 net investment in capital assets, \$2,121,519 subject to external restrictions, and \$10,367,736 unrestricted net position that may be used to meet the ongoing obligations to citizens and creditors.
- The General Fund reported an increase this year of \$1,293,528, resulting in ending fund balance of \$5,523,038, an increase of 30.6 percent.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Village of Lindenhurst as a whole and present a longer-term view of the Village's finances. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the 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, 2022

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 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, recycling and refuse, and sanitary sewer 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 fund.

VILLAGE OF LINDENHURST, ILLINOIS

Management's Discussion and Analysis April 30, 2022

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 ten 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 six 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 and Shop with a Cop Fund. A budgetary comparison statement for these funds has been provided to demonstrate compliance with this budget.

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, 2022

USING THIS ANNUAL REPORT – 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.

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.

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.

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. The combining statements referred to earlier in connection with non-major governmental funds is presented immediately following the required supplementary information on pensions.

VILLAGE OF LINDENHURST, ILLINOIS

Management's Discussion and Analysis April 30, 2022

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 \$49,453,863.

| | Net Position | | | | | |
|-------------------------------------|---------------|------------|---------------|------------|------------|------------|
| | Governmental | | Business-Type | | Totals | |
| | Activities | | Activities | | | |
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Current/Other Assets | \$ 12,842,153 | 9,299,065 | 7,594,716 | 5,771,426 | 20,436,869 | 15,070,491 |
| Capital Assets | 10,908,510 | 11,569,267 | 47,284,159 | 49,077,868 | 58,192,669 | 60,647,135 |
| Total Assets | 23,750,663 | 20,868,332 | 54,878,875 | 54,849,294 | 78,629,538 | 75,717,626 |
| Deferred Outflows | 1,515,358 | 1,303,005 | 73,933 | 87,359 | 1,589,291 | 1,390,364 |
| Total Assets/ Deferred Outflows | 25,266,021 | 22,171,337 | 54,952,808 | 54,936,653 | 80,218,829 | 77,107,990 |
| Long-Term Debt | 3,439,079 | 2,614,181 | 19,838,577 | 21,303,622 | 23,277,656 | 23,917,803 |
| Other Liabilities | 922,394 | 789,738 | 1,739,046 | 1,782,547 | 2,661,440 | 2,572,285 |
| Total Liabilities | 4,361,473 | 3,403,919 | 21,577,623 | 23,086,169 | 25,939,096 | 26,490,088 |
| Deferred Inflows | 2,857,493 | 2,874,362 | 1,968,377 | 888,506 | 4,825,870 | 3,762,868 |
| Total Liabilities/ Deferred Inflows | 7,218,966 | 6,278,281 | 23,546,000 | 23,974,675 | 30,764,966 | 30,252,956 |
| Net Position | | | | | | |
| Net Investment in Capital Assets | 10,908,510 | 11,569,267 | 26,056,098 | 26,376,674 | 36,964,608 | 37,945,941 |
| Restricted | 2,121,519 | 1,035,270 | - | - | 2,121,519 | 1,035,270 |
| Unrestricted | 5,017,026 | 3,288,519 | 5,350,710 | 4,585,304 | 10,367,736 | 7,873,823 |
| Total Net Position | 18,047,055 | 15,893,056 | 31,406,808 | 30,961,978 | 49,453,863 | 46,855,034 |

A portion of the Village's net position, \$36,964,608 or 74.7 percent, reflects its investment in capital assets (for example, land, construction in progress, building and improvements, vehicle and equipment, other infrastructure, and water sewerage infrastructure), 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, \$2,121,519 or 4.3 percent, of the Village's net position represents resources that are subject to external restrictions on how they may be used. The remaining 21.0 percent, or \$10,367,736, 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, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

| | Change in Net Position | | | | | |
|--|------------------------|------------|---------------|------------|------------|------------|
| | Governmental | | Business-Type | | Totals | |
| | Activities | | Activities | | | |
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Revenues | | | | | | |
| Program Revenues | | | | | | |
| Charges for Services | \$ 820,066 | 725,410 | 6,370,030 | 6,124,476 | 7,190,096 | 6,849,886 |
| Operating Grants/Contrib. | 917,554 | 1,661,849 | - | - | 917,554 | 1,661,849 |
| Capital Grants/Contrib. | - | 2,014,002 | - | - | - | 2,014,002 |
| General Revenues | | | | | | |
| Property Taxes | 1,289,349 | 1,251,008 | 172,478 | 169,446 | 1,461,827 | 1,420,454 |
| Sales Taxes | 2,032,120 | 1,651,194 | - | - | 2,032,120 | 1,651,194 |
| Income Taxes | 2,078,289 | 1,658,413 | - | - | 2,078,289 | 1,658,413 |
| Other Taxes | 246,138 | 195,669 | 5,398 | 2,322 | 251,536 | 197,991 |
| Other General Revenues (Losses) | 536,629 | 334,640 | 376,716 | 887,256 | 913,345 | 1,221,896 |
| Total Revenues | 7,920,145 | 9,492,185 | 6,924,622 | 7,183,500 | 14,844,767 | 16,675,685 |
| Expenses | | | | | | |
| General Government | 1,424,855 | 588,632 | - | - | 1,424,855 | 588,632 |
| Public Works | 1,571,648 | 1,954,326 | - | - | 1,571,648 | 1,954,326 |
| Building and Grounds | 25,890 | 28,792 | - | - | 25,890 | 28,792 |
| Engineering | 119,813 | 122,011 | - | - | 119,813 | 122,011 |
| Public Safety | 2,694,940 | 2,563,495 | - | - | 2,694,940 | 2,563,495 |
| Interest on Long-Term Debt | - | 955 | - | - | - | 955 |
| Water and Sewer | - | - | 4,364,293 | 4,551,798 | 4,364,293 | 4,551,798 |
| Recycling and Refuse | - | - | 1,282,356 | 1,269,363 | 1,282,356 | 1,269,363 |
| Sanitary Sewer | - | - | 762,143 | 769,829 | 762,143 | 769,829 |
| Total Expenses | 5,837,146 | 5,258,211 | 6,408,792 | 6,590,990 | 12,245,938 | 11,849,201 |
| Change in Net Position Before Transfers | 2,082,999 | 4,233,974 | 515,830 | 592,510 | 2,598,829 | 4,826,484 |
| Transfers | 71,000 | (135,797) | (71,000) | 135,797 | - | - |
| Change in Net Position | 2,153,999 | 4,098,177 | 444,830 | 728,307 | 2,598,829 | 4,826,484 |
| Net Position - Beginning | 15,893,056 | 11,794,879 | 30,961,978 | 30,233,671 | 46,855,034 | 42,028,550 |
| Net Position - Ending | 18,047,055 | 15,893,056 | 31,406,808 | 30,961,978 | 49,453,863 | 46,855,034 |

VILLAGE OF LINDENHURST, ILLINOIS

Management's Discussion and Analysis April 30, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Net position of the Village's governmental activities increased by 13.6 percent (\$18,047,055 in 2022 compared to a balance of \$15,893,056 in 2021). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled \$5,017,026 at April 30, 2022.

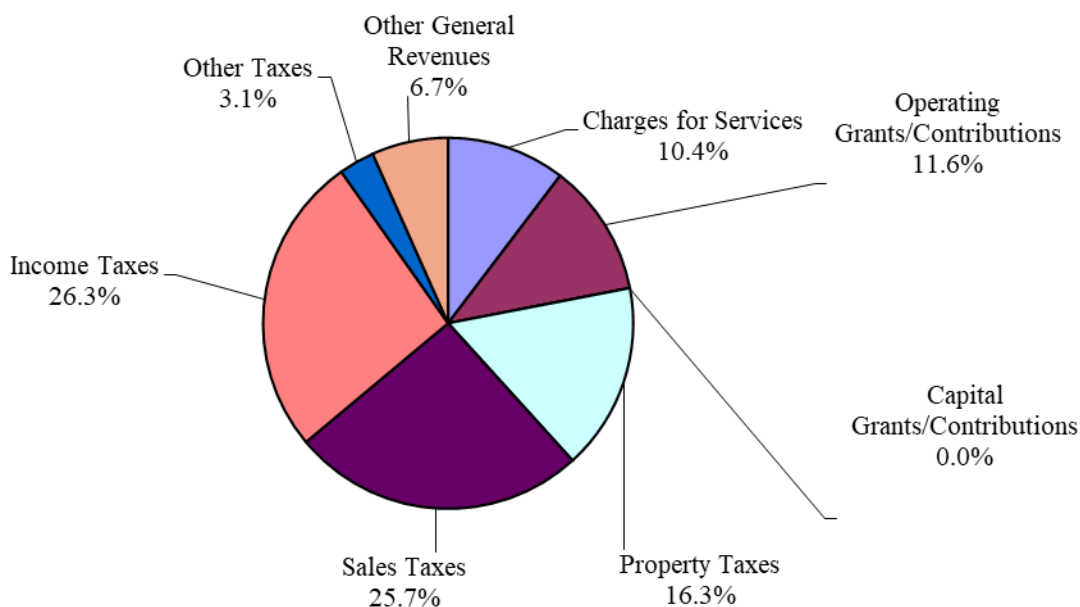
Net position of business-type activities increased by 1.4 percent (\$31,406,808 in 2022 compared to a balance of \$30,961,978 in 2021).

Governmental Activities

Revenues for governmental activities totaled \$7,920,145, while the cost of all governmental functions totaled \$5,837,146. This results in an increase of \$2,082,999 prior to transfers in of \$71,000. In 2021, revenues of \$9,492,185 exceeded expenses of \$5,258,211, resulting in a surplus of \$4,233,974 prior to transfers out of \$135,797. The significant increase in 2021 was due in part to a decrease in IMRF net pension liability and related items and an IDOT infrastructure contribution of \$2,014,002, both did not occur in the current fiscal year.

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

Revenues by Source - Governmental Activities



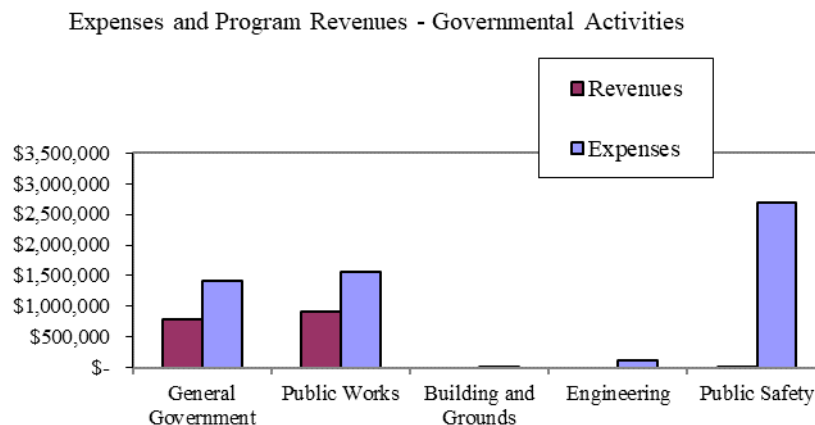
VILLAGE OF LINDENHURST, ILLINOIS

Management's Discussion and Analysis April 30, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

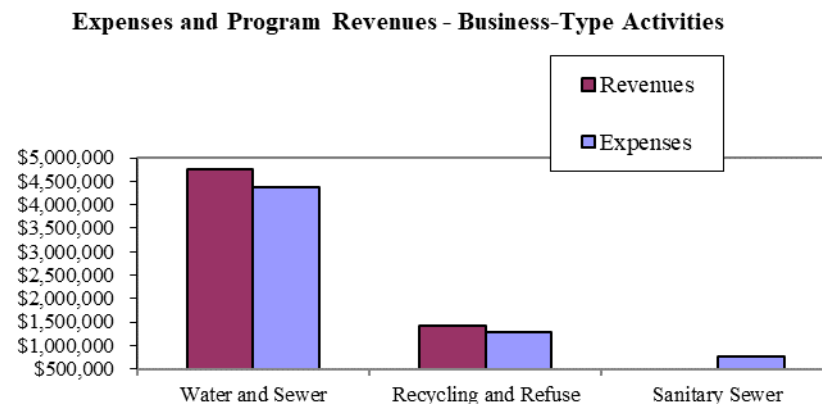
Governmental Activities – Continued

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 \$6,924,622, while the cost of all business-type activities totaled \$6,408,792. This results in a surplus of \$515,830 prior to transfers out of \$71,000. In 2021, revenues of \$7,183,500 exceed expenses of \$6,590,990, resulting in a surplus of \$592,510 prior to transfers in of \$135,797. The surplus in the current year is due to decreases in water and sewer and sanitary sewer expenses of the Village in the current year.



