

VILLAGE OF LINCOLNWOOD, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
APRIL 30, 2016

VILLAGE OF LINCOLNWOOD, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED APRIL 30, 2016

Prepared by:

Finance Department

Robert J. Merkel
Director of Finance

VILLAGE OF LINCOLNWOOD, ILLINOIS

TABLE OF CONTENTS

	PAGE
<u>INTRODUCTORY SECTION</u>	
List of Principal Officials.....	i
Organizational Chart.....	ii
Transmittal Letter.....	iii - vii
Certificate of Achievement for Excellence in Financial Reporting.....	viii

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT	1 - 3
---	--------------

MANAGEMENT'S DISCUSSION AND ANALYSIS	MD&A 1 - 10
---	------------------------

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements	
Statement of Net Position	4 - 5
Statement of Activities.....	6 - 7
Fund Financial Statements	
Balance Sheet – Governmental Funds	8 - 9
Reconciliation of Total Governmental Fund Balance to the Statement of Net Position – Governmental Activities.....	10
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	11 - 12
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities – Governmental Activities	13
Statement of Net Position – Proprietary Fund	14 - 15
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Fund	16
Statement of Cash Flows – Proprietary Fund	17
Statement of Fiduciary Net Position.....	18
Statement of Changes in Fiduciary Net Position	19
Notes to the Financial Statements.....	20 - 60

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Employer Contributions	
Illinois Municipal Retirement Fund.....	61
Police Pension Fund.....	62

VILLAGE OF LINCOLNWOOD, ILLINOIS

TABLE OF CONTENTS

	PAGE
<u>FINANCIAL SECTION – Continued</u>	
REQUIRED SUPPLEMENTARY INFORMATION – Continued	
Schedule of Changes in the Employer’s Net Pension Liability	
Illinois Municipal Retirement Fund.....	63
Police Pension Fund.....	64
Schedule of Investment Returns	
Police Pension Fund.....	65
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
General Fund.....	66
Northeast Industrial District Tax Increment Financing – Special Revenue Fund	67
Motor Fuel Tax – Special Revenue Fund	68
OTHER SUPPLEMENTARY INFORMATION	
Schedule of Revenues – Budget and Actual – General Fund	69 - 70
Schedule of Expenditures – Budget and Actual – General Fund.....	71 - 73
Schedule of Revenues, Expenditures and Changes in Fund Balance	
Budget and Actual – Debt Service Fund.....	74
Combining Balance Sheet – Nonmajor Governmental Funds	75
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	
Nonmajor Governmental Funds.....	76
Combining Balance Sheet – Nonmajor Governmental – Special Revenue Funds	77 - 78
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	
Nonmajor Governmental – Special Revenue Funds	79 - 80
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
E-911 – Special Revenue Fund.....	81
Touhy/Lawndale Tax Increment Financing – Special Revenue Fund.....	82
Transportation Improvement – Special Revenue Fund	83
Lincoln/Touhy Tax Increment Financing – Special Revenue Fund	84
Devon/Lincoln Tax Increment Financing – Special Revenue Fund	85
Combining Balance Sheet – Nonmajor Governmental – Capital Projects Funds	86
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	
Nonmajor Governmental – Capital Projects Funds	87
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual	
Comm Ed ROW Bike Path – Capital Projects Fund.....	88
PEP – Capital Projects Fund.....	89
Private Water Line Assistance – Capital Projects Fund	90
Schedule of Revenues, Expenditures and Changes in Net Position	
Budget and Actual – Water and Sewer – Enterprise Fund	91
Schedule of Changes in Fiduciary Net Position – Budget and Actual	
Police Pension – Pension Trust Fund.....	92

VILLAGE OF LINCOLNWOOD, ILLINOIS

TABLE OF CONTENTS

	PAGE
<u>FINANCIAL SECTION – Continued</u>	
SUPPLEMENTAL SCHEDULES	
Long Term Debt Requirements	
Illinois Finance Authority Loan Payable of 2009	93
Cook County Intergovernmental Agreement of 2014.....	94
General Obligation Refunding Bonds of 2011A.....	95
General Obligation Refunding Bonds of 2011B	96
Illinois Environmental Protection Agency Loan Payable of 2008.....	97
<u>STATISTICAL SECTION (Unaudited)</u>	
Net Position by Component – Last Ten Fiscal Years	98 - 99
Change in Net Position – Last Ten Fiscal Years	100 - 101
Fund Balances of Governmental Funds – Last Ten Fiscal Years.....	102 - 103
Changes in Fund Balances for Governmental Funds – Last Ten Fiscal Years.....	104 - 105
Sales Tax by Category – Last Ten Calendar Years	106 - 107
Home Rule Sales Tax by Category- Last Ten Calendar Years.....	108 - 109
Assessed Value and Actual Value of Taxable Property – Last Ten Tax Levy Years	110
Direct and Overlapping Property Tax Rates – Last Ten Tax Levy Years.....	111 - 112
Principal Property Tax Payers – Current Fiscal Year and Nine Fiscal Years Ago.....	113
Property Tax Levies and Collections – Last Ten Fiscal Years.....	114
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	115
Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years.....	116
Schedule of Direct and Overlapping Governmental Activities Debt.....	117
Direct and Overlapping Sales Tax Rates – Last Ten Fiscal Years	118 - 119
Retailers’ Occupation, Service Occupation and Use Tax Distribution	
Last Ten Fiscal Years.....	120
Schedule of Legal Debt Margin – Last Ten Fiscal Years.....	121 - 122
Demographic and Economic Statistics – Last Ten Fiscal Years	123
Construction – Last Ten Fiscal Years.....	124
Principal Employers – Current Fiscal Year and Nine Fiscal Years Ago	125
Full-Time Equivalent Village Government Employees by Function	
Last Ten Fiscal Years.....	126 - 127
Operating Indicators by Function/Program – Last Ten Fiscal Years	128 - 129
Capital Asset Statistics by Function/Program – Last Ten Fiscal Years.....	130 - 131
Surety Bonds of Principal Officials	132

INTRODUCTORY SECTION

This section includes miscellaneous data regarding the Village of Lincolnwood:

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

**List of Principal Officials
April 30, 2016**

LEGISLATIVE

Village Board of Trustees

Gerald C. Turry, Village President

Barry Bass, Trustee

Ronald Cope, Trustee

Lawrence A. Elster, Trustee

Craig Klatzco, Trustee

Jesal Patel, Sr., Trustee

Jennifer G. Spino, Trustee

Beryl Herman, Village Clerk

APPOINTED OFFICIAL

Charles Greenstein, Village Treasurer

ADMINISTRATIVE

Timothy C. Wiberg, Village Manager

Steven Elrod, Village Attorney

Robert LaMantia, Chief of Police

Michael Hansen, Fire Chief

Stephen McNellis, Director of Economic Development

Robert J. Merkel, Director of Finance

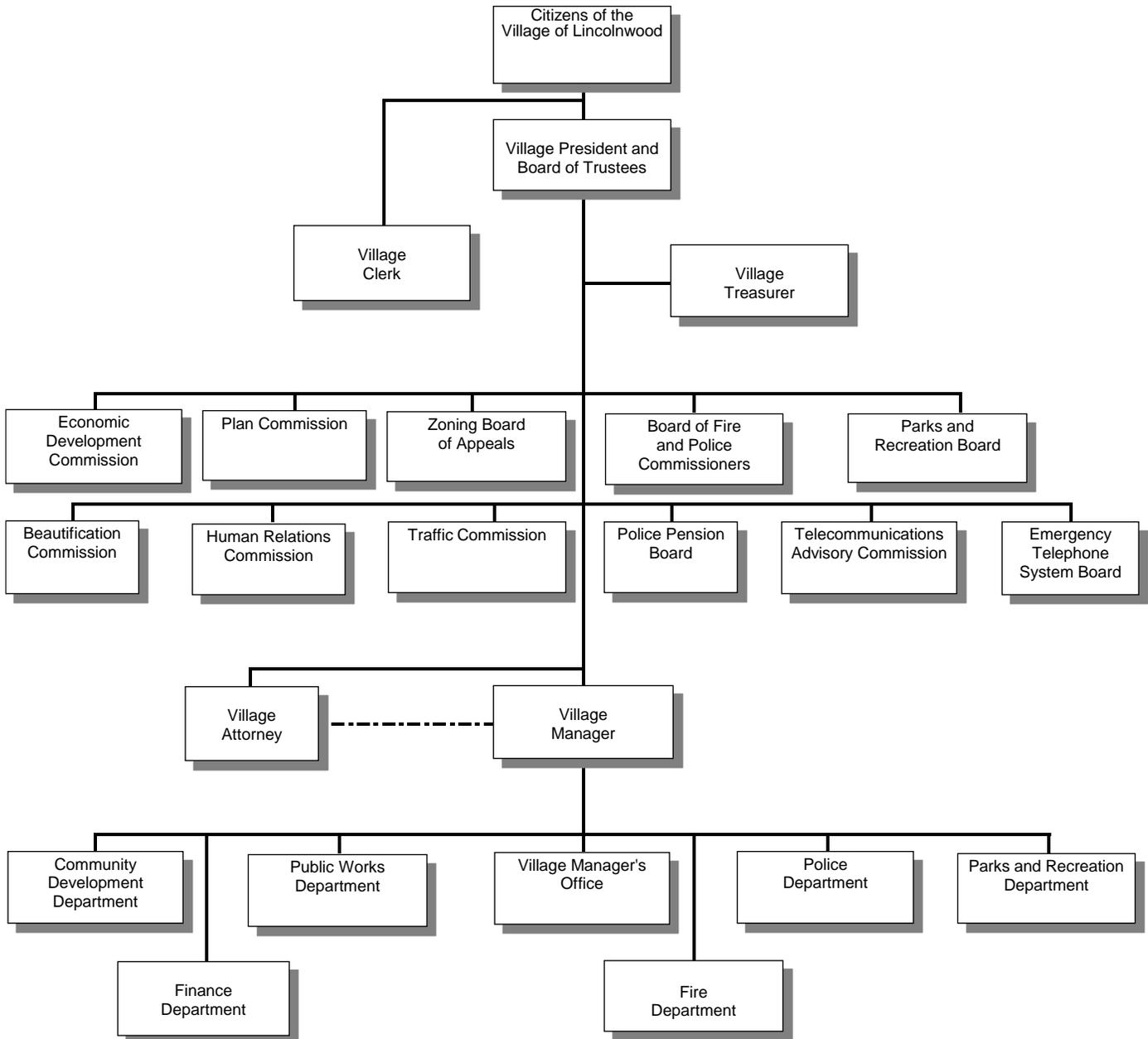
Laura McCarty, Director of Parks and Recreation

Ashley Engelmann, Director of Public Works



Village of Lincolnwood, Illinois

Organizational Chart
April 30, 2016



VILLAGE PRESIDENT
Gerald C. Turry

VILLAGE CLERK
Beryl Herman

VILLAGE MANAGER
Timothy C. Wiberg



TRUSTEES
Barry Bass
Ronald S. Cope
Lawrence A. Elster
Craig L. Klatzco
Jesal B. Patel, Sr.
Jennifer G. Spino

September 13, 2016

The Honorable Gerald C. Turry, Village President
Members of the Board of Trustees
Village Manager Timothy C. Wiberg, and
Citizens of the Village of Lincolnwood
Village of Lincolnwood, Illinois

The Comprehensive Annual Financial Report (CAFR) of the Village of Lincolnwood, Illinois for the fiscal year ended April 30, 2016 is hereby respectfully submitted. The report consists of management's representations concerning the finances of the Village of Lincolnwood. Local ordinance and State Statute require the Village to issue an annual report on its financial condition and that the financial statements are audited by an independent firm of licensed certified public accountants. This CAFR complies with these requirements. The certified public accounting firm of Lauterbach & Amen, LLP was retained as auditors for fiscal year 2016. They have concluded that there was a reasonable basis for rendering an unmodified opinion that the Village's financial statements for the fiscal year ended April 30, 2016 are fairly presented in conformity with generally accepted accounting principles (GAAP). Their report is presented as the first component of the financial section of this report.

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

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

VILLAGE OF LINCOLNWOOD PROFILE

The Village of Lincolnwood is a home-rule community as defined by the Illinois State Constitution of 1970 and was incorporated in 1911 as Village of Tessville, Illinois. In 1936, Tessville formally became the Village of Lincolnwood. Lincolnwood is a mature community that is home to approximately 12,600 culturally diverse citizens and located 10 miles northwest of downtown Chicago. The Village provides a complete variety of governmental services. Services include police and fire protection, repairs and maintenance of streets and infrastructure, garbage, yard-waste, and recycling services, property inspections and issuing of permits services, recreational and social services, water and sewer services, and other governmental services. The Village is financially responsible for the Lincolnwood Parks & Recreation Department and therefore has been included as an integral part of the basic financial statements of the Village. The Village operates a municipal water system that provides a reliable source of potable water purchased from the City of Chicago. The Lincolnwood School District # 74 and the Lincolnwood



TREE CITY USA



Library are independent legal entities, are not financially dependent on the Village, and are not included in this financial report.

The Village operates under a Council/Manager form of government with the Village President and the Trustees elected at large serving staggering four-year terms. The Village Clerk is also elected. The Village Treasurer, the Village Manager and the Village Attorney are appointed by the Village Board of Trustees. The Village employs approximately 90 full time, 10 regular part-time, and 180 seasonal summer employees in the parks & recreation and public works departments. The Village's police officers are members of the Illinois Fraternal Order of Police (FOP) Labor Council/Lincolnwood Lodge #23 whose collective bargaining agreement expires April 30, 2017. The Village's 911 emergency communication operators are members of the Illinois Fraternal Order of Police (FOP) Labor Council/Lincolnwood Communication Operators whose collective bargaining agreement expires April 30, 2018. The public works department employees of the Village are members of the Local #714 – Affiliated with the International Brotherhood of Teamsters whose collective bargaining agreement expires April 30, 2018. All other employees of the Village are not represented by any collective bargaining organization. Since 1990 the Village has contracted with Paramedic Services of Illinois (PSI) which provides fire protection and emergency medical services. The current six year contract with PSI will expire on May 1, 2022.