The above graph compares program revenues to expenses for the water and sewer, recycling and refuse, and sanitary sewer operations.

VILLAGE OF LINDENHURST, ILLINOIS

Management's Discussion and Analysis April 30, 2022

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 \$9,829,314, which is \$2,547,902 or 35.0 percent, higher than last year's total of \$7,281,412. Of the \$9,829,314 total, \$5,144,801, or approximately 52.3 percent, of the fund balance constitutes unassigned fund balance.

The General Fund reported a positive change in fund balance for the year of \$1,293,528, an increase of 30.6 percent. This was due to more property taxes and intergovernmental revenues being received in the current year. Also, the General Fund had a \$142,000 transfer out to Community Capital Fund for capital related expenditures paid by the Fund in the current fiscal year, in addition to a transfer of \$200,000 to the Water and Sewer Fund for future capital related expenses. 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, 2022, unassigned fund balance in the General Fund was \$5,144,801, which represents 93.2 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 125.3 percent of total General Fund expenditures.

The Motor Fuel Tax Fund reported a surplus for the year of \$849,642 for the year, or 102.7 percent. This increase is due to decreased spending on road resurfacing in 2022.

The Retirement Fund reported a surplus for the year of \$45,280 or 55.0 percent. This increase is due to more property tax revenue received in the current year compared to expenditures of \$148,438 in the current year.

The Community Capital Fund reported a surplus for the year of \$168,341, or 8.1 percent. This increase is due to transfers from the General Fund and the Water and Sewer Fund to help fund current and future capital related expenditures.

VILLAGE OF LINDENHURST, ILLINOIS

Management's Discussion and Analysis April 30, 2022

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 funds at a breakeven rate. Periodically, there will be an annual surplus or draw down due to timing of capital projects. The surplus in the Water and Sewer Fund during the current fiscal year was \$705,939, while the previous fiscal year reported a surplus of \$611,772. Unrestricted net position in the Water and Sewer Fund totaled \$1,677,638 at April 30, 2022. The surplus in the Recycling and Refuse Fund during the current fiscal year was \$143,406, while the previous fiscal year reported a deficit of \$52,202. Unrestricted net position in the Recycling and Refuse Fund totaled \$649,081 at April 30, 2022. The Sanitary Sewer Fund reported a deficit in net position for the year of \$404,515, while the previous year reported a surplus of \$168,767. Unrestricted net position in the Sanitary Sewer Fund totaled \$3,023,991 at April 30, 2022.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Village of Lindenhurst's made one budget amendment to the General Fund during the year. General Fund actual revenues for the year totaled \$5,740,485, compared to budgeted revenues of \$4,024,273. The taxes, intergovernmental, and licenses and permits were higher than budgeted.

The General Fund actual expenditures for the year were \$258,873 higher than budgeted (\$4,104,957 actual compared to \$3,846,084 budgeted). The public works, building and grounds, engineering, and capital outlay function's actual expenditures were lower than budgeted expenditures by \$47,468, \$2,730, \$24,269, and \$1,705, respectively. These decreases were offset by general government and public safety function being over budget by \$6,975 and \$328,070, respectively.

VILLAGE OF LINDENHURST, ILLINOIS

Management's Discussion and Analysis April 30, 2022

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, 2022 was \$58,192,669 (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 | | | |
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Land | \$ 983,607 | 971,069 | 10,000 | 10,000 | 993,607 | 981,069 |
| Construction in Progress | 772,227 | 766,665 | - | - | 772,227 | 766,665 |
| Building and Improvements | 1,944,081 | 2,022,637 | 15,176,110 | 15,942,646 | 17,120,191 | 17,965,283 |
| Vehicles and Equipment | 737,332 | 785,071 | 34,992 | 39,976 | 772,324 | 825,047 |
| Other Infrastructure | 6,471,263 | 7,023,825 | - | - | 6,471,263 | 7,023,825 |
| Water and Sewerage Infrastructure | - | - | 32,063,057 | 33,085,246 | 32,063,057 | 33,085,246 |
| Totals | 10,908,510 | 11,569,267 | 47,284,159 | 49,077,868 | 58,192,669 | 60,647,135 |

This year's major additions included:

| | |
|--------------------------|----------------|
| Land | \$ 12,538 |
| Construction in Progress | 199,364 |
| Vehicles and Equipment | 141,845 |
| | <u>353,747</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, 2022

CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

Debt Administration

At year-end, the Village of Lindenhurst had total outstanding debt of \$21,228,061 as compared to \$22,701,194 the previous year, a decrease of \$1,473,133. The following is a comparative statement of outstanding debt:

| | Long-Term Debt Outstanding | | | | | |
|------------------------------|----------------------------|------|---------------|------------|------------|------------|
| | Governmental | | Business-Type | | Totals | |
| | Activities | | Activities | | | |
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| IEPA Loan Payables | \$ - | - | 21,228,061 | 22,677,120 | 21,228,061 | 22,677,120 |
| Installment Contract Payable | - | - | - | 24,074 | - | 24,074 |
| Totals | - | - | 21,228,061 | 22,701,194 | 21,228,061 | 22,701,194 |

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 \$31,145,919.

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 2022-2023 budget and the associated property tax rates and charges for services. These factors include general and local economic conditions and expected revenues.

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

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

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

- Government-Wide Financial Statements
- Fund Financial Statements

Governmental Funds

Proprietary Funds

Fiduciary Fund

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

VILLAGE OF LINDENHURST, ILLINOIS

Statement of Net Position

April 30, 2022

See Following Page

VILLAGE OF LINDENHURST, ILLINOIS

Statement of Net Position

April 30, 2022

| | Governmental Activities | Business-Type Activities | Totals |
|---|----------------------------|-----------------------------|--------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and Cash Equivalents | \$ 10,132,220 | 5,577,025 | 15,709,245 |
| Receivables - Net of Allowances | | | |
| Property Taxes | 1,293,027 | 175,734 | 1,468,761 |
| Accounts | 101,617 | 981,378 | 1,082,995 |
| Other | 60,275 | 7,012 | 67,287 |
| Due from Other Governments | 330,136 | - | 330,136 |
| Prepays | 307,448 | 35,513 | 342,961 |
| Total Current Assets | 12,224,723 | 6,776,662 | 19,001,385 |
| Noncurrent Assets | | | |
| Capital Assets | | | |
| Nondepreciable | 1,755,834 | 10,000 | 1,765,834 |
| Depreciable | 30,267,891 | 84,028,125 | 114,296,016 |
| | 32,023,725 | 84,038,125 | 116,061,850 |
| Accumulated Depreciation | (21,115,215) | (36,753,966) | (57,869,181) |
| | 10,908,510 | 47,284,159 | 58,192,669 |
| Other Assets | | | |
| Net Pension Asset - IMRF | 617,430 | 818,054 | 1,435,484 |
| Total Noncurrent Assets | 11,525,940 | 48,102,213 | 59,628,153 |
| Total Assets | 23,750,663 | 54,878,875 | 78,629,538 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred Items - IMRF | 50,232 | 66,554 | 116,786 |
| Deferred Items - Police Pension | 1,449,897 | - | 1,449,897 |
| Deferred Items - RBP | 15,229 | 7,379 | 22,608 |
| Total Deferred Outflows of Resources | 1,515,358 | 73,933 | 1,589,291 |
| Total Assets and Deferred Outflows of Resources | 25,266,021 | 54,952,808 | 80,218,829 |

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

| | Governmental Activities | Business-Type Activities | Totals |
|---|----------------------------|-----------------------------|------------|
| LIABILITIES | | | |
| Current Liabilities | | | |
| Accounts Payable | \$ 761,076 | 100,828 | 861,904 |
| Accrued Payroll | 137,629 | 34,580 | 172,209 |
| Deposits Payable | - | 57,598 | 57,598 |
| Accrued Interest Payable | - | 67,055 | 67,055 |
| Compensated Absences Payable | 23,689 | 6,410 | 30,099 |
| IEPA Loan Payable | - | 1,472,575 | 1,472,575 |
| Total Current Liabilities | 922,394 | 1,739,046 | 2,661,440 |
| Noncurrent Liabilities | | | |
| Compensated Absences Payable | 94,756 | 25,640 | 120,396 |
| Net Pension Liability - Police Pension | 3,225,964 | - | 3,225,964 |
| Total OPEB Liability - RBP | 118,359 | 57,451 | 175,810 |
| IEPA Loan Payable | - | 19,755,486 | 19,755,486 |
| Total Noncurrent Liabilities | 3,439,079 | 19,838,577 | 23,277,656 |
| Total Liabilities | 4,361,473 | 21,577,623 | 25,939,096 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred Items - IMRF | 813,192 | 1,077,427 | 1,890,619 |
| Deferred Items - Police Pension | 501,155 | - | 501,155 |
| Deferred Items - RBP | 46,442 | 22,501 | 68,943 |
| Grants | 226,137 | 693,514 | 919,651 |
| Property Taxes | 1,270,567 | 174,935 | 1,445,502 |
| Total Deferred Inflows of Resources | 2,857,493 | 1,968,377 | 4,825,870 |
| Total Liabilities and Deferred Inflows of Resources | 7,218,966 | 23,546,000 | 30,764,966 |
| NET POSITION | | | |
| Net Investment in Capital Assets | 10,908,510 | 26,056,098 | 36,964,608 |
| Restricted | | | |
| Insurance | 70,789 | - | 70,789 |
| Road Projects | 1,676,612 | - | 1,676,612 |
| Payroll Taxes and Retirement | 127,572 | - | 127,572 |
| Police Currency Seizure | 5,397 | - | 5,397 |
| DUI Programs | 9,409 | - | 9,409 |
| Controlled Substance Act | 8,442 | - | 8,442 |
| Prison Review Agency | 13,009 | - | 13,009 |
| Shop with a Cop | 14,364 | - | 14,364 |
| Economic Development | 195,925 | - | 195,925 |
| Unrestricted | 5,017,026 | 5,350,710 | 10,367,736 |
| Total Net Position | 18,047,055 | 31,406,808 | 49,453,863 |

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, 2022

| Functions/Programs | Expenses | Program Revenues | | |
|--------------------------------|--------------|----------------------------|---------------------------------------|-------------------------------------|
| | | Charges for Services | Operating Grants/ Contributions | Capital Grants/ Contributions |
| Governmental Activities | | | | |
| General Government | \$ 1,424,855 | 798,382 | - | - |
| Public Works | 1,571,648 | - | 917,554 | - |
| Building and Grounds | 25,890 | - | - | - |
| Engineering | 119,813 | - | - | - |
| Public Safety | 2,694,940 | 21,684 | - | - |
| Total Governmental Activities | 5,837,146 | 820,066 | 917,554 | - |
| Business-Type Activities | | | | |
| Water and Sewer | 4,364,293 | 4,742,146 | - | - |
| Recycling and Refuse | 1,282,356 | 1,425,762 | - | - |
| Sanitary Sewer | 762,143 | 202,122 | - | - |
| Total Business-Type Activities | 6,408,792 | 6,370,030 | - | - |
| Total Primary Government | 12,245,938 | 7,190,096 | 917,554 | - |

General Revenues

Taxes

Property Taxes

Intergovernmental - Unrestricted

Sales Taxes

Income Taxes

Other Taxes

Grants

Interest

Miscellaneous

Interfund Activity - Transfers

Change in Net Position

Net Position - Beginning

Net Position - Ending

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

| Net (Expenses)/Revenues | | |
|----------------------------|-----------------------------|-------------|
| Primary Government | | |
| Governmental Activities | Business-Type Activities | Totals |
| (626,473) | - | (626,473) |
| (654,094) | - | (654,094) |
| (25,890) | - | (25,890) |
| (119,813) | - | (119,813) |
| (2,673,256) | - | (2,673,256) |
| (4,099,526) | - | (4,099,526) |
| - | 377,853 | 377,853 |
| - | 143,406 | 143,406 |
| - | (560,021) | (560,021) |
| - | (38,762) | (38,762) |
| (4,099,526) | (38,762) | (4,138,288) |
| 1,289,349 | 172,478 | 1,461,827 |
| 2,032,120 | - | 2,032,120 |
| 2,078,289 | - | 2,078,289 |
| 246,138 | 5,398 | 251,536 |
| 190,849 | 41,777 | 232,626 |
| 16,410 | (21,009) | (4,599) |
| 329,370 | 355,948 | 685,318 |
| 71,000 | (71,000) | - |
| 6,253,525 | 483,592 | 6,737,117 |
| 2,153,999 | 444,830 | 2,598,829 |
| 15,893,056 | 30,961,978 | 46,855,034 |
| 18,047,055 | 31,406,808 | 49,453,863 |

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

VILLAGE OF LINDENHURST, ILLINOIS

Balance Sheet - Governmental Funds

April 30, 2022

| | <u>General</u> |
|--|-------------------------|
| ASSETS | |
| Cash and Cash Equivalents | \$ 5,626,031 |
| Receivables - Net of Allowances | |
| Property Taxes | 1,128,749 |
| Accounts | 39,690 |
| Other | 49,799 |
| Due from Other Governments | 281,607 |
| Prepays | <u>307,448</u> |
| Total Assets | <u><u>7,433,324</u></u> |
| LIABILITIES | |
| Accounts Payable | 663,901 |
| Accrued Payroll | 135,438 |
| Due to Other Funds | <u>4,658</u> |
| Total Liabilities | <u>803,997</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Property Taxes | 1,106,289 |
| Grants | <u>-</u> |
| Total Deferred Inflows of Resources | <u>1,106,289</u> |
| Total Liabilities and Deferred Inflows of Resources | <u><u>1,910,286</u></u> |
| FUND BALANCES | |
| Nonspendable | 307,448 |
| Restricted | 70,789 |
| Assigned | - |
| Unassigned | <u>5,144,801</u> |
| Total Fund Balances | <u><u>5,523,038</u></u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u><u>7,433,324</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 |
| 1,628,083 | 129,763 | 2,271,585 | 476,758 | 10,132,220 |
| - | 164,278 | - | - | 1,293,027 |
| - | - | 61,927 | - | 101,617 |
| - | - | 10,476 | - | 60,275 |
| 48,529 | - | - | - | 330,136 |
| - | - | - | - | 307,448 |
| 1,676,612 | 294,041 | 2,343,988 | 476,758 | 12,224,723 |
| - | - | 88,442 | 4,075 | 756,418 |
| - | 2,191 | - | - | 137,629 |
| - | - | - | - | 4,658 |
| - | 2,191 | 88,442 | 4,075 | 898,705 |
| - | 164,278 | - | - | 1,270,567 |
| - | - | - | 226,137 | 226,137 |
| - | 164,278 | - | 226,137 | 1,496,704 |
| - | 166,469 | 88,442 | 230,212 | 2,395,409 |
| - | - | - | - | 307,448 |
| 1,676,612 | 127,572 | - | 246,546 | 2,121,519 |
| - | - | 2,255,546 | - | 2,255,546 |
| - | - | - | - | 5,144,801 |
| 1,676,612 | 127,572 | 2,255,546 | 246,546 | 9,829,314 |
| 1,676,612 | 294,041 | 2,343,988 | 476,758 | 12,224,723 |

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, 2022

| | |
|---|--|
| Total Governmental Fund Balances | \$ 9,829,314 |
| 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. | 10,908,510 |
| A net pension asset is not considered to represent a financial resource and therefore is not reported in the funds. Net Pension Asset - IMRF | 617,430 |
| Deferred outflows (inflows) of resources related to the pensions not reported in the funds. Deferred Items - IMRF Deferred Items - Police Pension Deferred Items - RBP | (762,960) 948,742 (31,213) |
| 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 Net Pension Liability - Police Pension Total OPEB Liability - RBP | (118,445) (3,225,964) <u>(118,359)</u> |
| Net Position of Governmental Activities | <u><u>18,047,055</u></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, 2022**

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, 2022

| | <u>General</u> |
|--|-------------------------|
| Revenues | |
| Taxes | \$ 1,110,281 |
| Intergovernmental | 3,982,344 |
| Licenses and Permits | 282,193 |
| Fines and Forfeitures | 19,424 |
| Charges for Services | 226,827 |
| Interest | 15,041 |
| Miscellaneous | 104,375 |
| Total Revenues | <u>5,740,485</u> |
| Expenditures | |
| General Government | 523,981 |
| Public Works | 815,537 |
| Building and Grounds | 25,890 |
| Engineering | 119,813 |
| Public Safety | 2,608,675 |
| Capital Outlay | 11,061 |
| Total Expenditures | <u>4,104,957</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>1,635,528</u> |
| Other Financing Sources (Uses) | |
| Transfers In | - |
| Transfers Out | (342,000) |
| | <u>(342,000)</u> |
| Net Change in Fund Balances | 1,293,528 |
| Fund Balances - Beginning | <u>4,229,510</u> |
| Fund Balances - Ending | <u><u>5,523,038</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 |
| - | 179,068 | - | - | 1,289,349 |
| 917,554 | 14,650 | 513,539 | 36,863 | 5,464,950 |
| - | - | 289,362 | - | 571,555 |
| - | - | - | 2,260 | 21,684 |
| - | - | - | - | 226,827 |
| 1,369 | - | - | - | 16,410 |
| - | - | 220,831 | 4,164 | 329,370 |
| 918,923 | 193,718 | 1,023,732 | 43,287 | 7,920,145 |
| - | 148,438 | - | 40,938 | 713,357 |
| 69,281 | - | - | - | 884,818 |
| - | - | - | - | 25,890 |
| - | - | - | - | 119,813 |
| - | - | - | 11,238 | 2,619,913 |
| - | - | 1,068,391 | - | 1,079,452 |
| 69,281 | 148,438 | 1,068,391 | 52,176 | 5,443,243 |
| 849,642 | 45,280 | (44,659) | (8,889) | 2,476,902 |
| - | - | 213,000 | 200,000 | 413,000 |
| - | - | - | - | (342,000) |
| - | - | 213,000 | 200,000 | 71,000 |
| 849,642 | 45,280 | 168,341 | 191,111 | 2,547,902 |
| 826,970 | 82,292 | 2,087,205 | 55,435 | 7,281,412 |
| 1,676,612 | 127,572 | 2,255,546 | 246,546 | 9,829,314 |

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, 2022

| | |
|---|---------------------|
| Net Change in Fund Balances - Total Governmental Funds | \$ 2,547,902 |
|---|---------------------|

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 | 353,747 |
| Depreciation Expense | (997,505) |
| Disposal - Cost | (238,709) |
| Disposal - Accumulated Depreciation | 221,710 |

A net pension asset is not considered to represent a financial resource and therefore is not reported in the funds.

| | |
|--------------------------|---------|
| Net Pension Asset - IMRF | 615,386 |
|--------------------------|---------|

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

| | |
|---|-----------|
| Change in Deferred Items - IMRF | (298,045) |
| Change in Deferred Items - Police Pension | 779,670 |
| Change in Deferred Items - RBP | (6,574) |

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 | 6,576 |
| Change in Net Pension Liability - Police Pension | (814,457) |
| Change in Total OPEB Liability - RBP | (15,702) |

| | |
|---|------------------|
| Changes in Net Position of Governmental Activities | 2,153,999 |
|---|------------------|

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, 2022

See Following Page

VILLAGE OF LINDENHURST, ILLINOIS

Statement of Net Position - Proprietary Funds April 30, 2022

| | Business-Type Activities - Enterprise Funds | | | |
|--|---|-------------------------|-------------------|--------------|
| | Water and Sewer | Recycling and Refuse | Sanitary Sewer | Totals |
| ASSETS | | | | |
| Current Assets | | | | |
| Cash and Cash Equivalents | \$ 2,096,469 | 426,497 | 3,054,059 | 5,577,025 |
| Receivables - Net of Allowances | | | | |
| Accounts | 738,634 | 242,744 | - | 981,378 |
| Property Taxes | - | - | 175,734 | 175,734 |
| Interest | | - | 7,012 | 7,012 |
| Prepays | 35,513 | - | - | 35,513 |
| Total Current Assets | 2,870,616 | 669,241 | 3,236,805 | 6,776,662 |
| Noncurrent Assets | | | | |
| Capital Assets | | | | |
| Nondepreciable | - | - | 10,000 | 10,000 |
| Depreciable | 60,355,449 | - | 23,672,676 | 84,028,125 |
| Accumulated Depreciation | (26,092,286) | - | (10,661,680) | (36,753,966) |
| Total Capital Assets | 34,263,163 | - | 13,020,996 | 47,284,159 |
| Net Pension Asset - IMRF | 746,301 | 71,753 | - | 818,054 |
| Total Noncurrent Assets | 35,009,464 | 71,753 | 13,020,996 | 48,102,213 |
| Total Assets | 37,880,080 | 740,994 | 16,257,801 | 54,878,875 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred Items - IMRF | 60,716 | 5,838 | - | 66,554 |
| Deferred Items - RBP | 7,379 | - | - | 7,379 |
| Total Deferred Outflows of Resources | 68,095 | 5,838 | - | 73,933 |
| Total Assets and Deferred Outflows of Resources | 37,948,175 | 746,832 | 16,257,801 | 54,952,808 |

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

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VILLAGE OF LINDENHURST, ILLINOIS

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds For the Fiscal Year Ended April 30, 2022

| | Business-Type Activities - Enterprise Funds | | | |
|----------------------------------|---|-------------------------|-------------------|------------|
| | Water and Sewer | Recycling and Refuse | Sanitary Sewer | Totals |
| Operating Revenues | | | | |
| Charges for Services | \$ 4,742,146 | 1,425,762 | 202,122 | 6,370,030 |
| Operating Expenses | | | | |
| Operations | 2,959,865 | 1,282,356 | 37 | 4,242,258 |
| Depreciation | 1,125,070 | - | 668,639 | 1,793,709 |
| Total Operating Expenses | 4,084,935 | 1,282,356 | 668,676 | 6,035,967 |
| Operating Income (Loss) | 657,211 | 143,406 | (466,554) | 334,063 |
| Nonoperating Revenues (Expenses) | | | | |
| Interest Income | 5,380 | - | 41,748 | 47,128 |
| Unrealized Gains (Losses) | - | - | (68,137) | (68,137) |
| Grants | 41,777 | - | - | 41,777 |
| Other Income | 351,929 | - | 4,019 | 355,948 |
| Property Taxes | - | - | 172,478 | 172,478 |
| Replacement Taxes | - | - | 5,398 | 5,398 |
| Interest Expense | (279,358) | - | (93,467) | (372,825) |
| | 119,728 | - | 62,039 | 181,767 |
| Income (Loss) Before Transfers | 776,939 | 143,406 | (404,515) | 515,830 |
| Transfers Out | (71,000) | - | - | (71,000) |
| Change in Net Position | 705,939 | 143,406 | (404,515) | 444,830 |
| Net Position - Beginning | 21,277,540 | 505,675 | 9,178,763 | 30,961,978 |
| Net Position - Ending | 21,983,479 | 649,081 | 8,774,248 | 31,406,808 |