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

RELEVANT FINANCIAL POLICES

There were no material changes to financial policies during the fiscal year ended April 30, 2016. During the review of the long range financial plan it was discussed that the Village Board would consider available alternate funding for capital improvement projects such as low interest state loans and increasing fund balance reserves to provide resources for capital projects.

SIGNIFICANT ACCOMPLISHMENTS

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

The Village completed the replacement of the streetlights on Lincoln Ave. for the fourth year of a five year program of replacing all the streetlights in the Village.

The Village completed the installation of new water mains, streetlights and public sidewalks on Crawford Avenue.

The Village continued the engineering work on the bike path and overpass to be constructed on the Commonwealth Edison right - of- way and the land purchased from the Union Pacific Railroad.

The Village refurbished the Proesel Park shelter as a continuing program to systematically update the various parks in the Village.

The Village extinguished the Touhy/Lawndale Tax Increment District during the current year and the remaining funds were sent to the Cook County Treasurer for distribution to the various tax districts in the TIF boundaries.

The Village purchased land from the Union Pacific Railroad with a grant that covered 80% of the purchase price. The land will be used to construct a bike path.

The Village replaced the Vac-con in the public works department. This equipment is used to clean the Village sewer system. The Village purchased a chassis for a new fire engine which will be delivered in the next fiscal year.

FACTORS AFFECTING FINANCIAL CONDITION

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

Local Economy. The Village is influenced by a number of economic factors that directs its economy. The Village is recovering from the recent economic downturn at a slow pace that is also reflected in the State and Country economies. There are a number of economic factors that influence the economy of a specific community and various measures are used to gauge the economic outlook. Probably the four most notable and objective measurements are the level of retail sales, the employment level of the community, income levels in the community and the building activity. In Illinois, sales taxes are allocated based on the point-of-sale, which represents the sales in the community. Local sales tax receipts experienced an increase this year as auto sales helped to fuel the increase. The Village's portion of general sales tax receipts is based on a 1% tax rate. The State and County take the balance of 8% of the applicable sales tax rate. The sales tax receipts represent total retail sales of approximately \$504,827,000 for fiscal year 2015.

Lincolnwood's average unemployment rate has been consistently lower than the State average. Lincolnwood's median family income of \$79,142 as of the 2010 Census is approximately 20% higher than the median income for the State of Illinois. The Village's 2015 equalized assessed valuation (EAV) experienced a minimal decrease from 2014.

Building activity increased at a minimal pace in fiscal 2016 as economic growth is continuing at a slow pace. This growth could increase in future years due to the development of property in two of the Village's Tax Increment Financing districts. The Village actively encourages economic development and the TIF redevelopment districts have served as catalysts for continued retail growth.

Long-Term Financial Planning. On a biennial basis the Village Board completes a strategic plan which is included in the annual budget and helps guide the development of this document. The Village is also in the process of reviewing long-range issues and the funding alternatives for major improvements to infrastructure and equipment replacement. The goal of the planning process is to put the Village on firm ground to provide for the planned major upgrades and the continued viability of the infrastructure network.

A tool in managing the long-range planning process of the Village is the Five-Year Capital Improvement Program. This plan outlines the major project improvements and capital expenditures of the Village over the next five years. Over the next five years (2017-2021), it is anticipated that the Village could expend approximately \$37,000,000 in water and sewer, flood control, street, public building, parks and recreation, equipment and other capital improvement projects. In adherence with Village financial policies, staff is constantly seeking public and private grants and other outside sources of revenues to fund these projects. Grants received during the fiscal year ended April 30, 2016 help fund park improvements and land acquisition.

Cash Management Policies and Practices. The Village's investment policy seeks to minimize credit and market risks to assure safety of principal while maintaining liquidity at a competitive yield. Investments are transacted under the "prudent person" standard with a safety, liquidity, yield, and legal priority covenant. At April 30, 2016 virtually all of the Village's deposits were insured or collateralized.

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

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

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

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

Pension and Other Post-employment Benefits. The Village sponsors a single employer defined benefit pension plan for the police officers. The Lincolnwood Police Pension Fund is reviewed each year by the Illinois Department of Insurance and an independent actuary engaged by the Village. The Department of Insurance recommends the annual contribution that the Village must make to the pension plan to ensure that the plan will be able to fully meet its obligations to retired pensioners on a timely basis. As a matter of financial policy, the Village fully funds each year's annual required contribution to the plan as determined by the Department of Insurance. The unfunded liability is being systematically funded as part of the required annual contribution as calculated by the Department of Insurance. The Village's Actuary has determined that, at April 30, 2016, the Lincolnwood Pension Fund has an actuarial accrued liability in excess of assets of \$26,987,128 and the funded ratio is 41.03%.

In anticipation of implementation of GASB Statement No. 67, Financial Reporting for Pension Plans, and No.68, Accounting and Financial Reporting for Pensions, the Village has made adjustments to the mortality table for the police fund actuarial valuation. This change has reduced the funded ratio but is intended to put the Village in an even stronger position when implementing the new standards.

The Village also provides pension benefits for the non-public safety employees through the statewide plan managed by the Illinois Municipal Retirement Fund (IMRF). Benefit provisions and funding requirements are established by the Illinois State Statutes. Participating (employees) members are required to contribute 4.5% of their annual salary and the Village is required to contribute the remaining amounts necessary to fund the future pensions. The Village's contribution rate for the calendar year 2015 (fiscal year 2016) was 11.06% of the annual salary. The Village has no obligation in connection with employee benefits offered through this plan beyond its contractual payments to IMRF.

Additional information on the Village's pension arrangements can be reviewed in Note 4 in the financial statements. The Fund's actuary has determined as of December 31, 2015, which is the latest available date, the Village has an actuarial accrued liability in excess of assets of \$2,389,355 and the funded ratio is 89.52%.

Further postemployment benefits are offered to retirees to remain in the Village's medical and dental insurance plan at the current group rates. The Village incurs no current costs by offering this benefit; however, claims by the covered retirees may affect the Village's overall claim experience and thus affect future premiums. The Village has no post-employment benefit obligation at April 30, 2016.

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

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

LOCAL INITIATIVES

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

Human Services. The Village provides services that directly affect the personal well-being of our citizens. Under the auspices of human services the Village reaches out to those in need of beneficial intervention. A trained counseling professional provides a resource for all residents in need of family or individual counseling. Seniors receive support services such as blood pressure screening, change batteries in the smoke detectors, ambulance service to residents, reverse 911 high speed emergency notification system, and a refund of utility taxes to eligible citizens in financial need.

The police department through the emergency communication center provides to all citizens a reverse 911 high speed emergency notification system. In case of an all-out emergency or catastrophe all citizens will be notified by telephone.

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

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

Awards

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Lincolnwood for its comprehensive annual financial report for the fiscal year ended April 30, 2015. In order to receive this prestigious award, the Village published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

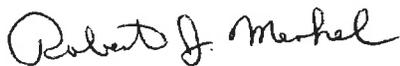
A Certificate of Achievement is valid for a period of one year. We believe that the current comprehensive annual financial report continues to meet the Program's requirements, and we will submit the current report to the GFOA for review to determine the eligibility for a continuing certificate.

ACKNOWLEDGEMENTS

The preparation of the comprehensive annual financial report could not have been accomplished without the efficient and dedicated services of the staff of the Finance Department.

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

Respectfully submitted,



Robert J. Merkel
Director of Finance



Government Finance Officers Association

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

Presented to

**Village of Lincolnwood
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

April 30, 2015

Executive Director/CEO

FINANCIAL SECTION

This section includes:

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

INDEPENDENT AUDITORS' REPORT

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



INDEPENDENT AUDITORS' REPORT

September 13, 2016

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Lincolnwood, Illinois, as of and for the year ended April 30, 2016, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Lincolnwood, Illinois, as of April 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

Other Matters – Continued

Other Information – Continued

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 13, 2016, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provision of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.


LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF LINCOLNWOOD, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2016

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

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

Financial Highlights

- The assets/deferred outflows of the Village exceeded its liabilities/deferred inflows at the close of the most recent fiscal year by \$40,326,885 (*net position*).
- The Village's total net position increased by \$2,187,984. This reflects the excess of current revenues over current expenses, offset by the systematic and planned consumption of the Village's capital assets that is quantified as depreciation expense. Total depreciation expense for the year was \$2,499,821.
- As of the close of the current fiscal year, the Village's governmental funds reported combined fund balances of \$21,852,364, a decrease of \$1,471,336 in comparison with the prior year. Of this amount, \$10,802,808 is available for spending at the Village's discretion (unassigned fund balance). The decrease during the current year was primarily due to the purchase of property and the early extinguishment of a loan used to purchase equipment.
- At the end of the current fiscal year, the unassigned fund balance of the General Corporate Fund was \$11,113,026, or 56.7%, of total General Fund expenditures during the current year.
- The Village's total debt increased by \$3,989,655 (11.9%) during the current fiscal year. This was mainly due to the implementation of GASB Statement No. 68 which requires the Village to record the net pension liabilities. The net pension liabilities increased \$5,939,576. The Village paid down scheduled principal payments totaling \$1,951,200.

USING THE FINANCIAL SECTION OF THE COMPREHENSIVE ANNUAL REPORT

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

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

Government-Wide Financial Statements

The government-wide financial statements (see pages 4-7) are designed to emulate the corporate sector in that all governmental and business-type activities are consolidated into columns which add to a total for the Primary Government. The focus of the Statement of Net Position (see pages 4-5) is designed to be similar to bottom line results for the Village and its governmental and business-type activities. This statement combines and consolidates the governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus.

The Statement of Activities (see pages 6-7) is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the government's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

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

Fund Financial Statements

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

The Governmental funds (see pages 8-13) are presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the budget) is typically developed. Funds are established for various purposes and the Fund Financial Statements allow the demonstration of sources and uses and/or budgeting compliance associated therewith.

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

While the Business-type Activities column on the Business-type Fund Financial Statements (see pages 14-17) is the same as the Business-type column on the Government-Wide Financial Statement, the Governmental Funds Total column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement (see pages 10 and 13). The flow of current financial resources will reflect bond proceeds and interfund transfers as other financing sources as well as capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligation (bonds and others) into the Governmental Activities column (in the Government-wide statements).

The Fund Financial Statements allow the Village to address its Fiduciary fund (Police Pension Trust, see pages 18-19). While these funds represent trust responsibilities of the Village, these assets are restricted in purpose and do not represent discretionary assets of the general government. Therefore, these assets are not presented as part of the Government-Wide Financial Statements.

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

Capital Assets

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

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

The following table reflects the condensed Statement of Net Position:

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and Other Assets	\$ 27.6	29.0	2.5	2.5	30.1	31.5
Capital Assets	37.1	32.1	11.5	11.8	48.6	43.9
Deferred Outflows	5.2	-	0.1	-	5.3	-
Total Assets/ Deferred Outflows	69.9	61.1	14.0	14.3	83.9	75.4
Current Liabilities	4.2	4.0	0.8	0.8	5.0	4.8
Long-Term Liabilities	33.8	3.3	4.6	5.0	38.4	8.3
Deferred Inflows	0.2	2.8	-	-	0.2	2.8
Total Liabilities/ Deferred Inflows	38.2	10.1	5.4	5.8	43.6	15.9
Net Position						
Net Investment in Capital Assets	34.8	28.4	6.5	6.3	41.3	34.7
Restricted	11.0	12.6	-	-	11.0	12.6
Unrestricted	(14.1)	10.0	2.1	2.2	(12.0)	12.2
Total Net Position	31.7	51.0	8.6	8.5	40.3	59.5

For more detailed information see the Statement of Net Position (pages 4-5).

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

The Village's had a deficit unrestricted net position which totaled a negative 30% of its net position at April 30, 2016. This is due to the change in accounting principle for the implementation of GASB 68 which required the Village to retroactively record the net pension liability. Approximately 27.5% reflects net position restricted for economic development and highway and street purposes. The remaining 102.5% reflects its investment in capital assets (e.g., land, buildings, equipment, improvements, and construction in progress), less any debt used to acquire those assets. The Village uses these capital assets to provide service to citizens; consequently, these assets are not available for spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Normal Impacts

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

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

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

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

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

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

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

Current Year Impacts

The Village's combined net position for the primary government (which is the Village's bottom line) increased from \$2.2 million which was the result of the governmental activities net position increasing by \$2 million and the business-type activities net position increasing by \$.2 million. The governmental activities accounted for 91% of the growth in the assets of the Village. The beginning net position of the governmental activities as of May 1, 2015 was decreased \$21.3 million related to a change in accounting principle for the implementation of GASB Statement No. 68 which required the Village to retroactively record the net pension liability.

The Village has restricted net position of \$11 million which are used primarily for economic development and highway and street improvements. Certain resources (e.g. Special Revenue Funds and Debt Service Funds), are generally used only for the purpose restricted by the specific revenue source.