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, 2022

| | Business-Type Activities - Enterprise Funds | | | |
|---|---|-------------------------|-------------------|--------------------|
| | Water and Sewer | Recycling and Refuse | Sanitary Sewer | Totals |
| Cash Flows from Operating Activities | | | | |
| Receipts from Customers and Users | \$ 5,147,142 | 1,425,455 | 313,149 | 6,885,746 |
| Payments to Employees | (783,261) | (65,162) | - | (848,423) |
| Payments to Suppliers | (1,890,143) | (1,256,813) | (4,338) | (3,151,294) |
| | <u>2,473,738</u> | <u>103,480</u> | <u>308,811</u> | <u>2,886,029</u> |
| Cash Flows from Noncapital and Related Activities | | | | |
| Transfers Out | (71,000) | - | - | (71,000) |
| Cash Flows from Capital and Related Financing Activities | | | | |
| Principal Paid on Debt | (860,099) | - | (613,034) | (1,473,133) |
| Interest Paid on Debt | (279,358) | - | (93,467) | (372,825) |
| | <u>(1,139,457)</u> | <u>-</u> | <u>(706,501)</u> | <u>(1,845,958)</u> |
| Cash Flows from Investing Activities | | | | |
| Interest Received | 5,380 | - | 41,748 | 47,128 |
| Net Change in Cash and Cash Equivalents | 1,268,661 | 103,480 | (355,942) | 1,016,199 |
| Cash and Cash Equivalents - Beginning | 827,808 | 323,017 | 3,410,001 | 4,560,826 |
| Cash and Cash Equivalents - Ending | <u>2,096,469</u> | <u>426,497</u> | <u>3,054,059</u> | <u>5,577,025</u> |
| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities | | | | |
| Operating Income (Loss) | 657,211 | 143,406 | (466,554) | 334,063 |
| Adjustments to Reconcile Operating Income to Net Income to Net Cash Provided by (Used in) Operating Activities: | | | | |
| Depreciation | 1,125,070 | - | 668,639 | 1,793,709 |
| Other Income | 393,706 | - | 113,758 | 507,464 |
| Other (Expense) - IMRF and RBP | (376,707) | (36,910) | - | (413,617) |
| (Increase) Decrease in Current Assets | 11,290 | (307) | (2,731) | 8,252 |
| Increase (Decrease) in Current Liabilities | 663,168 | (2,709) | (4,301) | 656,158 |
| Net Cash Provided by Operating Activities | <u>2,473,738</u> | <u>103,480</u> | <u>308,811</u> | <u>2,886,029</u> |

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

VILLAGE OF LINDENHURST, ILLINOIS

Statement of Fiduciary Net Position

April 30, 2022

| | Pension Trust |
|--------------------------------------|-------------------|
| | Police Pension |
| ASSETS | |
| Cash and Cash Equivalents | \$ 431,116 |
| Investments | |
| U.S. Treasury Obligations | 1,189,145 |
| U.S. Agency Obligations | 181,598 |
| State and Local Obligations | 165,649 |
| Corporate Bonds | 1,729,842 |
| Illinois Funds | 55,348 |
| Annuities | 1,079,040 |
| Mutual Funds | 4,847,308 |
| Common Stock | 1,300,810 |
| Accounts Receivable | |
| Accrued Interest | 20,688 |
| Due from Other Funds | 4,658 |
| Prepays | 4,985 |
| Total Assets | 11,010,187 |
| LIABILITIES | |
| Accounts Payable | 5,876 |
| NET POSITION | |
| Net Position Restricted for Pensions | 11,004,311 |

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, 2022

| | Pension Trust Police Pension |
|--------------------------------------|---------------------------------------|
| Additions | |
| Contributions - Employer | \$ 474,869 |
| Contributions - Plan Members | 126,741 |
| Contributions - Other | 110,188 |
| Total Contributions | <u>711,798</u> |
| Investment Income | |
| Interest Earned | 860,396 |
| Net Change in Fair Value | <u>(1,334,698)</u> |
| | (474,302) |
| Less Investment Expenses | <u>(46,112)</u> |
| Net Investment Income | <u>(520,414)</u> |
| Total Additions | <u>191,384</u> |
| Deductions | |
| Administration | 30,467 |
| Benefits | <u>600,733</u> |
| Total Deductions | <u>631,200</u> |
| Change in Fiduciary Net Position | (439,816) |
| Net Position Restricted for Pensions | |
| Beginning | <u>11,444,127</u> |
| Ending | <u><u>11,004,311</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, 2022

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, 2022

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, 2022

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, 2022

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 eight 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, 2022

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 pension trust 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, 2022

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

VILLAGE OF LINDENHURST, ILLINOIS

Notes to the Financial Statements April 30, 2022

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, 2022

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, 2022

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 | 12 - 50 Years |
| Vehicles and Equipment | 4 - 15 Years |
| Water and Sewerage Infrastructure | 75 Years |
| Other Infrastructure | 20 - 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, 2022

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 a consumption/acquisition of net assets 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 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 26, 2021 and amended on October 25, 2021.

VILLAGE OF LINDENHURST, ILLINOIS

Notes to the Financial Statements April 30, 2022

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

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

| Fund | Excess |
|----------------|------------|
| General | \$ 258,873 |
| Police Pension | 631,676 |

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, 2022

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 \$1,454,604 and the bank balances totaled \$1,739,469.

VILLAGE OF LINDENHURST, ILLINOIS

Notes to the Financial Statements April 30, 2022

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 | \$ 1,288,016 | 250,140 | 461,762 | 78,712 | 497,402 |
| Illinois Funds | 12,966,625 | 12,966,625 | - | - | - |
| | <u>14,254,641</u> | <u>13,216,765</u> | <u>461,762</u> | <u>78,712</u> | <u>497,402</u> |

The Village has the following recurring fair value measurements as of April 30, 2022:

| 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 | \$ 1,288,016 | - | 1,288,016 | - |
| Investments Measured at the Net Asset Value (NAV) | | | | |
| Illinois Funds | <u>12,966,625</u> | | | |
| Total Investments Measured at Fair Value | <u>14,254,641</u> | | | |

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, 2022

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 \$431,116 and the bank balances totaled \$430,762.

VILLAGE OF LINDENHURST, ILLINOIS

Notes to the Financial Statements April 30, 2022

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 | \$ 1,189,145 | 325,952 | 789,405 | 73,788 | - |
| U.S. Agency Obligations | 181,598 | - | 74,046 | 29,860 | 77,692 |
| State and Local Obligations | 165,649 | - | 61,966 | 55,990 | 47,693 |
| Corporate Bonds | 1,729,842 | 143,654 | 846,066 | 712,255 | 27,867 |
| Illinois Funds | 55,348 | 55,348 | - | - | - |
| | <u>3,321,582</u> | <u>524,954</u> | <u>1,771,483</u> | <u>871,893</u> | <u>153,252</u> |

The Fund has the following recurring fair value measurements as of April 30, 2022:

| | 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 | \$ 1,189,145 | 1,189,145 | - | - |
| U.S. Agency Obligations | 181,598 | - | 181,598 | - |
| State and Local Obligations | 165,649 | - | 165,649 | - |
| Corporate Bonds | 1,729,842 | - | 1,729,842 | - |
| | <u>3,266,234</u> | <u>1,189,145</u> | <u>2,077,089</u> | <u>-</u> |
| Equity Securities | | | | |
| Annuities | 1,079,040 | 1,079,040 | - | - |
| Mutual Funds | 4,847,308 | 4,847,308 | - | - |
| Common Stock | 1,300,810 | 1,300,810 | - | - |
| | <u>7,227,158</u> | <u>7,227,158</u> | <u>-</u> | <u>-</u> |
| Total Investments by Fair Value Level | <u>10,493,392</u> | <u>8,416,303</u> | <u>2,077,089</u> | <u>-</u> |
| Investments Measured at the Net Asset Value (NAV) | | | | |
| Illinois Funds | <u>55,348</u> | | | |
| Total Investments Measured at Fair Value | <u>10,548,740</u> | | | |

VILLAGE OF LINDENHURST, ILLINOIS

Notes to the Financial Statements April 30, 2022

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 Aaa or AA+ by Standard & Poor's, the state and local obligations were all rated Aa3 to Aa1/A- to AAA by Moody's, and Standard & Poor's, and the corporate bonds were rated Baa3 to Aaa/BBB- to AAA by Moody's and Standard & Poor'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 \$4,847,308 invested in mutual funds, \$1,300,810 invested in common stock, and \$1,079,040 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, 2022

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 | 40.00% | 1.10% |
| Equities | 55.00% | 4.40% to 5.90% |
| Cash and Cash Equivalents | 5.00% | (0.50%) |

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

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in May 2022 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, 2022 are listed in the table above.

Rate of Return

For the year ended April 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (4.79%). 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, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

PROPERTY TAXES

Property taxes for 2021 attach as an enforceable lien on January 1, 2021, 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 | \$ 142,000 (1) |
| Community Capital | Water and Sewer | 71,000 (2) |
| Nonmajor Governmental | General | <u>200,000 (1)</u> |
| | | <u>413,000</u> |

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

Interfund Balances

Interfund balances result from the time lag between when transactions are recorded in the accounting system and payments between funds are made. The composition of interfund balances as of the date of this report, is as follows:

| Receivable Fund | Payable Fund | Amount |
|-----------------|--------------|-----------------|
| Police Pension | General | <u>\$ 4,658</u> |

VILLAGE OF LINDENHURST, ILLINOIS

Notes to the Financial Statements April 30, 2022

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 | \$ 971,069 | 12,538 | - | 983,607 |
| Construction in Progress | 766,665 | 199,364 | 193,802 | 772,227 |
| | <u>1,737,734</u> | <u>211,902</u> | <u>193,802</u> | <u>1,755,834</u> |
| Depreciable Capital Assets | | | | |
| Building and Improvements | 4,156,545 | - | - | 4,156,545 |
| Vehicles and Equipment | 2,712,108 | 187,424 | 238,709 | 2,660,823 |
| Other Infrastructure | 23,302,300 | 148,223 | - | 23,450,523 |
| | <u>30,170,953</u> | <u>335,647</u> | <u>238,709</u> | <u>30,267,891</u> |
| Less Accumulated Depreciation | | | | |
| Building and Improvements | 2,133,908 | 78,556 | - | 2,212,464 |
| Vehicles and Equipment | 1,927,037 | 218,164 | 221,710 | 1,923,491 |
| Other Infrastructure | 16,278,475 | 700,785 | - | 16,979,260 |
| | <u>20,339,420</u> | <u>997,505</u> | <u>221,710</u> | <u>21,115,215</u> |
| Total Net Depreciable Capital Assets | <u>9,831,533</u> | <u>(661,858)</u> | <u>16,999</u> | <u>9,152,676</u> |
| Total Net Capital Assets | <u>11,569,267</u> | <u>(449,956)</u> | <u>210,801</u> | <u>10,908,510</u> |

Depreciation expense was charged to governmental activities as follows:

| | |
|--------------------|----------------|
| General Government | \$ 139,651 |
| Public Works | 778,054 |
| Public Safety | <u>79,800</u> |
| | <u>997,505</u> |

VILLAGE OF LINDENHURST, ILLINOIS

Notes to the Financial Statements April 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS – Continued

Business-Type Activities

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

| | Beginning Balances | Increases | Decreases | Ending Balances |
|--------------------------------------|-----------------------|-------------|-----------|--------------------|
| Nondepreciable Capital Assets | | | | |
| Land | \$ 10,000 | - | - | 10,000 |
| Depreciable Capital Assets | | | | |
| Building and Improvements | 28,726,429 | - | - | 28,726,429 |
| Vehicles and Equipment | 1,245,955 | - | 58,025 | 1,187,930 |
| Water and Sewerage Infrastructure | 54,113,766 | - | - | 54,113,766 |
| | 84,086,150 | - | 58,025 | 84,028,125 |
| Less Accumulated Depreciation | | | | |
| Building and Improvements | 12,783,783 | 766,536 | - | 13,550,319 |
| Vehicles and Equipment | 1,205,979 | 4,984 | 58,025 | 1,152,938 |
| Water and Sewerage Infrastructure | 21,028,520 | 1,022,189 | - | 22,050,709 |
| | 35,018,282 | 1,793,709 | 58,025 | 36,753,966 |
| Total Net Depreciable Capital Assets | 49,067,868 | (1,793,709) | - | 47,274,159 |
| Total Net Capital Assets | 49,077,868 | (1,793,709) | - | 47,284,159 |

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

| | |
|-----------------|------------------|
| Water and Sewer | \$ 1,125,070 |
| Sanitary Sewer | 668,639 |
| | <u>1,793,709</u> |

VILLAGE OF LINDENHURST, ILLINOIS

Notes to the Financial Statements April 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT