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

Changes in Net Position

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

**Table 2: Statement of Changes in Net Position
Fiscal Years Ended April 30, 2016 and 2015
(in millions)**

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
REVENUES						
Program Revenues:						
Charges for Services	\$ 3.3	3.2	4.7	4.2	8.0	7.4
Capital Grants and Contributions	3.9	0.4	-	-	3.9	0.4
General Revenues:						
Property Taxes	6.7	6.2	-	-	6.7	6.2
Sales, income, and use taxes	9.3	9.0	-	-	9.3	9.0
Other Taxes	2.7	3.0	-	-	2.7	3.0
Other	0.6	0.6	-	-	0.6	0.6
Total Revenues	<u>26.5</u>	<u>22.4</u>	<u>4.7</u>	<u>4.2</u>	<u>31.2</u>	<u>26.6</u>
EXPENSES						
General Government	7.3	3.7	-	-	7.3	3.7
Public Safety	10.0	9.6	-	-	10.0	9.6
Water and Sewer	-	-	4.3	4.1	4.3	4.1
Parks & Recreation	2.7	2.7	-	-	2.7	2.7
Interest Expense	0.1	0.1	-	-	0.1	0.1
Highways and Streets	2.6	2.6	-	-	2.6	2.6
Economic Development	1.0	1.3	-	-	1.0	1.3
Sanitation	1.0	1.0	-	-	1.0	1.0
Total Expenses	<u>24.7</u>	<u>21.0</u>	<u>4.3</u>	<u>4.1</u>	<u>29.0</u>	<u>25.1</u>
Change in Net Position before Transfers	1.8	1.4	0.4	0.1	2.2	1.5
Transfers	0.2	0.2	(0.2)	(0.2)	-	-
Change in Net Position	2.0	1.6	0.2	(0.1)	2.2	1.5
Net Position - Beginning as Restated	<u>29.7</u>	<u>49.4</u>	<u>8.4</u>	<u>8.6</u>	<u>38.1</u>	<u>58.0</u>
Net Position - Ending	<u>31.7</u>	<u>51.0</u>	<u>8.6</u>	<u>8.5</u>	<u>40.3</u>	<u>59.5</u>

The Beginning Net Position for the fiscal year ended April 30, 2016 has been restated (See Note 3, page 42) related to a change in accounting principle for the implementation of GASB Statement No. 68 which required the Village to retroactively record the net pension liability.

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

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

Normal Impacts

Revenues:

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

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

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

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

Expenses:

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

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

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

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

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

Current Year Impacts

Governmental Activities

Revenue:

For the fiscal year ended April 30, 2016, revenues from the governmental activities totaled \$26.5 million. Sales tax revenue is the Village's largest revenue source, totaling \$7.4 million with property tax revenues second at \$6.8 million. Sales tax receipts had a decrease of \$152,980 when compared to Fiscal 2015. The Village is still experiencing a slow recovery in consumer spending as seen in both our State and National economies. The Village also received a grant totaling \$3.6 million attributed to the purchase of property. The grant accounted for 80% of the purchase price. Property tax revenues and sales tax revenues combined with the local utility tax and shared state income tax and other tax revenues total \$22.6 million and represents 85% of the total Governmental Funds revenue. Investment income experienced a small increase due to minimal rate increases the Village earned on the certificates of deposit and other investments.

Expenses:

For the fiscal year ended April 30, 2016, expenses for governmental activities totaled \$24.7 million.

The Village invested in capital assets during Fiscal 2016. This investment totaled \$6.8 million less the current year depreciation of \$1.8 million for a net increase in capital assets of \$5 million. The Village purchased land from the Union Pacific Railroad totaling \$4.6 million dollars during the current fiscal year. This purchase accounts for 67% of the total capital asset investment for the year.

It is important that the Village provide competitive compensation levels for our employees. Fiscal 2016 expenses included funding an average 2% increase for Village personnel along with minimal increases in medical benefits. Spending on various programs and capital assets was done within the constraints of the availability of revenue received.

Business-type Activities

Revenue:

For the fiscal year ended April 30, 2016, revenues from the business-type activities totaled \$4.7 million. The major revenue source is Charges for Services to operate the Water and Sewer Fund. The water rate charged to residents and businesses within the Village increased in Fiscal 2016 by 15%. The increase was needed to offset the 15% increase by City of Chicago, the Village's supplier of water.

Expenses:

For the fiscal year ended April 30, 2016, expenses for business-type activities totaled \$4.3 million, including depreciation and amortization of \$.7 million. Included therein was an operating transfer to the General Fund of \$.2 million for the reimbursement of administrative expenses.

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

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

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

Governmental Funds

At April 30, 2016, the governmental funds (as presented on the income statement on page 12) reported a combined fund balance of \$21.9 million.

General Fund Budgetary Highlights

The 2016 fiscal year budget, as originally approved by the Village Board, was not amended during the current year. Below is a table that reflects the original and final budget and the actual for the revenues and expenditures for the General Fund.

Table 3: General Fund Budgetary Highlights
(in millions)

	Original/ Final Budget	Actual
Revenues		
Taxes	\$ 14.5	14.2
Intergovernmental	2.1	2.2
Other	4.2	3.9
Total	<u>20.8</u>	<u>20.3</u>
Expenditures	<u>20.4</u>	<u>19.6</u>
Excess of Revenues over Expenditures	<u>0.4</u>	<u>0.7</u>
Other Financing Sources		
Transfer In	0.3	0.3
Transfer Out	(1.0)	(0.6)
	<u>(0.7)</u>	<u>(0.3)</u>
Change in Fund Balance	<u>(0.3)</u>	<u>0.4</u>

The Fiscal 2016 General Fund approved budget was balanced with the use of \$273,239 of excess fund balance. The actual results reflect a \$440,738 increase in fund balance for the year ended April 30, 2016. Total revenues were \$.5 million (2%) less than the budget amount, and actual expenditures were \$.8 million less than the budget amount. State sales and home rule sales taxes were \$233,724 less than budgeted while state income tax revenues were also less than budget by \$23,846. This reflects the slow growth that the national economy is experiencing. This revenue is received from the state of Illinois based on a per capita basis. The expenditure budget variance was \$.8 million (4%) under budget. This was mainly due to a reduction in payments due under an Intergovernmental Agreement with the local school district. Transfers out to other funds were \$.4 million under budget as expenses in a capital projects fund were deferred to the next budget year.

Other Major Funds Highlights

The Village's major Tax Increment Financing (TIF) Fund experienced a decrease of \$632,526 in fund balance for fiscal year ended April 30, 2016. The tax increment revenue received of \$841,202 was mainly used to pay debt service costs of \$310,875 and \$4,730,220 of operating expenses. Included in the operating expenses is the purchase of land from the Union Pacific Railroad totaling \$4,600,000. The Village was reimbursed 80% of the cost from a grant used to purchase the property.

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

The Motor Fuel Tax Fund had a \$296,261 increase in fund balance. The Village received a local distributive share of \$322,038 from the State of Illinois. The primary expenditures were made for maintenance of streetlights in the Village and street improvements.

The Debt Service Fund had a slight decrease in fund balance of \$33. Local taxes totaling \$480,792 were allocated to pay the current year's general bond obligations. Other funds transferred in \$652,687 to pay loans for capital asset purchases and street improvements.

Capital Assets

At the end of Fiscal Year 2016, the Village had a combined total of capital assets of \$48.6 million invested in a broad range of capital assets including land, streets, sidewalks, alleys, buildings, vehicles, water mains, storm sewers and sanitary sewer lines. (See Table 4 below).

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

	Governmental Activities	Business-type Activities	Total
Land	\$ 10.9	0.1	11.0
Buildings	4.1	0.4	4.5
Improvements Other Than Buildings	5.2	-	5.2
Equipment	0.4	0.9	1.3
Vehicle	1.9	-	1.9
Waterworks System	-	10.1	10.1
Infrastructure	14.6	-	14.6
	<u>\$ 37.1</u>	<u>11.5</u>	<u>48.6</u>

More detailed information on capital asset activity can be found in Note 4 of the notes to the financial statements beginning on page 34.

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

	Governmental Activities	Business-type Activities	Total
Beginning Balance	\$ 32.1	11.8	43.9
Additions:			
Depreciable	2.2	0.4	2.6
Non depreciable	4.6	-	4.6
Depreciation	(1.8)	(0.7)	(2.5)
Ending Balance	<u>\$ 37.1</u>	<u>11.5</u>	<u>48.6</u>

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

Debt Outstanding

The Village of Lincolnwood had total long-term debt and loans payable of \$37.5 million as of April 30, 2016. Long-term debt is comprised of general obligation debt, compensated absences to employees, net pension liabilities and loans payable. The Village made payments totaling \$1.6 million of general obligation debt and loans payable while compensated absences increased by \$1,279. In addition, the net pension liability increased by \$5.9 million. This was a result of the change in accounting principle for the implementation of GASB Statement No. 68 which required the Village to retroactively record the net pension liability.

The Village has a legal debt limitation not to exceed 8.625% of the total equalized assessed valuation of the taxable property with the Village boundaries. This means that the total of bonds, notes, warrants or any other type of general obligation issued or outstanding will not be greater than 8.625%. The following types of obligations are not considered in determining the debt limitations: certain revenue bonds, special assessment bonds, special service area bonds, and alternate revenue bonds.

At April 30, 2016, the Village had \$1,540,000 of general obligation bonds outstanding. Under current state statute, the Village's general obligation bonded debt issuances are subject to a legal limitation based on \$566,183,876 of total assessed value of real personal property. As of April 30, 2016, the Village's general obligation bonded debt, applicable to the debt limit of \$1,540,000, was well below the legal limit of \$47,293,359.

As presented above, the Village is well within the existing debt levels and will continue to be so in the future.

Additional information on the Village's long-term bonded debt can be found in the Note 3 to the basic financial statements beginning on page 38.

Economic Factors and Next Year's Budget

The Village continues to provide quality government services funded by a tax base that is basically residential. The local and national economies are still experiencing slow economic growth. The next few years will still continue to be challenging as the Village continues to balance expenditures with the slow growth in revenues while continuing to maintain the current services to our residents and businesses. The Village property tax, sales tax, local utility taxes and the Village's share of the state income tax make a majority of the portion of General Fund revenues. Most of these major revenue sources experienced increases from the prior year. We still expect revenues to remain in a slow growth pattern in the upcoming years as the global economy is still in a slow growth mode and the current State budget impasse could affect certain Village revenue sources.

The Village is also continuing to look for economic development to generate additional sales and real estate tax revenues. There are various developments in the plans to begin in Fiscal 2017 for various sites in the Village, including the TIF districts.

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

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

- Government-Wide Financial Statements
- Fund Financial Statements

Governmental Funds

Proprietary Funds

Fiduciary Funds

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

Statement of Net Position

April 30, 2016

See Following Page

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Statement of Net Position
April 30, 2016**

	Governmental Activities	Business- Type Activities	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ 18,051,477	1,589,726	19,641,203
Receivables - Net of Allowances	5,692,874	855,720	6,548,594
Due from Other Governments	3,740,577	-	3,740,577
Prepays/Inventories	482	44,764	45,246
Total Current Assets	27,485,410	2,490,210	29,975,620
Noncurrent Assets			
Capital Assets			
Nondepreciable Capital Assets	10,885,084	96,214	10,981,298
Depreciable Capital Assets	51,991,274	21,495,390	73,486,664
Accumulated Depreciation	(25,731,267)	(10,122,235)	(35,853,502)
Total Capital Assets	37,145,091	11,469,369	48,614,460
Other Assets			
Long-Term Notes Receivable	110,000	-	110,000
Total Noncurrent Assets	37,255,091	11,469,369	48,724,460
Total Assets	64,740,501	13,959,579	78,700,080
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Items - IMRF	1,228,007	92,015	1,320,022
Deferred Items - Police Pension	3,986,036	-	3,986,036
Total Deferred Outflows of Resources	5,214,043	92,015	5,306,058
Total Assets and Deferred Outflows of Resources	69,954,544	14,051,594	84,006,138

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

	Governmental Activities	Business- Type Activities	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 1,554,902	183,649	1,738,551
Accrued Payroll	177,767	14,833	192,600
Deposits Payable	45,019	-	45,019
Accrued Interest	12,834	-	12,834
Other Payables	1,282,324	-	1,282,324
Current Portion of Long-Term Debt			
Compensated Absences Payable	150,732	13,054	163,786
Loans Payable	210,381	582,528	792,909
General Obligation Bonds Payable	760,000	-	760,000
Total Current Liabilities	4,193,959	794,064	4,988,023
Noncurrent Liabilities			
Compensated Absences Payable	602,926	52,216	655,142
Net Pension Liability - IMRF	2,222,800	166,555	2,389,355
Net Pension Liability - Police Pension	26,987,128	-	26,987,128
Loans Payable	570,778	4,382,074	4,952,852
General Obligation Bonds Payable	780,000	-	780,000
Total Noncurrent Liabilities	31,163,632	4,600,845	35,764,477
Total Liabilities	35,357,591	5,394,909	40,752,500
DEFERRED INFLOWS OF RESOURCES			
Deferred Items - IMRF	45,842	3,435	49,277
Deferred Items - Police Pension	194,442	-	194,442
Property Taxes	2,683,034	-	2,683,034
Total Deferred Inflows of Resources	2,923,318	3,435	2,926,753
Total Liabilities and Deferred Inflows of Resources	38,280,909	5,398,344	43,679,253
NET POSITION			
Net Investment in Capital Assets	34,823,932	6,504,767	41,328,699
Restricted - Economic Development	6,490,549	-	6,490,549
Restricted - Street and Street Light			
Maintenance and Replacement	3,969,762	-	3,969,762
Restricted - Transportation Improvement	458,445	-	458,445
Restricted - Police Dispatch	2,149	-	2,149
Restricted - Capital Projects	8,440	-	8,440
Unrestricted	(14,079,642)	2,148,483	(11,931,159)
Total Net Position	31,673,635	8,653,250	40,326,885

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

Statement of Activities

For the Fiscal Year Ended April 30, 2016

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Primary Government				
Governmental Activities				
General Government	\$ 7,343,902	323,925	3,847,125	-
Public Safety	10,010,892	1,583,595	-	-
Highways and Streets	2,644,884	-	-	79,245
Sanitation	1,000,930	-	-	-
Economic Development	950,667	-	-	-
Culture and Recreation	2,659,858	1,424,915	-	-
Interest Expense	49,222	-	-	-
Total Governmental Activities	24,660,355	3,332,435	3,847,125	79,245
Business-Type Activities				
Water and Sewer	4,274,948	4,643,875	-	-
Total Primary Government	28,935,303	7,976,310	3,847,125	79,245

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

Change in Net Position

Net Position - Beginning as Restated

Net Position - Ending

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

Net (Expenses)/Revenues		
Primary Government		
Governmental Activities	Business-Type Activities	Totals
(3,172,852)	-	(3,172,852)
(8,427,297)	-	(8,427,297)
(2,565,639)	-	(2,565,639)
(1,000,930)	-	(1,000,930)
(950,667)	-	(950,667)
(1,234,943)	-	(1,234,943)
(49,222)	-	(49,222)
(17,401,550)	-	(17,401,550)
-	368,927	368,927
(17,401,550)	368,927	(17,032,623)
6,754,910	-	6,754,910
470,774	-	470,774
1,323,632	-	1,323,632
735,501	-	735,501
7,351,368	-	7,351,368
1,276,154	-	1,276,154
126,382	-	126,382
288,899	-	288,899
322,038	-	322,038
231,769	2,813	234,582
326,367	10,000	336,367
200,000	(200,000)	-
19,407,794	(187,187)	19,220,607
2,006,244	181,740	2,187,984
29,667,391	8,471,510	38,138,901
31,673,635	8,653,250	40,326,885

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Balance Sheet - Governmental Funds
April 30, 2016**

	<u>General</u>
ASSETS	
Cash and Investments	\$ 10,444,276
Receivables	
Property Taxes	2,725,028
Other Taxes	2,314,574
Accounts	521,989
Accrued Interest	-
Due from Other Governments	-
Due from Other Funds	455,712
Long-Term Notes Receivable	110,000
Prepays	482
	<u>16,572,061</u>
LIABILITIES	
Accounts Payable	1,070,131
Accrued Payroll	175,424
Deposits Payable	45,019
Due to Other Funds	92,621
Other Payables	1,282,324
Total Liabilities	<u>2,665,519</u>
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	2,683,034
Total Liabilities and Deferred Inflows of Resources	<u>5,348,553</u>
FUND BALANCES	
Nonspendable	110,482
Restricted	-
Unassigned	11,113,026
Total Fund Balances	<u>11,223,508</u>
	<u>16,572,061</u>

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

Special Revenue				
Northeast Industrial District Tax Increment Financing	Motor Fuel Tax	Debt Service	Nonmajor	Totals
2,811,425	3,923,614	9,729	862,433	18,051,477
8,579	-	-	-	2,733,607
-	-	-	-	2,314,574
-	28,652	-	92,895	643,536
735	-	-	422	1,157
3,680,000	18,668	-	41,909	3,740,577
-	-	-	-	455,712
-	-	-	-	110,000
-	-	-	-	482
<u>6,500,739</u>	<u>3,970,934</u>	<u>9,729</u>	<u>997,659</u>	<u>28,051,122</u>
10,190	1,172	-	380,788	1,462,281
-	-	-	2,343	177,767
-	-	-	-	45,019
-	-	-	455,712	548,333
-	-	-	-	1,282,324
<u>10,190</u>	<u>1,172</u>	<u>-</u>	<u>838,843</u>	<u>3,515,724</u>
-	-	-	-	2,683,034
<u>10,190</u>	<u>1,172</u>	<u>-</u>	<u>838,843</u>	<u>6,198,758</u>
-	-	-	-	110,482
6,490,549	3,969,762	9,729	469,034	10,939,074
-	-	-	(310,218)	10,802,808
<u>6,490,549</u>	<u>3,969,762</u>	<u>9,729</u>	<u>158,816</u>	<u>21,852,364</u>
<u>6,500,739</u>	<u>3,970,934</u>	<u>9,729</u>	<u>997,659</u>	<u>28,051,122</u>

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

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

April 30, 2016

Total Governmental Fund Balances \$ 21,852,364

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. 37,145,091

Deferred outflows (inflows) of resources related to the pensions not reported
in the funds.

Deferred Items - IMRF 1,182,165

Deferred Items - Police Pension 3,791,594

Long-term liabilities are not due and payable in the current
period and therefore are not reported in the funds.

Compensated Absences Payable (753,658)

Net Pension Liability - IMRF (2,222,800)

Net Pension Liability - Police (26,987,128)

Loan Payable (781,159)

General Obligation Bonds Payable (1,540,000)

Accrued Interest Payable (12,834)

Net Position of Governmental Activities 31,673,635

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended April 30, 2016**

See Following Page

VILLAGE OF LINCOLNWOOD, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended April 30, 2016

	<u>General</u>
Revenues	
Taxes	\$ 7,829,696
Charges for Services	1,968,852
Licenses and Permits	1,072,394
Intergovernmental	8,562,011
Fines and Forfeits	291,189
Investment Income	204,781
Miscellaneous	326,367
Total Revenues	<u>20,255,290</u>
Expenditures	
Current	
General Government	3,366,502
Public Safety	9,767,597
Highways and Streets	1,336,261
Sanitation	1,000,930
Economic Development	950,667
Culture and Recreation	2,195,582
Capital Outlay	988,834
Debt Service	
Principal Retirement	-
Interest and Fiscal Charges	-
Total Expenditures	<u>19,606,373</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>648,917</u>
Other Financing Sources (Uses)	
Transfers In	330,000
Transfers Out	<u>(538,179)</u>
	<u>(208,179)</u>
Net Change in Fund Balances	440,738
Fund Balances - Beginning	<u>10,782,770</u>
Fund Balances - Ending	<u><u>11,223,508</u></u>

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

Special Revenue				
Northeast Industrial District Tax Increment Financing	Motor Fuel Tax	Debt Service	Nonmajor	Totals
841,202	-	-	613,919	9,284,817
-	-	-	-	1,968,852
-	-	-	-	1,072,394
3,680,000	359,374	480,792	209,034	13,291,211
-	-	-	-	291,189
17,367	4,128	-	5,493	231,769
-	-	-	-	326,367
4,538,569	363,502	480,792	828,446	26,466,599
91,875	-	-	697,398	4,155,775
-	-	-	-	9,767,597
-	64,241	-	1,204,834	2,605,336
-	-	-	-	1,000,930
-	-	-	-	950,667
-	-	-	-	2,195,582
4,638,345	-	-	390,482	6,017,661
292,500	-	1,083,053	-	1,375,553
18,375	-	50,459	-	68,834
5,041,095	64,241	1,133,512	2,292,714	28,137,935
(502,526)	299,261	(652,720)	(1,464,268)	(1,671,336)
-	-	652,687	83,373	1,066,060
(130,000)	(3,000)	-	(194,881)	(866,060)
(130,000)	(3,000)	652,687	(111,508)	200,000
(632,526)	296,261	(33)	(1,575,776)	(1,471,336)
7,123,075	3,673,501	9,762	1,734,592	23,323,700
6,490,549	3,969,762	9,729	158,816	21,852,364

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

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

For the Fiscal Year Ended April 30, 2016

Net Change in Fund Balances - Total Governmental Funds \$ (1,471,336)

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	6,865,670
Depreciation Expense	(1,804,854)
Disposals - Cost	(66,856)
Disposals - Accumulated Depreciation	50,028

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

Change in Deferred Items - IMRF	774,559
Change in Deferred Items - Police Pension	2,127,945

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.

Additions to Net Pension Liability - IMRF	(997,615)
Additions in Net Pension Liability - Police	(4,867,210)
Deductions to Compensated Absences Payable	748
Retirement of Debt	1,375,553

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

19,612

Changes in Net Position of Governmental Activities

2,006,244

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

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

April 30, 2016

See Following Page

VILLAGE OF LINCOLNWOOD, ILLINOIS

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

April 30, 2016

	<u>Water and Sewer</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 1,589,726
Receivables - Net of Allowances	
Accounts	855,186
Accrued Interest	534
Inventories	<u>44,764</u>
Total Current Assets	<u>2,490,210</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable Capital Assets	96,214
Depreciable Capital Assets	21,495,390
Accumulated Depreciation	<u>(10,122,235)</u>
Total Noncurrent Assets	<u>11,469,369</u>
Total Assets	13,959,579
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Items - IMRF	<u>92,015</u>
Total Assets/ Deferred Outflows of Resources	<u>14,051,594</u>

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

	<u>Water and Sewer</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 183,649
Accrued Payroll	14,833
Compensated Absences Payable	13,054
Loans Payable	<u>582,528</u>
Total Current Liabilities	<u>794,064</u>
Noncurrent Liabilities	
Compensated Absences Payable	52,216
Net Pension Liability - IMRF	166,555
Loans Payable	<u>4,382,074</u>
Total Noncurrent Liabilities	<u>4,600,845</u>
Total Liabilities	5,394,909
DEFERRED INFLOWS OF RESOURCES	
Deferred Items - IMRF	<u>3,435</u>
Total Liabilities and Deferred Inflows of Resources	<u>5,398,344</u>
NET POSITION	
Net Investment in Capital Assets	6,504,767
Unrestricted	<u>2,148,483</u>
Total Net Position	<u><u>8,653,250</u></u>

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Statement of Revenues, Expenses and Changes in Net Position -
Proprietary Fund (Business-Type Activities)
For the Fiscal Year Ended April 30, 2016**

	<u>Water and Sewer</u>
Operating Revenues	
Charges for Services	\$ 4,586,070
Fines and Forfeitures	57,805
Total Operating Revenues	<u>4,643,875</u>
Operating Expenses	
Cost of Sales and Services	3,473,353
Depreciation	694,967
Total Operating Expenses	<u>4,168,320</u>
Operating Income	<u>475,555</u>
Nonoperating Revenues (Expenses)	
Interest Income	2,813
Other Income	10,000
Interest and Fiscal Charges	<u>(106,628)</u>
	<u>(93,815)</u>
Income Before Transfers	381,740
Transfers Out	<u>(200,000)</u>
Change in Net Position	181,740
Net Position - Beginning as Restated	<u>8,471,510</u>
Net Position - Ending	<u><u>8,653,250</u></u>

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Statement of Cash Flows - Proprietary Fund (Business Type Activities)
For the Fiscal Year Ended April 30, 2016**

	<u>Water and Sewer</u>
Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 4,453,190
Other Income	10,000
Payments to Employees	(562,572)
Payments to Suppliers	(2,879,332)
	<u>1,021,286</u>
Cash Flows from Noncapital Financing Activities	
Transfers Out	<u>(200,000)</u>
Cash Flows from Capital and Related Financing Activities	
Purchase of Capital Assets	(375,940)
Interest and Fiscal Charges	(106,628)
Payment of Bond Principal	(575,647)
	<u>(1,058,215)</u>
Cash Flows from Investing Activities	
Interest Received	<u>2,813</u>
Net Change in Cash and Cash Equivalents	(234,116)
Cash and Cash Equivalents - Beginning of Year	<u>1,823,842</u>
Cash and Cash Equivalents - End of Year	<u><u>1,589,726</u></u>
Reconciliation of Operating Income to Net Cash	
Provided (Used) by Operating Activities	
Operating Income (Loss)	<u>475,555</u>
Adjustments to Reconcile Operating	
Income to Net Income to Net Cash	
Provided by (Used In) Operating Activities:	
Depreciation and Amortization Expense	694,967
Other Income	10,000
(Increase) Decrease in Current Assets	(190,685)
Increase (Decrease) in Current Liabilities	<u>31,449</u>
Net Cash Provided by Operating Activities	<u><u>1,021,286</u></u>

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Statement of Fiduciary Net Position
April 30, 2016**

	<u>Police Pension</u>
ASSETS	
Cash and Cash Equivalents	\$ 708,620
Investments	
U.S. Government and Agency Obligations	3,946,354
Corporate Bonds	4,410,882
Money Market	671,878
Equity Mutual Funds	8,886,506
Accrued Interest	61,887
Due from Other Funds	<u>92,621</u>
NET POSITION	
Net Position Restricted for Pensions	<u><u>18,778,748</u></u>

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended April 30, 2016**

	<u>Police Pension</u>
Additions	
Contributions - Employer	\$ 1,663,647
Contributions - Plan Members	<u>368,810</u>
Total Contributions	<u>2,032,457</u>
Investment Income	
Interest Earned	483,997
Net Change in Fair Value	<u>(404,051)</u>
	79,946
Less Investment Expenses	<u>(42,732)</u>
Net Investment Income	<u>37,214</u>
Total Additions	<u>2,069,671</u>
Deductions	
Administration	23,850
Benefits and Refunds	<u>2,213,010</u>
Total Deductions	<u>2,236,860</u>
Change in Fiduciary Net Position	(167,189)
Net Position - Beginning	<u>18,945,937</u>
Net Position - Ending	<u><u>18,778,748</u></u>

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

REPORTING ENTITY

The Village's financial reporting entity comprises the following:

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

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

Police Pension Employees Retirement System

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

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION

Government-Wide Statements

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

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

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

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements

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

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

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

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

Governmental Funds

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

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Governmental Funds – Continued

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Village maintains two major special revenue funds, the Northeast Industrial District Tax Increment Financing Fund and the Motor Tax Fuel Fund. The Northeast Industrial District Tax Increment Financing Fund is used to account for resources (restricted real estate taxes) received and expenditures made to promote the objectives of the TIF District. The Motor Tax Fuel Fund is used to account for resources (restricted motor fuel taxes) to maintain traffic signal lighting in the Village and for services performed by the Village for upkeep of IDOT street within the Village limits. The Village maintains five nonmajor special revenue funds.