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 | Beginning Balances | Issuances | Retirements | Ending Balances |
|--|-------------------------|-----------------------|-----------|------------------|--------------------|
| Illinois Environmental Protection Agency (IEPA) Loan Payable of 2010 due in annual installments of \$44,364 through December 23, 2030. | Water and Sewer | \$ 443,642 | - | 44,364 | 399,278 |
| 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 | 7,883,773 | - | 613,034 | 7,270,739 |
| 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 | 5,146,688 | - | 292,862 | 4,853,826 |
| 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 | 9,203,017 | - | 498,799 | 8,704,218 |
| | | <u>22,677,120</u> | <u>-</u> | <u>1,449,059</u> | <u>21,228,061</u> |

VILLAGE OF LINDENHURST, ILLINOIS

Notes to the Financial Statements April 30, 2022

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 | \$ 24,074 | - | 24,074 | - |

Long-Term Liability Activity

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

| Type of Debt | Beginning Balances | Additions | Deductions | Ending Balances | Amounts Due within One Year |
|---------------------------------|-----------------------|-----------|------------|--------------------|-----------------------------------|
| Governmental Activities | | | | | |
| Compensated Absences | \$ 125,021 | 6,576 | 13,152 | 118,445 | 23,689 |
| Net Pension Liability - Police | 2,411,507 | 814,457 | - | 3,225,964 | - |
| Total OPEB Liability - RBP | 102,657 | 15,702 | - | 118,359 | - |
| | 2,639,185 | 836,735 | 13,152 | 3,462,768 | 23,689 |
| Business-Type Activities | | | | | |
| Compensated Absences | 28,481 | 7,138 | 3,569 | 32,050 | 6,410 |
| Total OPEB Liability - RBP | 52,776 | 4,675 | - | 57,451 | - |
| IEPA Loan Payable | 22,677,120 | - | 1,449,059 | 21,228,061 | 1,472,575 |
| Installment Contract Payable | 24,074 | - | 24,074 | - | - |
| | 22,782,451 | 11,813 | 1,476,702 | 21,317,562 | 1,478,985 |

For governmental activities, the compensated absences, the net pension liability, and the total OPEB liability are liquidated by the General Fund.

For business-type activities, the IEPA loan payable and installment contract 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 total OPEB liability is liquidated by the Water and Sewer Fund.

VILLAGE OF LINDENHURST, ILLINOIS

Notes to the Financial Statements April 30, 2022

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 | <u>Business-Type Activities</u> | |
|----------------|---------------------------------|------------------|
| | IEPA | |
| | <u>Loans Payable</u> | |
| | Principal | Interest |
| 2023 | \$ 1,472,575 | 354,143 |
| 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 | 1,044,767 | 27,894 |
| 2037 | 658,467 | 9,199 |
| Totals | <u>21,228,061</u> | <u>2,662,760</u> |

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."

VILLAGE OF LINDENHURST, ILLINOIS

Notes to the Financial Statements April 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Legal Debt Margin – Continued

| | |
|---|-----------------------|
| Assessed Valuation - 2021 | <u>\$ 361,112,105</u> |
| Legal Debt Limit - 8.625% of Assessed Value | 31,145,919 |
| Amount of Debt Applicable to Limit | <u>-</u> |
| Legal Debt Margin | <u>31,145,919</u> |

NET INVESTMENT IN CAPITAL ASSETS

Net investment in capital assets was comprised of the following as of April 30, 2022:

| | |
|---|----------------------|
| Governmental Activities | |
| Capital Assets - Net of Accumulated Depreciation | <u>\$ 10,908,510</u> |
| Business-Type Activities | |
| Capital Assets - Net of Accumulated Depreciation | 47,284,159 |
| Less Capital Related Debt: | |
| Illinois Environmental Protection Agency Loan Payable of 2010 | (399,278) |
| Illinois Environmental Protection Agency Loan Payable of 2013 | (7,270,739) |
| Illinois Environmental Protection Agency Loan Payable of 2015 | (4,853,826) |
| Illinois Environmental Protection Agency Loan Payable of 2016 | <u>(8,704,218)</u> |
| Net Investment in Capital Assets | <u>26,056,098</u> |

VILLAGE OF LINDENHURST, ILLINOIS

Notes to the Financial Statements April 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE CLASSIFICATIONS

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

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.

VILLAGE OF LINDENHURST, ILLINOIS

Notes to the Financial Statements April 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE CLASSIFICATIONS – Continued

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

| | General | Special Revenue | | Capital Projects | | Totals |
|------------------------------|------------|-----------------|------------|-------------------|----------|-----------|
| | | Motor Fuel Tax | Retirement | Community Capital | Nonmajor | |
| Fund Balances | | | | | | |
| Nonspendable | | | | | | |
| Prepays | \$ 307,448 | - | - | - | - | 307,448 |
| Restricted | | | | | | |
| Insurance | 70,789 | - | - | - | - | 70,789 |
| Road Projects | - | 1,676,612 | - | - | - | 1,676,612 |
| Payroll Taxes and Retirement | - | - | 127,572 | - | - | 127,572 |
| Police Currency Seizure | - | - | - | - | 5,397 | 5,397 |
| DUI Programs | - | - | - | - | 9,409 | 9,409 |
| Controlled Substance Act | - | - | - | - | 8,442 | 8,442 |
| Prison Review Agency | - | - | - | - | 13,009 | 13,009 |
| Shop with a Cop | - | - | - | - | 14,364 | 14,364 |
| Economic Development | - | - | - | - | 195,925 | 195,925 |
| | 70,789 | 1,676,612 | 127,572 | - | 246,546 | 2,121,519 |
| Assigned | | | | | | |
| Community Capital | - | - | - | 2,255,546 | - | 2,255,546 |
| Unassigned | 5,144,801 | - | - | - | - | 5,144,801 |
| Total Fund Balances | 5,523,038 | 1,676,612 | 127,572 | 2,255,546 | 246,546 | 9,829,314 |

VILLAGE OF LINDENHURST, ILLINOIS

Notes to the Financial Statements April 30, 2022

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, 2022

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, 2022, the Village has reimbursed \$229,343 in sales taxes. All payments have been recorded as an expenditure in the General Fund.

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, 2020 and the statement of revenues and expense for the year then ended:

| | | | |
|-----------------------------|--------------|----------------------------------|-----------|
| Current Assets | \$ 2,161,036 | Current Liabilities | \$ 87,795 |
| Noncurrent Assets | | Deferred Inflows | 188,470 |
| Capital Assets | 1,841,392 | Total Liabilities/ Def. Inflows | 276,265 |
| Deferred Outflows | 55,596 | Net Investment in Capital Assets | 902,459 |
| Total Assets/ Def. Outflows | 4,058,024 | Restricted | 684,331 |
| | | Unrestricted | 2,194,969 |
| | | Net Position | 3,781,759 |

VILLAGE OF LINDENHURST, ILLINOIS

Notes to the Financial Statements April 30, 2022

NOTE 4 – OTHER INFORMATION – Continued

JOINT VENTURE – Continued

Solid Waste Agency of Lake County (SWALCO) – Continued

| | |
|--------------------------|------------------|
| Operating Revenues | \$ 914,531 |
| Operating Expenses | <u>1,103,802</u> |
| Operating Income | (189,271) |
| Nonoperating Revenue | <u>23,929</u> |
| Change in Net Position | (165,342) |
| Net Position - Beginning | <u>3,947,101</u> |
| Net Position - Ending | <u>3,781,759</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 related items for the two pension plans is:

| | Net Pension Liabilities/ (Assets) | Deferred Outflows | Deferred Inflows | Pension Expense/ (Revenue) |
|----------------|---|----------------------|---------------------|----------------------------------|
| IMRF | \$ (1,435,484) | 116,786 | 1,890,619 | (547,751) |
| Police Pension | <u>3,225,964</u> | <u>1,449,897</u> | <u>501,155</u> | <u>420,019</u> |
| | <u>1,790,480</u> | <u>1,566,683</u> | <u>2,391,774</u> | <u>(127,732)</u> |

VILLAGE OF LINDENHURST, ILLINOIS

Notes to the Financial Statements April 30, 2022

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, 2022

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, 2021, the measurement date, the following employees were covered by the benefit terms:

| | |
|--|-----------|
| Inactive Plan Members Currently Receiving Benefits | 40 |
| Inactive Plan Members Entitled to but not yet Receiving Benefits | 19 |
| Active Plan Members | <u>17</u> |
| Total | <u>76</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, 2022 was 13.14% of covered payroll.

Net Pension (Asset). The Village's net pension (asset) was measured as of December 31, 2021. The total pension liability used to calculate the net pension (asset) 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, 2021, using the following actuarial methods and assumptions:

| | |
|----------------------------|---------------------|
| Actuarial Cost Method | Entry Age Normal |
| Asset Valuation Method | Fair Value |
| 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, 2022

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 nondisabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

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 | 25.00% | (0.60%) |
| Domestic Equities | 39.00% | 1.90% |
| International Equities | 15.00% | 3.15% |
| Real Estate | 10.00% | 3.30% |
| Blended | 10.00% | 1.70% - 5.50% |
| Cash and Cash Equivalents | 1.00% | (0.90%) |

VILLAGE OF LINDENHURST, ILLINOIS

Notes to the Financial Statements April 30, 2022

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, the 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 net pension liability/(asset) of the Village calculated using the discount rate as well as what the Village's net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

| | 1% Decrease | Current Discount Rate | 1% Increase |
|-------------------------------|-------------|--------------------------|-------------|
| | 6.25% | 7.25% | 8.25% |
| Net Pension Liability/(Asset) | \$ 347,180 | (1,435,484) | (2,829,028) |

VILLAGE OF LINDENHURST, ILLINOIS

Notes to the Financial Statements April 30, 2022

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Changes in the Net Pension (Asset)

| | Total Pension Liability (A) | Plan Fiduciary Net Position (B) | Net Pension (Asset) (A) - (B) |
|---|--------------------------------------|---------------------------------------|-------------------------------------|
| Balances at December 31, 2020 | \$ 13,542,648 | 13,547,403 | (4,755) |
| Changes for the Year: | | | |
| Service Cost | 132,853 | - | 132,853 |
| Interest on the Total Pension Liability | 960,758 | - | 960,758 |
| Changes of Benefit Terms | - | - | - |
| Difference Between Expected and Actual Experience of the Total Pension Liability | 75,518 | - | 75,518 |
| Changes of Assumptions | - | - | - |
| Contributions - Employer | - | 206,072 | (206,072) |
| Contributions - Employees | - | 63,040 | (63,040) |
| Contributions - Other | - | - | - |
| Net Investment Income | - | 2,326,808 | (2,326,808) |
| Benefit Payments, including Refunds of Employee Contributions | (714,492) | (714,492) | - |
| Other (Net Transfer) | - | 3,938 | (3,938) |
| Net Changes | 454,637 | 1,885,366 | (1,430,729) |
| Balances at December 31, 2021 | 13,997,285 | 15,432,769 | (1,435,484) |

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

For the year ended April 30, 2022, the Village recognized pension revenue of \$547,751. At April 30, 2022, 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, 2022

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 | \$ 56,896 | - | 56,896 |
| Change in Assumptions | - | (38,576) | (38,576) |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | - | (1,852,043) | (1,852,043) |
| Total Pension Expense to be Recognized in Future Periods | 56,896 | (1,890,619) | (1,833,723) |
| Pension Contributions Made Subsequent to the Measurement Date | 59,890 | - | 59,890 |
| Total Deferred Amounts Related to IMRF | 116,786 | (1,890,619) | (1,773,833) |

\$59,890 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, 2023. 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 |
|----------------|--|
| 2023 | \$ (401,711) |
| 2024 | (704,727) |
| 2025 | (455,161) |
| 2026 | (272,124) |
| 2027 | - |
| Thereafter | - |
| Total | (1,833,723) |

VILLAGE OF LINDENHURST, ILLINOIS

Notes to the Financial Statements April 30, 2022

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, 2022, the measurement date, membership consisted of the following:

| | |
|--|-----------|
| Inactive Plan Members Currently Receiving Benefits | 6 |
| Inactive Plan Members Entitled to but not yet Receiving Benefits | 5 |
| Active Plan Members | <u>15</u> |
| Total | <u>26</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, 2022

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 48 consecutive months of service within the last 60 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, 2022, the Village's contribution was 35.60% 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, 2022

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, 2022, using the following actuarial methods and assumptions:

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

Mortality rates were based on the Pub-2010(A) Mortality Table adjusted for plan status, demographics, and Illinois Public Pension Data.

Discount Rate

The discount rate used to measure the total pension liability was 6.50%, the same as 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, 2022

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 net 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 | Current Discount Rate | 1% Increase |
|-----------------------|--------------|--------------------------|-------------|
| | 5.50% | 6.50% | 7.50% |
| Net Pension Liability | \$ 5,619,261 | 3,225,964 | 1,305,065 |

Changes in the Net Pension Liability

| | Total Pension Liability (A) | Plan Fiduciary Net Position (B) | Net Pension Liability (A) - (B) |
|---|--------------------------------------|---------------------------------------|---------------------------------------|
| Balances at April 30, 2021 | \$ 13,855,634 | 11,444,127 | 2,411,507 |
| Changes for the Year: | | | |
| Service Cost | 415,218 | - | 415,218 |
| Interest on the Total Pension Liability | 856,392 | - | 856,392 |
| Changes of Benefit Terms | - | - | - |
| Difference Between Expected and Actual Experience of the Total Pension Liability | (296,236) | - | (296,236) |
| Changes of Assumptions | - | - | - |
| Contributions - Employer | - | 474,869 | (474,869) |
| Contributions - Employees | - | 126,741 | (126,741) |
| Contributions - Other | - | 110,188 | (110,188) |
| Net Investment Income | - | (520,414) | 520,414 |
| Benefit Payments, including Refunds of Employee Contributions | (600,733) | (600,733) | - |
| Administrative Expense | - | (30,467) | 30,467 |
| Net Changes | 374,641 | (439,816) | 814,457 |
| Balances at April 30, 2022 | 14,230,275 | 11,004,311 | 3,225,964 |

VILLAGE OF LINDENHURST, ILLINOIS

Notes to the Financial Statements April 30, 2022

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, 2022, the Village recognized pension expense of \$420,019. At April 30, 2022, 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 | \$ 207,235 | (501,155) | (293,920) |
| Change in Assumptions | 852,816 | - | 852,816 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 389,846 | - | 389,846 |
| Total Deferred Amounts Related to Police Pension | 1,449,897 | (501,155) | 948,742 |

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 |
|----------------|--|
| 2023 | \$ 190,996 |
| 2024 | 129,311 |
| 2025 | 30,598 |
| 2026 | 324,857 |
| 2027 | 100,589 |
| Thereafter | 172,391 |
| Total | 948,742 |

VILLAGE OF LINDENHURST, ILLINOIS

Notes to the Financial Statements April 30, 2022

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, 2022, 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>28</u> |
| Total | <u>28</u> |

Total OPEB Liability

The Village's total OPEB liability was measured as of April 30, 2022, and was determined by an actuarial valuation as of the same date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the April 30, 2022 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, 2022

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 | 3.42% |
| Healthcare Cost Trend Rates | 7.00% for 2022, Decreasing 0.25% per Year to an Ultimate Rate of 4.0% for 2029 and Later Years |
| 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 municipal bond rates.

Mortality rates were based on the RP2014 Blue Collar base rates projected to 2021 using scale MP2020 for Police. For all others the RP2014 base rates projected to 2021 using scale MP2020 was used.

Change in the Total OPEB Liability

| | |
|---|-------------------------------------|
| | <u>Total OPEB Liability</u> |
| Balance at April 30, 2021 | <u>\$ 155,433</u> |
| Changes for the Year: | |
| Service Cost | 31,083 |
| Interest on the Total Pension Liability | 3,288 |
| Changes of Benefit Terms | - |
| Difference Between Expected and Actual Experience | - |
| Changes of Assumptions or Other Inputs | (13,353) |
| Benefit Payments | <u>(641)</u> |
| Net Changes | <u>20,377</u> |
| Balance at April 30, 2022 | <u>175,810</u> |

VILLAGE OF LINDENHURST, ILLINOIS

Notes to the Financial Statements April 30, 2022

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

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

The discount rate used to measure the total pension liability was 3.42%, while the prior valuation used 2.12%. The following presents the total OPEB liability, calculated using the discount rate, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher:

| | 1% Decrease (2.42%) | Current Discount Rate (3.42%) | 1% Increase (4.42%) |
|----------------------|------------------------|-------------------------------------|------------------------|
| Total OPEB Liability | \$ 184,070 | 175,810 | 166,686 |

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

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

| | 1% Decrease Varies | Healthcare Cost Trend Rates Varies | 1% Increase Varies |
|----------------------|-----------------------|---|-----------------------|
| Total OPEB Liability | \$ 152,972 | 175,810 | 202,151 |

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

For the year ended April 30, 2022, the Village recognized OPEB expense of \$29,975. At April 30, 2022, 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, 2022

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 | \$ - | (56,680) | (56,680) |
| Change in Assumptions | 22,608 | (12,263) | 10,345 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | - | - | - |
| Total Deferred Amounts Related to OPEB | 22,608 | (68,943) | (46,335) |

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 (Inflows) of Resources |
|----------------|---|
| 2023 | \$ (4,324) |
| 2024 | (4,324) |
| 2025 | (4,324) |
| 2026 | (4,324) |
| 2027 | (4,324) |
| Thereafter | (24,715) |
| Total | (46,335) |

SUBSEQUENT EVENT

American Rescue Plan Act

On March 11, 2021, the American Rescue Plan Act of 2021 was signed into law. This act provides \$350 billion in funding for local governments. The Village has been allocated \$1,933,581 to be received in two installments. On September 10, 2021, the Village received their first installment of \$966,291. On September 16, 2022, the Village received their second installment in the amount of \$967,290.

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/(Asset)
 - 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, 2022

| 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% |
| 2021 | 217,256 | 217,256 | - | 1,430,813 | 15.18% |
| 2022 | 190,337 | 190,337 | - | 1,448,972 | 13.14% |

Notes to the Required Supplementary Information:

| | |
|-------------------------------|--|
| Actuarial Cost Method | Entry Age Normal |
| Amortization Method | Level % Pay (Closed) |
| Remaining Amortization Period | 22 Years |
| Asset Valuation Method | 5-Year Smoothed Market |
| Inflation | 2.50% |
| Salary Increases | 3.35% - 14.25% |
| Investment Rate of Return | 7.25% |
| 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, 2022

| 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% |
| 2021 | 386,913 | 385,232 | (1,681) | 1,291,790 | 29.82% |
| 2022 | 466,895 | 474,869 | 7,974 | 1,333,773 | 35.60% |

Notes to the Required Supplementary Information:

| | |
|-------------------------------|---|
| Actuarial Cost Method | Entry Age Normal |
| Amortization Method | Level % Pay (Closed) |
| Remaining Amortization Period | 20 Years |
| Asset Valuation Method | 5-Year Smoothed Fair Value |
| Inflation | 2.25% |
| Salary Increases | 3.25% |
| Investment Rate of Return | 6.50% |
| Retirement Age | See the Notes to the Financial Statements |
| Mortality | Pub-2010 Adjusted for Plan Status, Demographics, and Illinois Public Pension Data, as Described |

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/(Asset)

April 30, 2022

See Following Page

VILLAGE OF LINDENHURST, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information

Schedule of Changes in the Employer's Net Pension Liability/(Asset)

April 30, 2022

| | 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/(Asset) | \$ 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/(Asset) 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.

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2014 through 2021.

Changes in assumptions related to the demographics were made in 2014 and 2017.

| 12/31/16 | 12/31/17 | 12/31/18 | 12/31/19 | 12/31/20 | 12/31/21 |
|------------|------------|------------|------------|------------|-------------|
| 156,665 | 163,066 | 142,675 | 135,908 | 139,256 | 132,853 |
| 865,237 | 932,757 | 898,792 | 909,311 | 941,351 | 960,758 |
| 518,639 | (516,180) | (145,089) | 108,617 | 48,684 | 75,518 |
| (65,438) | (345,541) | 381,998 | - | (145,790) | - |
| (643,174) | (636,618) | (716,935) | (716,395) | (710,756) | (714,492) |
| 831,929 | (402,516) | 561,441 | 437,441 | 272,745 | 454,637 |
| 11,841,608 | 12,673,537 | 12,271,021 | 12,832,462 | 13,269,903 | 13,542,648 |
| 12,673,537 | 12,271,021 | 12,832,462 | 13,269,903 | 13,542,648 | 13,997,285 |
| 693,390 | 246,601 | 217,846 | 168,742 | 209,906 | 206,072 |
| 91,986 | 68,612 | 61,346 | 60,265 | 61,138 | 63,040 |
| 647,141 | 1,885,427 | (697,689) | 2,059,943 | 1,783,039 | 2,326,808 |
| (643,174) | (636,618) | (716,935) | (716,395) | (710,756) | (714,492) |
| 87,308 | (396,545) | 263,132 | 44,000 | 27,278 | 3,938 |
| 876,651 | 1,167,477 | (872,300) | 1,616,555 | 1,370,605 | 1,885,366 |
| 9,388,415 | 10,265,066 | 11,432,543 | 10,560,243 | 12,176,798 | 13,547,403 |
| 10,265,066 | 11,432,543 | 10,560,243 | 12,176,798 | 13,547,403 | 15,432,769 |
| 2,408,471 | 838,478 | 2,272,219 | 1,093,105 | (4,755) | (1,435,484) |
| 81.00% | 93.17% | 82.29% | 91.76% | 100.04% | 110.26% |
| 1,557,099 | 1,512,856 | 1,363,246 | 1,339,224 | 1,358,618 | 1,400,890 |
| 154.68% | 55.42% | 166.68% | 81.62% | (0.35%) | (102.47%) |

VILLAGE OF LINDENHURST, ILLINOIS

Police Pension Fund

Required Supplementary Information

Schedule of Changes in the Employer's Net Pension Liability

April 30, 2022

| | 4/30/15 |
|---|--------------|
| 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 |
| Contributions - Other | - |
| 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.

| 4/30/16 | 4/30/17 | 4/30/18 | 4/30/19 | 4/30/20 | 4/30/21 | 4/30/22 |
|-----------|-----------|------------|------------|------------|------------|------------|
| 310,910 | 381,243 | 344,621 | 334,378 | 345,621 | 368,211 | 415,218 |
| 545,535 | 547,038 | 633,819 | 704,347 | 760,533 | 834,428 | 856,392 |
| - | - | - | - | 19,527 | - | - |
| (345,837) | 230,870 | 237,657 | 15,537 | 290,470 | (355,344) | (296,236) |
| - | 339,716 | - | - | 1,256,358 | - | - |
| (142,911) | (311,979) | (196,741) | (222,433) | (262,276) | (397,787) | (600,733) |
| 367,697 | 1,186,888 | 1,019,356 | 831,829 | 2,410,233 | 449,508 | 374,641 |
| 7,590,123 | 7,957,820 | 9,144,708 | 10,164,064 | 10,995,893 | 13,406,126 | 13,855,634 |
| 7,957,820 | 9,144,708 | 10,164,064 | 10,995,893 | 13,406,126 | 13,855,634 | 14,230,275 |
| 293,600 | 297,436 | 415,939 | 394,832 | 366,019 | 385,232 | 474,869 |
| 123,535 | 126,569 | 125,016 | 122,259 | 121,977 | 157,170 | 126,741 |
| - | - | - | - | - | - | 110,188 |
| (14,796) | 544,524 | 338,529 | 241,514 | 136,185 | 2,076,098 | (520,414) |
| (142,911) | (311,979) | (196,741) | (222,433) | (262,276) | (397,787) | (600,733) |
| (6,761) | (6,665) | (9,239) | (6,332) | (10,275) | (17,174) | (30,467) |
| 252,667 | 649,885 | 673,504 | 529,840 | 351,630 | 2,203,539 | (439,816) |
| 6,783,062 | 7,035,729 | 7,685,614 | 8,359,118 | 8,888,958 | 9,240,588 | 11,444,127 |
| 7,035,729 | 7,685,614 | 8,359,118 | 8,888,958 | 9,240,588 | 11,444,127 | 11,004,311 |
| 922,091 | 1,459,094 | 1,804,946 | 2,106,935 | 4,165,538 | 2,411,507 | 3,225,964 |
| 88.41% | 84.04% | 82.24% | 80.84% | 68.93% | 82.60% | 77.33% |
| 1,248,370 | 1,178,338 | 1,379,350 | 1,274,583 | 1,316,132 | 1,291,790 | 1,333,773 |
| 73.86% | 123.83% | 130.85% | 165.30% | 316.50% | 186.68% | 241.87% |