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

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The Village maintains three nonmajor capital projects funds.

Proprietary Funds

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

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Governmental Funds – Continued

Fiduciary Funds

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

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

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

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

Measurement Focus

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

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

All proprietary and pension trust funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows and liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary and pension trust fund equity is classified as net position. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

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

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

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

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Cash and Investments

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

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value.

Prepays/Inventories

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

Interfund Receivables, Payables and Activity

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

Receivables

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Capital Assets

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

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

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

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

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

Compensated Absences

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Compensated Absences – Continued

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.

Deferred Outflows/Inflows of Resources

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

Long-Term Obligations

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

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

Net Position

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

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

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

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

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

Budgets are adopted on a basis consistent with generally accepted accounting principles except of the Water and Sewer Fund. The Water and Sewer Fund is adopted on a modified basis in that depreciation is not budgeted and capital outlay and debt principal retirements, if any, are budgeted.

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

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

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
Northeast Industrial District Tax Increment Financing	\$ 108,720
Touhy/Lawndale Tax Increment Financing	197,697
Transportation Improvement	70,521

DEFICIT FUND EQUITY

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

Fund	Deficit
Lincoln/Touhy Tax Increment Financing	\$ 63,016
Devon/Lincoln Tax Increment Financing	247,202

The deficit in the Lincoln/Touhy Tax Increment Financing Fund and the Devon/Lincoln Tax Increment Financing Fund will be retired when the Districts start to receive the tax increment from the increase in the assessed valuation of the TIF Districts.

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2016

NOTE 3 – DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

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

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

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

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

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2016

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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 activities totaled \$11,482,774 and the bank balances totaled \$12,120,167. The Village also has \$7,269,162 invested in the Illinois Funds and \$889,267 invested in IMET, which have an average maturity of less than one year to three years.

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

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

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

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

Concentration Risk. This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village's investment policy does not address concentration risk. At year-end, the Village's investment in the Illinois Funds represents more than 5 percent of the total cash and investment portfolio.

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2016

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

Deposits. At year-end, the carrying amount of the Fund's deposits totaled \$707,146 and the bank balances totaled \$707,146.

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

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Treasuries	\$ 3,078,579	822,816	1,458,568	797,195	-
U.S. Agencies	867,775	867,775	-	-	-
Money Market	671,878	671,878	-	-	-
Corporate Bonds	4,410,882	401,652	3,119,120	890,110	-
Illinois Funds	1,474	1,474	-	-	-
	<u>9,030,588</u>	<u>2,765,595</u>	<u>4,577,688</u>	<u>1,687,305</u>	<u>-</u>

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

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

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

In the case of investments, the Fund limits its exposure to custodial credit risk, the investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment basis with the underlying investments held by a third-party custodian and evidenced by safekeeping receipts.

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2016

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

Concentration Risk. The Fund's investment policy requires diversification of investment to avoid unreasonable risk. No financial institution, except any securities custodians of the Fund, shall hold more than 10% of the Fund's portfolio at any time. In addition to the securities and fair values listed above, the Fund also has \$8,886,506 invested in mutual funds. At year end, the Fund has over 5% of net plan position invested in U.S. Treasuries (16%), and Corporate Bonds (23%). Investments that represent 5 percent or more of the total Police Pension Fund's investment are Investment Co. America of \$2,045,218, Vanguard Total Stock of \$2,451,951 and Vanguard Dividend Growth Fund IV of \$1,014,708.

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

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	35% - 65%	3.3% - 8.8%
Domestic Equities	20% - 80%	10.0% - 12.2%
International Equities	20%	9.8% - 12.0%
Cash and Cash Equivalents	0%	0.0%

Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities, mutual funds and variable annuities to 55%. 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 2016 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, 2016 are listed in the table above.

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2016

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

Rate of Return

For the year ended April 30, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 0.73%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

PROPERTY TAXES

Property taxes for 2015 tax levy attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about March 1 and November 1. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 1% of the tax levy, to reflect actual collection experience.

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 6,285,084	4,600,000	-	10,885,084
Construction in Progress	1,001,921	-	1,001,921	-
	<u>7,287,005</u>	<u>4,600,000</u>	<u>1,001,921</u>	<u>10,885,084</u>
Depreciable Capital Assets				
Parks and Improvements	10,686,988	212,014	-	10,899,002
Buildings	10,325,971	-	-	10,325,971
Equipment and Furniture	1,853,427	173,180	15,285	2,011,322
Vehicles and Heavy Equipment	4,486,928	368,104	51,571	4,803,461
Streets, Sidewalks and Alleys	21,437,225	2,514,293	-	23,951,518
	<u>48,790,539</u>	<u>3,267,591</u>	<u>66,856</u>	<u>51,991,274</u>

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS – Continued

Governmental Activities – Continued

	Beginning Balances	Increases	Decreases	Ending Balances
Less Accumulated Depreciation				
Parks and Improvements	\$ 5,297,626	426,279	-	5,723,905
Buildings	5,896,305	292,738	-	6,189,043
Equipment and Furniture	1,479,696	91,082	-	1,570,778
Vehicles and Heavy Equipment	2,614,498	288,200	15,285	2,887,413
Streets, Sidewalks and Alleys	8,688,316	706,555	34,743	9,360,128
	<u>23,976,441</u>	<u>1,804,854</u>	<u>50,028</u>	<u>25,731,267</u>
 Total Net Depreciable Capital Assets	 <u>24,814,098</u>	 <u>1,462,737</u>	 <u>16,828</u>	 <u>26,260,007</u>
 Total Net Capital Assets	 <u><u>32,101,103</u></u>	 <u><u>6,062,737</u></u>	 <u><u>1,018,749</u></u>	 <u><u>37,145,091</u></u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 1,015,709
Public Safety	243,295
Highways and Streets	81,574
Culture and Recreation	<u>464,276</u>
	<u><u>1,804,854</u></u>

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2016

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS – Continued

Business-Type Activities

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

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 96,214	-	-	96,214
Construction in Progress	1,509,291	-	1,509,291	-
	<u>1,605,505</u>	<u>-</u>	<u>1,509,291</u>	<u>96,214</u>
Depreciable Capital Assets				
Buildings and Structures	692,615	-	-	692,615
Waterworks System	17,765,072	1,509,291	-	19,274,363
Equipment and Vehicles	1,307,422	375,940	154,950	1,528,412
	<u>19,765,109</u>	<u>1,885,231</u>	<u>154,950</u>	<u>21,495,390</u>
Less Accumulated Depreciation				
Buildings and Structures	299,242	28,945	-	328,187
Waterworks System	8,593,996	586,738	-	9,180,734
Equipment and Vehicles	688,980	79,284	154,950	613,314
	<u>9,582,218</u>	<u>694,967</u>	<u>154,950</u>	<u>10,122,235</u>
Total Net Depreciable Capital Assets	<u>10,182,891</u>	<u>1,190,264</u>	<u>-</u>	<u>11,373,155</u>
Total Net Capital Assets	<u>11,788,396</u>	<u>1,190,264</u>	<u>1,509,291</u>	<u>11,469,369</u>

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

Water and Sewer	<u>\$ 694,967</u>
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VILLAGE OF LINCOLNWOOD, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund Balances

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor Governmental	\$ 455,712
Police Pension	General	<u>92,621</u>
		<u>548,333</u>

Interfund balances are advances in anticipation of receipts.

Interfund Transfers

Interfund transfers for the year consisted of the following:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
General	Northeast Industrial District Tax Increment Financing	\$ 130,000 (1)
General	Water and Sewer	200,000 (1)
Debt Service	General	454,806 (2)
Debt Service	Motor Fuel Tax	3,000 (2)
Debt Service	Nonmajor Governmental	194,881 (2)
Nonmajor Governmental	General	<u>83,373 (3)</u>
		<u>1,066,060</u>

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT

Loans Payable

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

Issue	Fund Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
Illinois Finance Authority Loan Payable of 2009 due in annual payments of \$12,500, non-interest bearing through May 9, 2029.	Debt Service	\$ 187,500	-	12,500	175,000
Oshkosh Capital Loan Payable of 2010 due in annual payments of \$75,193, including interest at 4.00% through August 13, 2020.	Debt Service	386,840	-	386,840	-
Loan Payable of 2012 due in annual payments of \$34,431 to \$36,627, including interest at 3.25% through July 20, 2015.	Debt Service	33,332	-	33,332	-
Cook County Intergovernmental Agreement of 2014 due in annual payments of \$500,000 to \$511,212, non- interest bearing through May 1, 2018.	Debt Service	804,040	-	197,881	606,159
	Water and Sewer	1,207,172	-	302,119	905,053
		<u>2,618,884</u>	<u>-</u>	<u>932,672</u>	<u>1,686,212</u>

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

General Obligation Bonds

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

Issue	Fund Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Refunding Bonds of 2011A - Due in annual installments of \$365,000 to \$410,000 plus interest at 2.00%, through December 1, 2017.	Northeast Industrial District TIF Debt	\$ 900,000	-	292,500	607,500
	Service	300,000	-	97,500	202,500
General Obligation Refunding Bonds of 2011B - Due in annual installments of \$325,000 to \$370,000 plus interest at 2.00%, through December 1, 2017.	Debt				
	Service	1,085,000	-	355,000	730,000
		<u>2,285,000</u>	<u>-</u>	<u>745,000</u>	<u>1,540,000</u>

Illinois Environmental Protection Agency (IEPA) Loans Payable

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

Issue	Fund Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
IEPA Water Pollution Control Revolving Fund Loan Payable of 2008 due in semi-annual payments of \$87,660 to \$187,731, plus interest at 2.5% through June 17, 2028.	Water and Sewer	\$ 4,333,077	-	273,528	4,059,549

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Long-Term Liability Activity

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

Type of Debt	Beginning Balances as Restated	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 754,406	210,133	210,881	753,658	150,732
Net Pension Liability - IMRF	1,225,185	997,615	-	2,222,800	-
Net Pension Liability - Police	22,119,918	4,867,210	-	26,987,128	-
Loans Payable	1,411,712	-	630,553	781,159	210,381
General Obligation Bonds Payable	2,285,000	-	745,000	1,540,000	760,000
	<u>27,796,221</u>	<u>6,074,958</u>	<u>1,586,434</u>	<u>32,284,745</u>	<u>1,121,113</u>
Business-Type Activities					
Compensated Absences	63,243	14,627	12,600	65,270	13,054
Net Pension Liability - IMRF	91,804	74,751	-	166,555	-
Loans Payable	1,207,172	-	302,119	905,053	302,119
IEPA Loans Payable	4,333,077	-	273,528	4,059,549	280,409
	<u>5,695,296</u>	<u>89,378</u>	<u>588,247</u>	<u>5,196,427</u>	<u>595,582</u>

For governmental activities, the General Fund makes payments on the compensated absences and the net pension liabilities. Payments on the loans payable are being made by the Debt Service Fund, Motor Fuel Tax Fund, and Transportation Improvement Fund. The Northeast Industrial District TIF and the Debt Service Funds make payments on the general obligation bonds payable.

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Debt Service Requirements to Maturity

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

Fiscal Year	Governmental Activities			Business-Type Activities		
	Loans Payable	General Obligation Bonds Payable		Loans Payable	IEPA Loans Payable	
	Principal	Principal	Interest	Principal	Principal	Interest
2017	\$ 210,381	760,000	30,800	302,119	280,409	99,747
2018	210,381	780,000	15,600	302,119	287,463	92,693
2019	222,897	-	-	300,815	294,695	85,461
2020	12,500	-	-	-	302,108	78,048
2021	12,500	-	-	-	309,708	70,448
2022	12,500	-	-	-	317,500	62,656
2023	12,500	-	-	-	325,486	54,670
2024	12,500	-	-	-	333,674	46,482
2025	12,500	-	-	-	342,068	38,088
2026	12,500	-	-	-	350,673	29,482
2027	12,500	-	-	-	359,495	20,661
2028	12,500	-	-	-	368,539	11,617
2029	12,500	-	-	-	187,731	2,347
2030	12,500	-	-	-	-	-
Totals	781,159	1,540,000	46,400	905,053	4,059,549	692,400

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Legal Debt Margin

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

Assessed Valuation - 2015	<u>\$ 566,183,876</u>
Legal Debt Limit - 8.625% of Assessed Value	48,833,359
Amount of Debt Applicable to Limit	<u>(1,540,000)</u>
Legal Debt Margin	<u>47,293,359</u>

NET POSITION/FUND BALANCE CLASSIFICATIONS

Net Position Restatements

Net position was restated due to the implementation of GASB Statement No. 68. The following is a summary of the net position as originally reported and as restated:

Net Position	As Reported	As Restated	(Decrease)
Governmental Activities	\$ 51,007,020	29,667,391	(21,339,629)
Business-Type Activities/Water and Sewer	8,532,771	8,471,510	(61,261)

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION/FUND BALANCE CLASSIFICATIONS – Continued

Fund Balance Classifications

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

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

	General	Special Revenue Northeast Industrial District Tax Increment Financing	Motor Fuel Tax	Debt Service	Nonmajor	Totals
Fund Balances						
Nonspendable						
Notes Receivable	\$ 110,000	-	-	-	-	110,000
Prepays	482	-	-	-	-	482
	<u>110,482</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>110,482</u>
Restricted						
Economic Development	-	6,490,549	-	-	-	6,490,549
Debt Service	-	-	-	9,729	-	9,729
Street and Streetlight Maintenance and Replacement	-	-	3,969,762	-	-	3,969,762
Transportation Improvements	-	-	-	-	458,445	458,445
Police Dispatch	-	-	-	-	2,149	2,149
Capital Projects	-	-	-	-	8,440	8,440
	<u>-</u>	<u>6,490,549</u>	<u>3,969,762</u>	<u>9,729</u>	<u>469,034</u>	<u>10,939,074</u>
Unassigned	<u>11,113,026</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(310,218)</u>	<u>10,802,808</u>
Total Fund Balances	<u>11,223,508</u>	<u>6,490,549</u>	<u>3,969,762</u>	<u>9,729</u>	<u>158,816</u>	<u>21,852,364</u>