VILLAGE OF LINDENHURST, ILLINOIS

Police Pension Fund

Required Supplementary Information

Schedule of Investment Returns

April 30, 2022

| 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%) |
| 2021 | 23.82% |
| 2022 | (4.79%) |

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, 2022

| | 4/30/19 | 4/30/20 | 4/30/21 | 4/30/22 |
|---|--------------|-----------|-----------|-----------|
| Total OPEB Liability | | | | |
| Service Cost | \$ 20,478 | 21,827 | 25,670 | 31,083 |
| Interest | 4,546 | 5,312 | 5,106 | 3,288 |
| Changes in Benefit Terms | - | - | - | - |
| Differences Between Expected and Actual Experience | - | - | - | - |
| Change of Assumptions or Other Inputs | 1,559 | 9,424 | (50,508) | (13,353) |
| Benefit Payments | - | (1,901) | (599) | (641) |
| Net Change in Total OPEB Liability | 26,583 | 34,662 | (20,331) | 20,377 |
| Total OPEB Liability - Beginning | 114,519 | 141,102 | 175,764 | 155,433 |
| Total OPEB Liability - Ending | 141,102 | 175,764 | 155,433 | 175,810 |
| Covered-Employee Payroll | \$ 2,263,493 | 2,342,716 | 2,296,017 | 2,376,378 |
| Total OPEB Liability as a Percentage of Covered-Employee Payroll | 6.23% | 7.50% | 6.77% | 7.40% |

Notes:

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

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Changes of Assumptions. Changes of assumptions related to the discount rate were made in 2019 through 2022.

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, 2022

| | Budget | | Actual |
|--|------------|-----------|-----------|
| | Original | Final | |
| Revenues | | | |
| Taxes | \$ 640,768 | 640,768 | 1,110,281 |
| Intergovernmental | 2,684,107 | 2,717,107 | 3,982,344 |
| Licenses and Permits | 168,956 | 168,956 | 282,193 |
| Fines and Forfeitures | 57,119 | 57,119 | 19,424 |
| Charges for Services | 255,357 | 255,357 | 226,827 |
| Interest | 44,966 | 44,966 | 15,041 |
| Miscellaneous | 140,000 | 140,000 | 104,375 |
| Total Revenues | 3,991,273 | 4,024,273 | 5,740,485 |
| Expenditures | | | |
| General Government | 517,006 | 517,006 | 523,981 |
| Public Works | 863,005 | 863,005 | 815,537 |
| Building and Grounds | 28,620 | 28,620 | 25,890 |
| Engineering | 144,082 | 144,082 | 119,813 |
| Public Safety | 2,280,605 | 2,280,605 | 2,608,675 |
| Capital Outlay | 12,766 | 12,766 | 11,061 |
| Total Expenditures | 3,846,084 | 3,846,084 | 4,104,957 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 145,189 | 178,189 | 1,635,528 |
| Other Financing (Uses) | | | |
| Transfers Out | (142,000) | (142,000) | (342,000) |
| Net Change in Fund Balance | 3,189 | 36,189 | 1,293,528 |
| Fund Balance - Beginning | | | 4,229,510 |
| Fund Balance - Ending | | | 5,523,038 |

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, 2022

| | Budget | | Actual |
|----------------------------|------------|---------|-----------|
| | Original | Final | |
| Revenues | | | |
| Intergovernmental | | | |
| State Motor Fuel Tax | \$ 569,080 | 569,080 | 576,546 |
| State Grants | 11,000 | 11,000 | 23,307 |
| Rebuild Illinois Grant | - | - | 317,701 |
| Interest | 18,789 | 18,789 | 1,369 |
| Total Revenues | 598,869 | 598,869 | 918,923 |
| Expenditures | | | |
| Public Works | | | |
| Commodities | | | |
| Snow Emergency | 1,000 | 1,000 | - |
| Asphalt Products | 34,700 | 34,700 | 18,476 |
| Road Salt | 102,500 | 102,500 | 50,805 |
| Total Expenditures | 138,200 | 138,200 | 69,281 |
| Net Change in Fund Balance | 460,669 | 460,669 | 849,642 |
| Fund Balance - Beginning | | | 826,970 |
| Fund Balance - Ending | | | 1,676,612 |

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, 2022

| | Budget | | Actual |
|----------------------------|------------|---------|---------|
| | Original | Final | |
| Revenues | | | |
| Taxes | | | |
| Property Taxes | \$ 178,940 | 178,940 | 179,068 |
| Intergovernmental | | | |
| State Replacement Tax | 4,800 | 4,800 | 14,650 |
| Total Revenues | 183,740 | 183,740 | 193,718 |
| Expenditures | | | |
| General Government | | | |
| FICA | 77,947 | 77,947 | 66,594 |
| IMRF | 100,993 | 100,993 | 81,844 |
| Total Expenditures | 178,940 | 178,940 | 148,438 |
| Net Change in Fund Balance | 4,800 | 4,800 | 45,280 |
| Fund Balance - Beginning | | | 82,292 |
| Fund Balance - Ending | | | 127,572 |

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

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

SPECIAL REVENUE FUNDS - Continued

The Economic Development Fund is used to account for those resources dedicated to the support, promotion, recruitment, and general advancement of business within the Village of Lindenhurst as best determined by the Village Board.”

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, 2022

| | Budget | | Actual |
|-------------------------|------------|-----------|-----------|
| | Original | Final | |
| Revenues | | | |
| Taxes | | | |
| Property Taxes | \$ 640,768 | 640,768 | 1,110,281 |
| Intergovernmental | | | |
| State Sales Tax | 1,085,000 | 1,085,000 | 1,828,779 |
| State Income Tax | 1,299,107 | 1,299,107 | 1,870,460 |
| Municipal Tax | 300,000 | 300,000 | 129,119 |
| Grants | - | 33,000 | 153,986 |
| Total Intergovernmental | 2,684,107 | 2,717,107 | 3,982,344 |
| Licenses and Permits | 168,956 | 168,956 | 282,193 |
| Fines and Forfeitures | 57,119 | 57,119 | 19,424 |
| Charges for Services | | | |
| Franchise Fees | 255,357 | 255,357 | 226,827 |
| Interest | 44,966 | 44,966 | 15,041 |
| Miscellaneous | 140,000 | 140,000 | 104,375 |
| Total Revenues | 3,991,273 | 4,024,273 | 5,740,485 |

VILLAGE OF LINDENHURST, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual For the Fiscal Year Ended April 30, 2022

| | Budget | | Actual |
|----------------------------|------------|---------|---------|
| | Original | Final | |
| General Government | | | |
| Personnel Salaries | \$ 193,904 | 193,904 | 196,243 |
| Retirement and Benefits | 26,024 | 26,024 | 25,340 |
| Contract Services | 58,465 | 58,465 | 57,284 |
| Professional Fees | 59,870 | 59,870 | 65,558 |
| Insurance | 113,673 | 113,673 | 112,336 |
| Dues and Subscriptions | 7,705 | 7,705 | 6,813 |
| Training and Conferences | 3,500 | 3,500 | 1,669 |
| Supplies | 9,500 | 9,500 | 7,731 |
| Printing | 2,900 | 2,900 | 4,515 |
| Office Expenditures | 3,445 | 3,445 | 3,618 |
| Communication | 15,520 | 15,520 | 11,571 |
| Miscellaneous Expenditures | 22,500 | 22,500 | 31,303 |
| Total General Government | 517,006 | 517,006 | 523,981 |
| Public Works | | | |
| Personnel Salaries | 418,982 | 418,982 | 416,594 |
| Retirement and Benefits | 107,418 | 107,418 | 72,103 |
| Contract Services | 133,950 | 133,950 | 164,322 |
| Professional Fees | 128,215 | 128,215 | 101,047 |
| Fuel | 13,860 | 13,860 | 11,770 |
| Training and Conferences | 3,680 | 3,680 | 1,698 |
| Supplies | 44,630 | 44,630 | 36,323 |
| Rental | 3,000 | 3,000 | 3,198 |
| Maintenance and Repairs | 5,000 | 5,000 | 4,820 |
| Office Expenditures | 500 | 500 | 332 |
| Communication | 2,770 | 2,770 | 2,310 |
| Miscellaneous Expenditures | 1,000 | 1,000 | 1,020 |
| Total Public Works | 863,005 | 863,005 | 815,537 |
| Building and Grounds | | | |
| Professional Fees | 8,300 | 8,300 | 8,887 |
| Supplies | 500 | 500 | - |
| Maintenance and Repairs | 17,935 | 17,935 | 15,441 |
| Office Expenditures | 885 | 885 | 683 |
| Miscellaneous Expenditures | 1,000 | 1,000 | 879 |
| Total Building and Grounds | 28,620 | 28,620 | 25,890 |

VILLAGE OF LINDENHURST, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued For the Fiscal Year Ended April 30, 2022

| | Budget | | Actual |
|----------------------------|-----------|-----------|-----------|
| | Original | Final | |
| Engineering | | | |
| Personnel Salaries | \$ 31,335 | 31,335 | 31,804 |
| Retirement and Benefits | 10,747 | 10,747 | 19,864 |
| Professional Fees | 61,000 | 61,000 | 62,455 |
| Office Expenditures | 40,000 | 40,000 | 5,690 |
| Miscellaneous | 1,000 | 1,000 | - |
| Total Engineering | 144,082 | 144,082 | 119,813 |
| Public Safety | | | |
| Personnel Salaries | 1,565,735 | 1,565,735 | 1,439,565 |
| Pension Contribution | - | - | 474,869 |
| Retirement and Benefits | 335,343 | 335,343 | 326,556 |
| Professional Fees | 117,379 | 117,379 | 99,493 |
| Fuel | 29,500 | 29,500 | 37,152 |
| Dues and Subscriptions | 5,385 | 5,385 | 4,235 |
| Training and Conferences | 10,050 | 10,050 | 5,360 |
| Supplies | 26,985 | 26,985 | 24,668 |
| Printing | 3,175 | 3,175 | 881 |
| Maintenance and Repairs | 36,780 | 36,780 | 31,768 |
| Communication | 136,558 | 136,558 | 159,740 |
| Miscellaneous Expenditures | 13,715 | 13,715 | 4,388 |
| Total Public Safety | 2,280,605 | 2,280,605 | 2,608,675 |
| Capital Outlay | | | |
| Public Works | 5,600 | 5,600 | 5,042 |
| Public Safety | 7,166 | 7,166 | 6,019 |
| Total Capital Outlay | 12,766 | 12,766 | 11,061 |
| Total Expenditures | 3,846,084 | 3,846,084 | 4,104,957 |

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, 2022

| | Budget | | |
|--|------------------|------------------|-------------------------|
| | Original | Final | Actual |
| Revenues | | | |
| Intergovernmental | | | |
| State Sales Tax | \$ 443,228 | 443,228 | 203,341 |
| State Income Tax | 160,384 | 160,384 | 207,829 |
| Video Gaming | 55,000 | 55,000 | 102,369 |
| Licenses and Permits | 280,000 | 280,000 | 289,362 |
| Interest | 2,000 | 2,000 | - |
| Miscellaneous | | | |
| Rentals | 192,500 | 192,500 | 220,831 |
| Total Revenues | <u>1,133,112</u> | <u>1,133,112</u> | <u>1,023,732</u> |
| Expenditures | | | |
| Capital Outlay | | | |
| Equipment | 12,000 | 12,000 | 11,566 |
| Vehicles | 291,433 | 291,433 | 153,422 |
| Projects | 1,251,862 | 1,251,862 | 903,403 |
| Total Expenditures | <u>1,555,295</u> | <u>1,555,295</u> | <u>1,068,391</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (422,183) | (422,183) | (44,659) |
| Other Financing Sources | | | |
| Transfers In | <u>213,000</u> | <u>213,000</u> | <u>213,000</u> |
| Net Change in Fund Balance | <u>(209,183)</u> | <u>(209,183)</u> | 168,341 |
| Fund Balance - Beginning | | | <u>2,087,205</u> |
| Fund Balance - Ending | | | <u><u>2,255,546</u></u> |