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION/FUND BALANCE CLASSIFICATIONS – Continued

Net Position Classifications

Net investment in capital assets was comprised of the following as of April 30, 2016:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 37,145,091
Less Capital Related Debt:	
Illinois Finance Authority Loan Payable of 2009	(175,000)
Cook County Intergovernmental Agreement of 2014	(606,159)
General Obligation Refunding Bonds of 2011A	(810,000)
General Obligation Refunding Bonds of 2011B	<u>(730,000)</u>
Net Investment in Capital Assets	<u>34,823,932</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	11,469,369
Less Capital Related Debt:	
Cook County Intergovernmental Agreement of 2014	(905,053)
IEPA Loan Payable of 2008	<u>(4,059,549)</u>
Net Investment in Capital Assets	<u>6,504,767</u>

NOTE 4 – OTHER INFORMATION

CONTINGENT LIABILITIES

Litigation

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

Grants

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2016

NOTE 4 – OTHER INFORMATION – Continued

CONTINGENT LIABILITIES – Continued

Solid Waste Agency of Northern Cook County (SWANCC)

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

RISK MANAGEMENT

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

Intergovernmental Risk Management Agency (IRMA)

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

The Village's payments to IRMA are displayed on the financial statements as expenses in the Liability Insurance Fund. Each member assumes the first \$10,000 of each occurrence, and IRMA has a mix of self-insurance and commercial insurance at various amounts about that level. Each member appoints one delegate, along with an alternate delegate, to represent the member on the Board of Directors. The Village does not exercise any control over the activities of the Agency beyond its representation on the Board of Directors.

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2016

NOTE 4 – OTHER INFORMATION – Continued

RISK MANAGEMENT – Continued

North Suburban Employee's Benefit Cooperative

The Village participates in the North Suburban Employee's Benefit Cooperative (NSEBC), an agency of municipalities created to finance and administer health and life insurance benefits for its members. Each municipality appoints one representative to serve on the Board of Directors. The Board determines the general government policies which include approval of the annual budget.

COMMITMENTS

Intergovernmental Agreement

Under an Intergovernmental Agreement entered into in September of 1997, the Village agreed to provide a development benefit from the Northeast Industrial TIF District to the Lincolnwood Elementary School District #74. The benefit paid is attributable to any revenues received by the Village for any new development occurring within the Northeast Industrial TIF District. The payment is made each year until the TIF District closes and there is no limit to the amount paid to the School District. The Village paid the School District \$37,464 in the current fiscal year. The payment has been recorded as an expenditure of the General Fund.

Sales Tax Incentive Agreements

The Village has an agreement with an automobile dealership based upon sales tax revenue generated and paid by this dealership during the calendar year. The Village will remit 50% of sales tax revenue, not to exceed the maximum incentive amount of \$5,000,000, for no greater than fifteen years paid by this dealership. For the year ended April 30, 2016, the Village collected and will rebate \$128,957 of sales tax revenue to this dealership. Cumulative payments through April 30, 2016 are \$722,445.

The Village has an agreement with an automobile dealership based upon sales tax revenue generated and paid by this dealership during the calendar year. The Village will remit 50% of sales tax revenue, not to exceed the maximum incentive amount of \$1,200,000, for no greater than twenty years paid by this dealership. For the year ended April 30, 2016, the Village collected and will rebate \$35,943 of sales tax revenue to this dealership. Cumulative payments through April 30, 2016 are \$214,984.

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2016

NOTE 4 – OTHER INFORMATION – Continued

JOINT VENTURES

Solid Waste Agency of Northern Cook County (SWANCC)

The Village is a member of the Solid Waste Agency of Northern Cook County (SWANCC), which consists of twenty-three municipalities. SWANCC is a municipal joint action agency, established pursuant to the Constitution of the State of Illinois and the Intergovernmental Cooperation Act of the State of Illinois, as amended (the Act). SWANCC is empowered under the Act to plan, construct, finance, operate, and maintain a solid waste disposal system to serve its members. SWANCC is reported as a nonequity proprietary joint venture.

The twenty-three members of SWANCC and their percentage shares as of April 30, 2015 are as follows:

	Percent Share
Village of Arlington Heights	9.84 %
Village of Barrington	1.37
Village of Buffalo Grove	6.58
Village of Elk Grove Village	5.15
City of Evanston	6.34
Village of Glencoe	1.30
Village of Glenview	4.53
Village of Hoffman Estates	5.48
Village of Inverness	1.11
Village of Kenilworth	0.87
Village of Lincolnwood	1.97
Village of Morton Grove	3.28
Village of Mount Prospect	9.04
Village of Niles	3.31
Village of Palatine	10.26
City of Park Ridge	5.19
City of Prospect Heights	2.94
City of Rolling Meadows	3.52
Village of Skokie	7.21
Village of South Barrington	0.72
Village of Wheeling	3.53
Village of Wilmette	3.62
Village of Winnetka	2.84
	<hr/> <hr/> <u>100.00 %</u>

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2016

NOTE 4 – OTHER INFORMATION – Continued

JOINT VENTURES – Continued

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

These percentage shares are subject to change in future years based on the population of the municipalities. The members form a contiguous geographic service area, which is located northwest of downtown Chicago.

SWANCC is governed by a Board of Directors, which consists of one appointed Mayor or President from each member municipality. Each Director has an equal vote. The officers of SWANCC are appointed by the Board of Directors.

The Board of Directors determines the general policy of SWANCC, makes all appropriations, approves contracts, adopts resolutions providing for the issuance of bonds or notes by SWANCC, adopts by-laws, rules and regulations, and exercises such powers and performs such duties as may be prescribed in the Agency Agreement or the by-laws.

Summary of financial positions as of April 30, 2015:

Current Assets	\$ 3,745,840	Current Liabilities	\$ 3,684,511
Capital Assets	<u>9,694,317</u>	Deferred Inflows	<u>171,429</u>
Total Assets	<u>13,440,157</u>	Total Liabilities and Deferred Inflows of Resources	<u>3,855,940</u>
		Net Position	<u>9,584,217</u>

Summary of revenues, expenses and changes in net position for the year ended April 30, 2015:

Operating Revenues	\$ 14,294,118
Operating Expenses	<u>14,279,224</u>
Change in Net Position	14,894
Net Position - Beginning	<u>9,569,323</u>
Net Position - Ending	<u>9,584,217</u>

Complete financial statements for SWANCC can be obtained from the Agency's administrative office at 77 West Hintz Road, Suite 200, Wheeling, Illinois 60090.

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2016

NOTE 4 – OTHER INFORMATION – Continued

JOINT VENTURES – Continued

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

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

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

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

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

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

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), and the Sheriff's Law Enforcement Program (SLEP), which are both defined benefit agent multiple-employer public employee retirement systems administered by the IMRF; and the Police Pension Plan, which is a single-employer, pension plan. A copy of the Police Pension Plan report may be obtained by writing to the Village at 6900 North Lincoln Avenue, Lincolnwood, Illinois 60712. IMRF and SLEP issue a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The benefits, benefit levels, employee contributions and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2016

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.

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

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2016

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions

Plan Membership. As of December 31, 2015, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	56
Inactive Plan Members Entitled to but not yet Receiving Benefits	61
Active Plan Members	<u>63</u>
Total	<u><u>180</u></u>

Contributions. As set by statute, the Village's Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual contribution rate for calendar year 2015 was 11.06% of covered payroll.

Net Pension Liability. The Village's net pension liability was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2015, using the following actuarial methods and assumptions:

Actuarial Valuation Date	12/31/2015
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.49%
Salary Increases	3.75% to 14.50%
Cost of Living Adjustments	2.75%
Inflation	2.75%

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

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

Discount Rate

A Single Discount Rate of 7.49% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.57%, and the resulting single discount rate is 7.49%.

Discount Rate Sensitivity

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.47%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease (6.49%)	Current Discount Rate (7.49%)	1% Increase (8.49%)
Net Pension Liability (Asset)	\$ 5,569,737	2,389,355	(164,137)

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2016

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2014	\$ 21,877,872	20,560,883	1,316,989
Changes for the Year:			
Service Cost	415,872	-	415,872
Interest on the Total Pension Liability	1,616,496	-	1,616,496
Difference Between Expected and Actual Experience of the Total Pension Liability	(65,350)	-	(65,350)
Changes of Assumptions	29,098	-	29,098
Contributions - Employer	-	438,149	(438,149)
Contributions - Employees	-	204,467	(204,467)
Net Investment Income	-	101,748	(101,748)
Benefit Payments, including Refunds of Employee Contributions	(1,065,044)	(1,065,044)	-
Other (Net Transfer)	-	179,386	(179,386)
Net Changes	931,072	(141,294)	1,072,366
Balances at December 31, 2015	22,808,944	20,419,589	2,389,355

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

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

For the year ended April 30, 2016, the Village recognized pension expense of \$239,770. At April 30, 2016, 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	\$ -	(49,277)	(49,277)
Change in Assumptions	21,941	-	21,941
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,144,963	-	1,144,963
Pension Contributions Made Subsequent to the Measurement Date	153,118	-	153,118
Total Deferred Amounts Related to IMRF	<u>1,320,022</u>	<u>(49,277)</u>	<u>1,270,745</u>

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

Fiscal Year	Net Deferred Outflows of Resources
2017	\$ 430,443
2018	277,325
2019	277,325
2020	285,652
2021	-
Thereafter	<u>-</u>
Total	<u>1,270,745</u>

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

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, 2016, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	36
Inactive Plan Members Entitled to but not yet Receiving Benefits	-
Active Plan Members	<u>32</u>
Total	<u><u>68</u></u>

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

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2016

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Plan Descriptions – Continued

Benefits Provided – Continued. Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officer salary for the pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police office retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent of ½ of the change in the Consumer Price Index for the preceding 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, 2016, the Village's contribution was 60.98% of covered payroll.

Concentrations. At year end, the Pension Plan has investments (other than U.S. Government and U.S. Government-guaranteed obligations) in any one organization that represent 5 percent or more of net position available for benefits as follows:

Investment	Amount
Investment Co. America	\$ 2,045,218
Vanguard Total Stock	2,451,951
Vanguard Dividend Growth Fund IV	1,014,708

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2016

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, 2016, using the following actuarial methods and assumptions:

Actuarial Valuation Date	4/30/16
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.00%
Salary Increases	5.50%
Cost of Living Adjustments	2.50%
Inflation	2.50%

Mortality rates were based on the RP-2014 Mortality Table (BCHA) projected to 2016 using improvement scale MP-2015. The other non-economic actuarial assumptions used in the April 30, 2016 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated September 26, 2012.

Discount Rate

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Discount Rate Sensitivity

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability	\$ 32,549,383	26,987,128	22,358,694

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2015	\$ 41,065,855	18,945,937	22,119,918
Changes for the Year:			
Service Cost	604,414	-	604,414
Interest on the Total Pension Liability	2,797,155	-	2,797,155
Difference Between Expected and Actual Experience of the Total Pension Liability	(246,911)	-	(246,911)
Changes of Assumptions	3,758,373	-	3,758,373
Contributions - Employer	-	1,663,647	(1,663,647)
Contributions - Employees	-	368,810	(368,810)
Net Investment Income	-	37,214	(37,214)
Benefit Payments, including Refunds of Employee Contributions	(2,213,010)	(2,213,010)	-
Other (Net Transfer)	-	(23,850)	23,850
Net Changes	4,700,021	(167,189)	4,867,210
Balances at April 30, 2016	45,765,876	18,778,748	26,987,128

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2016

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, 2016, the Village recognized pension expense of \$2,739,265. At April 30, 2016, 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	\$ -	(194,442)	(194,442)
Change in Assumptions	2,959,718	-	2,959,718
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,026,318	-	1,026,318
Total Deferred Amounts Related to Police Pension	<u>3,986,036</u>	<u>(194,442)</u>	<u>3,791,594</u>

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

Fiscal Year	Net Deferred Outflows of Resources
2017	\$ 1,002,766
2018	1,002,766
2019	1,002,766
2020	783,296
2021	-
Thereafter	<u>-</u>
Total	<u>3,791,594</u>

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2016

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

The Village has evaluated its potential other post-employment benefits liability. Former employees who choose to retain their rights to health insurance through the Village are required to pay 100% of the current premium. As the implicit cost of this retirees paying 100% of the premium is immaterial, there is no implicit subsidy to calculate in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*. Therefore, the Village has not recorded any post-employment benefit liability as of April 30, 2016.

REQUIRED SUPPLEMENTARY INFORMATION

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

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

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

- Schedule of Investment Returns
 - Police Pension Fund

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

Notes to the Required Supplementary Information

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information

Schedule of Employer Contributions

April 30, 2016

Calendar Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2015	\$ 426,544	\$ 438,149	\$ 11,605	\$ 3,960,480	11.06%

Notes to the Required Supplementary Information:

Actuarial Valuation Date	December 31, 2015
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	28 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	3.00%
Salary Increases	4.40% - 16.00%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	RP-2000 Combined Healthy Mortality Table

Note:

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Employer Contributions
April 30, 2016**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2015	\$ 1,180,180	\$ 1,402,000	\$ 221,820	\$ 2,549,041	55.00%
2016	1,449,717	1,663,647	213,930	2,728,347	60.98%

Notes to the Required Supplementary Information:

Actuarial Valuation Date	April 30, 2016
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	25 Years
Asset Valuation Method	Market Value
Inflation	2.50%
Salary Increases	5.00%
Investment Rate of Return	7.00%
Retirement Age	See the Notes to the Financial Statements
Mortality	RP 2014 projected to 2016

Note:

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

Illinois Municipal Retirement Fund

**Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
April 30, 2016**

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

Note:

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
April 30, 2016**

	2015	2016
Total Pension Liability		
Service Cost	\$ 607,303	604,414
Interest	2,479,621	2,797,155
Differences Between Expected and Actual Experience	715,929	(246,911)
Change of Assumptions	2,821,996	3,758,373
Benefit Payments, Including Refunds of Member Contributions	(1,964,302)	(2,213,010)
Net Change in Total Pension Liability	4,660,547	4,700,021
Total Pension Liability - Beginning	36,405,308	41,065,855
Total Pension Liability - Ending	41,065,855	45,765,876
Plan Fiduciary Net Position		
Contributions - Employer	1,402,000	1,663,647
Contributions - Members	327,215	368,810
Net Investment Income	975,130	37,214
Benefit Payments, Including Refunds of Member Contributions	(1,964,302)	(2,213,010)
Administrative Expense	(13,796)	(23,850)
Net Change in Plan Fiduciary Net Position	726,247	(167,189)
Plan Net Position - Beginning	18,219,690	18,945,937
Plan Net Position - Ending	18,945,937	18,778,748
Employer's Net Pension Liability	22,119,918	26,987,128
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	46.14%	41.03%
Covered-Employee Payroll	\$ 2,549,041	2,728,347
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	867.77%	989.14%

Note:

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

Police Pension Fund

Required Supplementary Information

Schedule of Investment Returns

April 30, 2016

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2015	5.39%
2016	0.73%

Note:

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

General Fund

**Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2016**

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 7,866,000	7,866,000	7,829,696
Charges for Services	1,928,567	1,928,567	1,968,852
Licenses and Permits	1,338,171	1,338,171	1,072,394
Intergovernmental	8,784,300	8,784,300	8,562,011
Fines and Forfeitures	338,400	338,400	291,189
Investment Income	143,000	143,000	204,781
Miscellaneous	395,237	395,237	326,367
Total Revenues	<u>20,793,675</u>	<u>20,793,675</u>	<u>20,255,290</u>
Expenditures			
Current			
General Government	3,492,365	3,492,365	3,366,502
Public Safety	9,939,845	9,939,845	9,767,597
Highways and Streets	1,299,510	1,299,510	1,336,261
Sanitation	1,097,775	1,097,775	1,000,930
Economic Development	1,381,249	1,381,249	950,667
Culture and Recreation	2,343,830	2,343,830	2,195,582
Capital Outlay	850,115	850,115	988,834
Total Expenditures	<u>20,404,689</u>	<u>20,404,689</u>	<u>19,606,373</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>388,986</u>	<u>388,986</u>	<u>648,917</u>
Other Financing Sources (Uses)			
Transfers In	330,000	330,000	330,000
Transfers Out	(992,225)	(992,225)	(538,179)
	<u>(662,225)</u>	<u>(662,225)</u>	<u>(208,179)</u>
Net Change in Fund Balance	<u>(273,239)</u>	<u>(273,239)</u>	440,738
Fund Balance - Beginning			<u>10,782,770</u>
Fund Balance - Ending			<u><u>11,223,508</u></u>

VILLAGE OF LINCOLNWOOD, ILLINOIS

Northeast Industrial District Tax Increment Financing - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2016**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Local Taxes	\$ 1,000,000	1,000,000	841,202
Intergovernmental			
Grants	3,220,000	3,220,000	3,680,000
Interest	11,000	11,000	17,367
Total Revenues	<u>4,231,000</u>	<u>4,231,000</u>	<u>4,538,569</u>
Expenditures			
Current			
General Government	296,500	296,500	91,875
Capital Outlay	4,325,000	4,325,000	4,638,345
Debt Service			
Principal Retirement	292,500	292,500	292,500
Interest and Fiscal Charges	18,375	18,375	18,375
Total Expenditures	<u>4,932,375</u>	<u>4,932,375</u>	<u>5,041,095</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(701,375)	(701,375)	(502,526)
Other Financing (Uses)			
Transfers Out	<u>(3,035,000)</u>	<u>(3,035,000)</u>	<u>(130,000)</u>
Net Change in Fund Balance	<u><u>(3,736,375)</u></u>	<u><u>(3,736,375)</u></u>	<u>(632,526)</u>
Fund Balance - Beginning			<u>7,123,075</u>
Fund Balance - Ending			<u><u>6,490,549</u></u>

VILLAGE OF LINCOLNWOOD, ILLINOIS

Motor Fuel Tax - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2016**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Motor Fuel Tax Allotments	\$ 300,000	300,000	322,038
Grants	-	-	37,336
Interest	1,100	1,100	4,128
Total Revenues	<u>301,100</u>	<u>301,100</u>	363,502
Expenditures			
Highways and Streets	<u>130,500</u>	<u>130,500</u>	64,241
Excess (Deficiency) of Revenues Over (Under) Expenditures	170,600	170,600	299,261
Other Financing Sources (Uses)			
Transfers Out	-	-	(3,000)
Net Change in Fund Balance	<u>170,600</u>	<u>170,600</u>	296,261
Fund Balance - Beginning			<u>3,673,501</u>
Fund Balance - Ending			<u>3,969,762</u>

OTHER SUPPLEMENTARY INFORMATION

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

Such statements and schedules include:

- Budgetary Comparison Schedules – Major Governmental Funds
 - General Fund
 - Debt Service Fund

- Combining Statements – Nonmajor Governmental Funds
 - Combining Balance Sheet
 - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

- Budgetary Comparison Schedules – Nonmajor Governmental Funds
 - E-911 – Special Revenue Fund
 - Touhy/Lawndale Tax Increment Financing – Special Revenue Fund
 - Transportation Improvement – Special Revenue Fund
 - Lincoln/Touhy Tax Increment Financing – Special Revenue Fund
 - Devon/Lincoln Tax Increment Financing – Special Revenue Fund
 - Comm Ed ROW Bike Path – Capital Projects Fund
 - PEP – Capital Projects Fund
 - Private Water Line Assistance – Capital Projects Fund

- Budgetary Comparison Schedule – Enterprise Fund
 - Water and Sewer Fund

- Budgetary Comparison Schedule – Fiduciary Fund
 - Police Pension – Pension Trust Fund

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

GENERAL FUND

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

SPECIAL REVENUE FUNDS

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

Northeast Industrial District Tax Increment Financing Fund

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

Motor Fuel Tax Fund

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

E-911 Fund

The E-911 Fund is used to account for resources for the emergency communications operation that receives calls from the public for emergency service requests.

Touhy/Lawndale Tax Increment Financing Fund

The Touhy/Lawndale Tax Increment Financing Fund is used to account for resources generated from the properties within the Touhy/Lawndale Tax Increment Financing District. This fund was closed for the year ended April 30, 2016.

Transportation Improvement Fund

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

Lincoln/Touhy Tax Increment Financing Fund

The Lincoln/Touhy Tax Increment Financing Fund is used to account for resources generated from the properties within the Lincoln/Touhy Tax Increment Financing District.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

SPECIAL REVENUE FUNDS – Continued

Devon/Lincoln Tax Increment Financing Fund

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

DEBT SERVICE FUND

Debt Service Funds are created to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

CAPITAL PROJECTS FUNDS

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

Comm Ed ROW Bike Path Fund

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

PEP Fund

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

Private Water Line Assistance Fund

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

ENTERPRISE FUND

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. The Village's enterprise fund is a non-major fund.

Water and Sewer Fund

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

TRUST FUND

PENSION TRUST FUND

Police Pension Fund

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

General Fund

**Schedule of Revenues - Budget and Actual
For the Fiscal Year Ended April 30, 2016**

	Budget		Actual
	Original	Final	
Taxes			
Property Taxes	\$ 5,498,000	5,498,000	5,580,576
Food and Beverage Tax	480,000	480,000	470,774
Auto Rental Tax	12,000	12,000	3,088
Foreign Fire Insurance Tax	26,000	26,000	30,475
Gas Tax for Motor Fuel	420,000	420,000	421,151
Utility Taxes - Electric	560,000	560,000	574,941
Utility Taxes - Natural Gas	410,000	410,000	276,607
Telecommunications Tax	460,000	460,000	472,084
	<u>7,866,000</u>	<u>7,866,000</u>	<u>7,829,696</u>
Charges for Services			
Accident Report Fee	9,000	9,000	12,313
Alarm Service Fee	72,515	72,515	103,681
Ambulance and EMS Fee	350,000	350,000	392,019
Filing and Variance Fee	5,000	5,000	5,125
Landscape Waste Program Sales	700	700	276
Parks and Recreation	1,452,095	1,452,095	1,424,915
Elevator Inspection Fee	12,000	12,000	7,350
Other Charges for Services	27,257	27,257	23,173
	<u>1,928,567</u>	<u>1,928,567</u>	<u>1,968,852</u>
Licenses and Permits			
Vehicle Licenses	339,870	339,870	340,236
Business Licenses	114,966	114,966	129,513
Liquor Licenses	34,587	34,587	35,836
Building Permits	629,006	629,006	326,380
Franchise Fees	185,000	185,000	209,305
Licenses and Permits - Other	34,742	34,742	31,124
	<u>1,338,171</u>	<u>1,338,171</u>	<u>1,072,394</u>

VILLAGE OF LINCOLNWOOD, ILLINOIS

General Fund

**Schedule of Revenues - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2016**

	Budget		Actual
	Original	Final	
Intergovernmental			
State Income Tax	\$ 1,300,000	1,300,000	1,276,154
State Sales Tax	5,288,700	5,288,700	4,817,877
Home Rule Sales Tax	1,815,600	1,815,600	2,052,699
Personal Property Replacement Tax	140,000	140,000	126,382
State Use Tax	220,000	220,000	288,899
State Grants	20,000	20,000	-
	<u>8,784,300</u>	<u>8,784,300</u>	<u>8,562,011</u>
Fines and Forfeitures			
Late Payment Penalty	7,000	7,000	7,347
NSF Check Charge	400	400	50
Circuit Court Fines	65,000	65,000	51,726
Court Cost Liens and Fees	20,000	20,000	74,981
Parking Ticket Fines	75,000	75,000	52,585
Red Light Camera Fines	139,000	139,000	95,000
False Alarm Fines	20,000	20,000	9,500
Building Code Violation Fines	12,000	12,000	-
	<u>338,400</u>	<u>338,400</u>	<u>291,189</u>
Investment Income	<u>143,000</u>	<u>143,000</u>	<u>204,781</u>
Miscellaneous			
Rent - Telecommunications Antenna Site Lease	46,500	46,500	61,504
Rent - Parking Lot	55,000	55,000	55,000
Reimbursements	85,000	85,000	73,878
Donations	171,000	171,000	69,335
Miscellaneous	37,737	37,737	66,650
	<u>395,237</u>	<u>395,237</u>	<u>326,367</u>
Total Revenues	<u><u>20,793,675</u></u>	<u><u>20,793,675</u></u>	<u><u>20,255,290</u></u>

VILLAGE OF LINCOLNWOOD, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended April 30, 2016**

	Budget		Actual
	Original	Final	
General Government			
Village President and Board of Trustees			
Personal Services	\$ 65,654	65,654	65,610
Contractual Services	18,500	18,500	2,200
Commodities	37,730	37,730	34,013
	<u>121,884</u>	<u>121,884</u>	<u>101,823</u>
Village Clerk			
Personal Services	8,852	8,852	8,883
Commodities	10,350	10,350	8,513
	<u>19,202</u>	<u>19,202</u>	<u>17,396</u>
Village Manager			
Personal Services	652,899	652,899	647,558
Contractual Services	18,000	18,000	15,460
Commodities	66,640	66,640	76,920
	<u>737,539</u>	<u>737,539</u>	<u>739,938</u>
Finance Department			
Personal Services	583,248	583,248	588,318
Contractual Services	181,300	181,300	113,691
Commodities	131,475	131,475	128,144
	<u>896,023</u>	<u>896,023</u>	<u>830,153</u>
Engineering			
Commodities	<u>139,000</u>	<u>139,000</u>	<u>87,160</u>
Legal Department			
Contractual Services	<u>323,320</u>	<u>323,320</u>	<u>336,685</u>
Information Services			
Personal Services	-	-	323
Contractual Services	224,772	224,772	240,421
Commodities	56,760	56,760	34,221
	<u>281,532</u>	<u>281,532</u>	<u>274,965</u>

VILLAGE OF LINCOLNWOOD, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2016**

	Budget		Actual
	Original	Final	
General Government - Continued			
Public Works Department			
Personal Services	\$ 340,854	340,854	336,110
Contractual Services	10,000	10,000	6,081
Commodities	14,874	14,874	14,273
	<u>365,728</u>	<u>365,728</u>	<u>356,464</u>
Vehicle Maintenance Division			
Personal Services	257,896	257,896	220,090
Commodities	21,100	21,100	18,168
	<u>278,996</u>	<u>278,996</u>	<u>238,258</u>
Building Maintenance Division			
Personal Services	125,531	125,531	121,707
Contractual Services	34,400	34,400	39,387
Commodities	169,210	169,210	222,566
	<u>329,141</u>	<u>329,141</u>	<u>383,660</u>
Total General Government	<u>3,492,365</u>	<u>3,492,365</u>	<u>3,366,502</u>
Public Safety			
Police Department			
Personal Services	6,463,185	6,463,185	6,299,027
Contractual Services	17,978	17,978	21,105
Commodities	354,285	354,285	311,858
	<u>6,835,448</u>	<u>6,835,448</u>	<u>6,631,990</u>
Fire Department			
Personal Services	81,689	81,689	79,844
Contractual Services	2,727,894	2,727,894	2,725,011
Commodities	294,814	294,814	330,752
	<u>3,104,397</u>	<u>3,104,397</u>	<u>3,135,607</u>
Total Public Safety	<u>9,939,845</u>	<u>9,939,845</u>	<u>9,767,597</u>