VILLAGE OF LINDENHURST, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

**Combining Balance Sheet
April 30, 2022**

See Following Page

VILLAGE OF LINDENHURST, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

Combining Balance Sheet

April 30, 2022

| | Police Currency Seizure |
|---|-------------------------------|
| <hr/> | |
| ASSETS | |
| Cash and Cash Equivalents | \$ 5,397 |
| LIABILITIES | |
| Accounts Payable | - |
| DEFERRED INFLOWS OF RESOURCES | |
| Grants | - |
| Total Liabilities and Deferred Inflows of Resources | - |
| FUND BALANCES | |
| Restricted | 5,397 |
| Total Liabilities and Fund Balances | 5,397 |

| DUI | Controlled Substance | Prison Review Agency | Shop with a Cop | Economic Development | Totals |
|-------|-------------------------|----------------------------|-----------------------|-------------------------|---------|
| 9,409 | 8,442 | 13,009 | 14,364 | 426,137 | 476,758 |
| - | - | - | - | 4,075 | 4,075 |
| - | - | - | - | 226,137 | 226,137 |
| - | - | - | - | 230,212 | 230,212 |
| 9,409 | 8,442 | 13,009 | 14,364 | 195,925 | 246,546 |
| 9,409 | 8,442 | 13,009 | 14,364 | 426,137 | 476,758 |

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, 2022

| | Police Currency Seizure |
|--|-------------------------------|
| Revenues | |
| Intergovernmental | \$ - |
| Fines and Forfeitures | - |
| Miscellaneous | - |
| Total Revenues | - |
| Expenditures | |
| General Government | - |
| Public Safety | - |
| Total Expenditures | - |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - |
| Other Financing Sources | |
| Transfers In | - |
| 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 | Economic Development | Totals |
|---------|-------------------------|----------------------------|-----------------------|-------------------------|---------|
| - | - | - | - | 36,863 | 36,863 |
| 2,032 | - | 228 | - | - | 2,260 |
| - | 3,314 | - | 850 | - | 4,164 |
| 2,032 | 3,314 | 228 | 850 | 36,863 | 43,287 |
| - | - | - | - | 40,938 | 40,938 |
| 5,198 | - | 2,460 | 3,580 | - | 11,238 |
| 5,198 | - | 2,460 | 3,580 | 40,938 | 52,176 |
| (3,166) | 3,314 | (2,232) | (2,730) | (4,075) | (8,889) |
| - | - | - | - | 200,000 | 200,000 |
| (3,166) | 3,314 | (2,232) | (2,730) | 195,925 | 191,111 |
| 12,575 | 5,128 | 15,241 | 17,094 | - | 55,435 |
| 9,409 | 8,442 | 13,009 | 14,364 | 195,925 | 246,546 |

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, 2022

| | Budget | | Actual |
|----------------------------|----------|---------|---------|
| | Original | Final | |
| Revenues | | | |
| Fines and Forfeitures | \$ 4,750 | 4,750 | 2,032 |
| Interest | 150 | 150 | - |
| Tortal Revenues | 4,900 | 4,900 | 2,032 |
| Expenditures | | | |
| Public Safety | | | |
| Commodities | 7,700 | 7,700 | 5,198 |
| Net Change in Fund Balance | (2,800) | (2,800) | (3,166) |
| Fund Balance - Beginning | | | 12,575 |
| Fund Balance - Ending | | | 9,409 |

VILLAGE OF LINDENHURST, ILLINOIS

Controlled Substance - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2022**

| | Budget | | Actual |
|----------------------------|--------------|--------------|--------------|
| | Original | Final | |
| Revenues | | | |
| Miscellaneous | \$ 1,500 | 1,500 | 3,314 |
| Expenditures | | | |
| Public Safety | | | |
| Contractual Services | - | - | - |
| Net Change in Fund Balance | <u>1,500</u> | <u>1,500</u> | 3,314 |
| Fund Balance - Beginning | | | <u>5,128</u> |
| Fund Balance - Ending | | | <u>8,442</u> |

VILLAGE OF LINDENHURST, ILLINOIS

Prison Review Agency - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended April 30, 2022

| | Budget | | Actual |
|----------------------------|----------|-------|---------|
| | Original | Final | |
| Revenues | | | |
| Fines and Forfeitures | \$ 4,000 | 4,000 | 228 |
| Interest | 150 | 150 | - |
| Total Revenues | 4,150 | 4,150 | 228 |
| Expenditures | | | |
| Public Safety | | | |
| Maintenance and Repairs | 2,000 | 2,000 | 1,711 |
| Miscellaneous | 2,000 | 2,000 | 749 |
| Total Expenditures | 4,000 | 4,000 | 2,460 |
| Net Change in Fund Balance | 150 | 150 | (2,232) |
| Fund Balance - Beginning | | | 15,241 |
| Fund Balance - Ending | | | 13,009 |

VILLAGE OF LINDENHURST, ILLINOIS

Economic Development - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended April 30, 2022

| | Budget | | Actual |
|---------------------------------|----------|-----------|---------|
| | Original | Final | |
| Revenues | | | |
| Intergovernmental | | | |
| Grants | \$ - | 263,000 | 36,863 |
| Expenditures | | | |
| General Government | | | |
| Professional Fees | - | 463,000 | 40,938 |
| Excess (Deficiency) of Revenues | | | |
| Over (Under) Expenditures | - | (200,000) | (4,075) |
| Other Financing Sources | | | |
| Transfers In | - | 200,000 | 200,000 |
| Net Change in Fund Balance | - | - | 195,925 |
| Fund Balance - Beginning | | | - |
| Fund Balance - Ending | | | 195,925 |

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, 2022

| | Budget | | Actual |
|----------------------------------|--------------|-------------|------------|
| | Original | Final | |
| Operating Revenues | | | |
| Charges for Services | | | |
| Water Sales and Sewer Usage | \$ 4,173,576 | 4,173,576 | 4,742,146 |
| Operating Expenses | | | |
| Operations | | | |
| Administration | 1,118,733 | 1,118,733 | 690,068 |
| Sewer Plant | 775,988 | 775,988 | 759,383 |
| Water Plant | 1,396,360 | 1,396,360 | 1,495,250 |
| Capital Outlay | 5,000 | 714,129 | 15,164 |
| Depreciation | - | - | 1,125,070 |
| Total Operating Expenses | 3,296,081 | 4,005,210 | 4,084,935 |
| Operating Income | 877,495 | 168,366 | 657,211 |
| Nonoperating Revenues (Expenses) | | | |
| Interest Income | 48,000 | 48,000 | 5,380 |
| Grants | - | 735,291 | 41,777 |
| Other Income | 533,815 | 533,815 | 351,929 |
| Interest Expense | (1,096,789) | (1,096,789) | (279,358) |
| | (514,974) | 220,317 | 119,728 |
| Income before Transfers | 362,521 | 388,683 | 776,939 |
| Transfers Out | (71,000) | (71,000) | (71,000) |
| Change in Net Position | 291,521 | 317,683 | 705,939 |
| Net Position - Beginning | | | 21,277,540 |
| Net Position - Ending | | | 21,983,479 |

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, 2022**

| | Budget | | Actual |
|--------------------------|--------------|-----------|-----------|
| | Original | Final | |
| Operating Revenues | | | |
| Charges for Services | | | |
| Refuse Collection | \$ 1,452,745 | 1,452,745 | 1,424,346 |
| Recycling Proceeds | 2,500 | 2,500 | 1,416 |
| Total Operating Revenues | 1,455,245 | 1,455,245 | 1,425,762 |
| Operating Expenses | | | |
| Operations | | | |
| Recycling and Refuse | 1,302,588 | 1,302,588 | 1,282,356 |
| Change in Net Position | 152,657 | 152,657 | 143,406 |
| Net Position - Beginning | | | 505,675 |
| Net Position - Ending | | | 649,081 |

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, 2022**

| | Budget | | Actual |
|---------------------------------|------------|-----------|-----------|
| | Original | Final | |
| Operating Revenues | | | |
| Charges for Services | | | |
| Payments from Village | \$ 125,000 | 125,000 | 125,000 |
| Connection Fees | 74,100 | 74,100 | 77,122 |
| Total Operating Revenues | 199,100 | 199,100 | 202,122 |
| Operating Expenses | | | |
| Operations | | | |
| Sanitary Sewer | 14,000 | 14,000 | 37 |
| Depreciation | - | - | 668,639 |
| Total Operating Expenses | 14,000 | 14,000 | 668,676 |
| Operating Income (Loss) | 185,100 | 185,100 | (466,554) |
| Nonoperating Revenue (Expenses) | | | |
| Interest Income | 109,086 | 109,086 | 41,748 |
| Unearned Gains (Losses) | - | - | (68,137) |
| Property Taxes | 173,000 | 173,000 | 172,478 |
| Replacement Taxes | 2,000 | 2,000 | 5,398 |
| Other Income | 2,000 | 2,000 | 4,019 |
| Principal Retirement | (710,000) | (710,000) | - |
| Interest Expense | - | - | (93,467) |
| | (423,914) | (423,914) | 62,039 |
| Change in Net Position | (238,814) | (238,814) | (404,515) |
| Net Position - Beginning | | | 9,178,763 |
| Net Position - Ending | | | 8,774,248 |

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, 2022

| | Budget | | Actual |
|-------------------------------------|------------|---------|-------------|
| | Original | Final | |
| Additions | | | |
| Contributions - Employer | \$ 466,895 | 466,895 | 474,869 |
| Contributions - Plan Members | - | - | 126,741 |
| Contributions - Other | - | - | 110,188 |
| Total Contributions | 466,895 | 466,895 | 711,798 |
| Investment Income | | | |
| Interest Earned | - | - | 860,396 |
| Net Change in Fair Value | - | - | (1,334,698) |
| | - | - | (474,302) |
| Less Investment Expenses | - | - | (46,112) |
| Net Investment Income | - | - | (520,414) |
| Total Additions | 466,895 | 466,895 | 191,384 |
| Deductions | | | |
| Administration | - | - | 30,467 |
| Benefits | - | - | 600,733 |
| Total Deductions | - | - | 631,200 |
| Change in Fiduciary Net Position | 466,895 | 466,895 | (439,816) |
| Net Position Restricted for Pension | | | |
| Beginning | | | 11,444,127 |
| Ending | | | 11,004,311 |

SUPPLEMENTAL SCHEDULES

VILLAGE OF LINDENHURST, ILLINOIS

Long-Term Debt Requirements

IEPA Loan Payable of 2010

April 30, 2022

| | |
|--------------------------|--|
| 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 |
|----------------|-----------|----------|---------|
| 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 |
| | 399,278 | - | 399,278 |

VILLAGE OF LINDENHURST, ILLINOIS

Schedule of Long-Term Debt Requirements

IEPA Loan Payable of 2013

April 30, 2022

| | |
|-------------------------|--|
| 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 |
| 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>7,270,739</u> | <u>535,884</u> | <u>7,806,623</u> | | <u>278,388</u> | | <u>257,496</u> |

VILLAGE OF LINDENHURST, ILLINOIS**Schedule of Long-Term Debt Requirements****IEPA Loan Payable of 2015****April 30, 2022**

| | |
|-------------------------|--|
| 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 |
| 2023 | \$ 299,371 | 105,624 | 404,995 | 2022 | 53,634 | 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 | 398,379 | 6,616 | 404,995 | 2035 | 4,404 | 2036 | 2,212 |
| | <u>4,853,826</u> | <u>816,104</u> | <u>5,669,930</u> | | <u>421,387</u> | | <u>394,717</u> |

VILLAGE OF LINDENHURST, ILLINOIS

Schedule of Long-Term Debt Requirements

IEPA Loan Payable of 2016

April 30, 2022

| | |
|-------------------------|--|
| 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 |
| 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>8,704,218</u> | <u>1,310,772</u> | <u>10,014,990</u> | | <u>675,533</u> | | <u>635,239</u> |