VILLAGE OF LINCOLNWOOD, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2016**

	Budget		Actual
	Original	Final	
Highways and Streets			
Street Maintenance Division			
Personal Services	\$ 778,560	778,560	788,743
Contractual Services	148,800	148,800	119,569
Commodities	372,150	372,150	427,949
Total Highways and Streets	1,299,510	1,299,510	1,336,261
Sanitation			
Contractual	1,097,775	1,097,775	1,000,930
Economic Development			
Community Development Department			
Personal Services	475,673	475,673	493,483
Contractual Services	385,126	385,126	246,971
Commodities	520,450	520,450	210,213
Total Economic Development	1,381,249	1,381,249	950,667
Culture and Recreation			
Parks and Recreation Department			
Personal Services	1,524,751	1,524,751	1,477,597
Contractual Services	346,000	346,000	289,280
Commodities	473,079	473,079	428,705
Total Culture and Recreation	2,343,830	2,343,830	2,195,582
Capital Outlay			
General Government			
Information Services	94,425	94,425	200,466
Public Safety			
Police Department	110,370	110,370	153,917
Fire Department	345,320	345,320	332,525
Sanitation	90,000	90,000	88,414
Culture and Recreation			
Parks and Recreation Department	210,000	210,000	213,512
Total Capital Outlay	850,115	850,115	988,834
Total Expenditures	20,404,689	20,404,689	19,606,373

VILLAGE OF LINCOLNWOOD, ILLINOIS

Debt Service Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2016**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
State Sales Tax	\$ 480,800	480,800	480,792
Expenditures			
Debt Service			
Principal Retirement	1,095,313	1,095,313	1,083,053
Interest and Fiscal Charges	47,115	47,115	50,459
Total Expenditures	1,142,428	1,142,428	1,133,512
Excess (Deficiency) of Revenues Over (Under) Expenditures	(661,628)	(661,628)	(652,720)
Other Financing Sources			
Transfers In	661,628	661,628	652,687
Net Change in Fund Balance	-	-	(33)
Fund Balance - Beginning			9,762
Fund Balance - Ending			9,729

VILLAGE OF LINCOLNWOOD, ILLINOIS

Nonmajor Governmental Funds

**Combining Balance Sheet
April 30, 2016**

	Special Revenue	Capital Projects	Totals
ASSETS			
Cash and Investments	\$ 812,433	50,000	862,433
Receivables			
Accounts	92,895	-	92,895
Accrued Interest	422	-	422
Due from Other Governments	-	41,909	41,909
Total Assets	905,750	91,909	997,659
LIABILITIES			
Accounts Payable	323,317	57,471	380,788
Accrued Payroll	2,343	-	2,343
Due to Other Funds	429,714	25,998	455,712
Total Liabilities	755,374	83,469	838,843
FUND BALANCES			
Restricted	460,594	8,440	469,034
Unassigned	(310,218)	-	(310,218)
Total Fund Balances	150,376	8,440	158,816
Total Liabilities and Fund Balances	905,750	91,909	997,659

VILLAGE OF LINCOLNWOOD, ILLINOIS

Nonmajor Governmental Funds

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended April 30, 2016**

	Special Revenue	Capital Projects	Totals
Revenues			
Taxes	\$ 613,919	-	613,919
Intergovernmental	167,125	41,909	209,034
Interest	5,493	-	5,493
Total Revenues	<u>786,537</u>	<u>41,909</u>	<u>828,446</u>
Expenditures			
General Government	697,398	-	697,398
Highways and Streets	1,204,834	-	1,204,834
Capital Outlay	297,426	93,056	390,482
Total Expenditures	<u>2,199,658</u>	<u>93,056</u>	<u>2,292,714</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,413,121)</u>	<u>(51,147)</u>	<u>(1,464,268)</u>
Other Financing Sources (Uses)			
Transfers In	27,373	56,000	83,373
Transfers Out	(194,881)	-	(194,881)
	<u>(167,508)</u>	<u>56,000</u>	<u>(111,508)</u>
Net Change in Fund Balances	(1,580,629)	4,853	(1,575,776)
Fund Balances - Beginning	<u>1,731,005</u>	<u>3,587</u>	<u>1,734,592</u>
Fund Balances - Ending	<u>150,376</u>	<u>8,440</u>	<u>158,816</u>

VILLAGE OF LINCOLNWOOD, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

Combining Balance Sheet

April 30, 2016

See Following Page

VILLAGE OF LINCOLNWOOD, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

Combining Balance Sheet

April 30, 2016

	<u>E-911</u>
ASSETS	
Cash and Investments	\$ -
Receivables	
Accounts	36,611
Accrued Interest	-
	<u> </u>
Total Assets	<u><u>36,611</u></u>
LIABILITIES	
Accounts Payable	1,595
Accrued Payroll	2,343
Due to Other Funds	30,524
	<u> </u>
Total Liabilities	<u><u>34,462</u></u>
FUND BALANCES	
Restricted	2,149
Unassigned	-
	<u> </u>
Total Fund Balances	<u><u>2,149</u></u>
Total Liabilities and Fund Balances	<u><u>36,611</u></u>

Touhy/ Lawndale Tax Increment Financing	Transportation Improvement	Lincoln/ Touhy Tax Increment Financing	Devon/ Lincoln Tax Increment Financing	Totals
-	812,333	100	-	812,433
-	56,284	-	-	92,895
-	422	-	-	422
-	869,039	100	-	905,750
-	309,141	-	12,581	323,317
-	-	-	-	2,343
-	101,453	63,116	234,621	429,714
-	410,594	63,116	247,202	755,374
-	458,445	-	-	460,594
-	-	(63,016)	(247,202)	(310,218)
-	458,445	(63,016)	(247,202)	150,376
-	869,039	100	-	905,750

VILLAGE OF LINCOLNWOOD, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended April 30, 2016**

	<u>E-911</u>
Revenues	
Taxes	\$ -
Intergovernmental	167,125
Interest	<u>1,356</u>
Total Revenues	<u>168,481</u>
Expenditures	
General Government	192,496
Highways and Streets	-
Capital Outlay	<u>3,358</u>
Total Expenditures	<u>195,854</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(27,373)</u>
Other Financing Sources (Uses)	
Transfers In	27,373
Transfers Out	<u>-</u>
	<u>27,373</u>
Net Change in Fund Balances	-
Fund Balances - Beginning	<u>2,149</u>
Fund Balances - Ending	<u><u>2,149</u></u>

Touhy/ Lawndale Tax Increment Financing	Transportation Improvement	Lincoln/ Touhy Tax Increment Financing	Devon/ Lincoln Tax Increment Financing	Totals
182,862	280,787	-	150,270	613,919
-	-	-	-	167,125
-	4,057	-	80	5,493
182,862	284,844	-	150,350	786,537
444,703	-	-	60,199	697,398
-	1,204,834	-	-	1,204,834
-	-	-	294,068	297,426
444,703	1,204,834	-	354,267	2,199,658
(261,841)	(919,990)	-	(203,917)	(1,413,121)
-	-	-	-	27,373
-	(194,881)	-	-	(194,881)
-	(194,881)	-	-	(167,508)
(261,841)	(1,114,871)	-	(203,917)	(1,580,629)
261,841	1,573,316	(63,016)	(43,285)	1,731,005
-	458,445	(63,016)	(247,202)	150,376

VILLAGE OF LINCOLNWOOD, ILLINOIS

E-911 - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2016**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental	\$ 174,000	174,000	167,125
Interest	50	50	1,356
Total Revenues	<u>174,050</u>	<u>174,050</u>	<u>168,481</u>
Expenditures			
General Government	244,271	244,271	192,496
Capital Outlay	138,400	138,400	3,358
Total Expenditures	<u>382,671</u>	<u>382,671</u>	<u>195,854</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(208,621)	(208,621)	(27,373)
Other Financing Sources			
Transfers In	<u>210,000</u>	<u>210,000</u>	<u>27,373</u>
Net Change in Fund Balance	<u>1,379</u>	<u>1,379</u>	-
Fund Balance - Beginning			<u>2,149</u>
Fund Balance - Ending			<u>2,149</u>

VILLAGE OF LINCOLNWOOD, ILLINOIS

Touhy/Lawndale Tax Increment Financing - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2016

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ -	-	182,862
Expenditures			
General Government	247,006	247,006	444,703
Net Change in Fund Balance	<u>(247,006)</u>	<u>(247,006)</u>	(261,841)
Fund Balance - Beginning			<u>261,841</u>
Fund Balance - Ending			<u>-</u>

VILLAGE OF LINCOLNWOOD, ILLINOIS

Transportation Improvement - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2016**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Local Taxes	\$ 300,000	300,000	280,787
Interest	1,000	1,000	4,057
Total Revenues	<u>301,000</u>	<u>301,000</u>	284,844
Expenditures			
Highways and Streets	<u>1,134,313</u>	<u>1,134,313</u>	1,204,834
Excess (Deficiency) of Revenues Over (Under) Expenditures	(833,313)	(833,313)	(919,990)
Other Financing (Uses)			
Transfers Out	<u>(202,403)</u>	<u>(202,403)</u>	(194,881)
Net Change in Fund Balance	<u><u>(1,035,716)</u></u>	<u><u>(1,035,716)</u></u>	(1,114,871)
Fund Balance - Beginning			<u>1,573,316</u>
Fund Balance - Ending			<u><u>458,445</u></u>

VILLAGE OF LINCOLNWOOD, ILLINOIS

Lincoln/Touhy Tax Increment Financing - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2016

	Budget		Actual
	Original	Final	
Revenues			
Miscellaneous	\$ -	-	-
Expenditures			
General Government	302,000	302,000	-
Net Change in Fund Balance	<u>(302,000)</u>	<u>(302,000)</u>	-
Fund Balance - Beginning			<u>(63,016)</u>
Fund Balance - Ending			<u>(63,016)</u>

VILLAGE OF LINCOLNWOOD, ILLINOIS

Devon/Lincoln Tax Increment Financing - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2016**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ -	-	150,270
Interest	-	-	80
Total Revenues	-	-	150,350
Expenditures			
General Government	655,000	655,000	60,199
Capital Outlay	2,250,000	2,250,000	294,068
Total Expenditures	2,905,000	2,905,000	354,267
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,905,000)	(2,905,000)	(203,917)
Other Financing Sources			
Transfers In	2,905,000	2,905,000	-
Net Change in Fund Balance	-	-	(203,917)
Fund Balance - Beginning			(43,285)
Fund Balance - Ending			(247,202)

VILLAGE OF LINCOLNWOOD, ILLINOIS

Nonmajor Governmental - Capital Projects Funds

Combining Balance Sheet

April 30, 2016

	Comm Ed ROW Bike Path	PEP	Private Water Line Assistance	Totals
ASSETS				
Cash and Investments	\$ -	50,000	-	50,000
Due from Other Governments	41,909	-	-	41,909
Total Assets	41,909	50,000	-	91,909
LIABILITIES				
Accounts Payable	7,471	50,000	-	57,471
Due to Other Funds	25,998	-	-	25,998
Total Liabilities	33,469	50,000	-	83,469
FUND BALANCES				
Restricted	8,440	-	-	8,440
Total Liabilities and Fund Balances	41,909	50,000	-	91,909

VILLAGE OF LINCOLNWOOD, ILLINOIS

Nonmajor Governmental - Capital Projects Funds

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended April 30, 2016**

	Comm Ed ROW Bike Path	PEP	Private Water Line Assistance	Totals
Revenues				
Intergovernmental	\$ 41,909	-	-	41,909
Expenditures				
Capital Outlay	37,056	50,000	6,000	93,056
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,853	(50,000)	(6,000)	(51,147)
Other Financing Sources (Uses)				
Transfers In	-	50,000	6,000	56,000
Net Change in Fund Balances	4,853	-	-	4,853
Fund Balances - Beginning	3,587	-	-	3,587
Fund Balances - Ending	8,440	-	-	8,440

VILLAGE OF LINCOLNWOOD, ILLINOIS

Comm Ed ROW Bike Path - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2016

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
State Grants	\$ 264,000	264,000	41,909
Expenditures			
Capital Outlay			
Contractual Services	512,000	512,000	37,056
Excess (Deficiency) of Revenues Over (Under) Expenditures	(248,000)	(248,000)	4,853
Other Financing Sources			
Transfers In	248,000	248,000	-
Net Change in Fund Balance	-	-	4,853
Fund Balance - Beginning			3,587
Fund Balance - Ending			8,440

VILLAGE OF LINCOLNWOOD, ILLINOIS

PEP - Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2016**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental	\$ -	-	-
Expenditures			
Capital Outlay	50,000	50,000	50,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	(50,000)	(50,000)	(50,000)
Other Financing Sources			
Transfers In	50,000	50,000	50,000
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning			-
Fund Balance - Ending			-

VILLAGE OF LINCOLNWOOD, ILLINOIS

Private Water Line Assistance - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2016

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

Water and Sewer - Enterprise Fund

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended April 30, 2016**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 4,600,000	4,600,000	4,586,070
Fines and Forfeitures	40,000	40,000	57,805
Total Operating Revenues	4,640,000	4,640,000	4,643,875
Operating Expenses			
Cost of Sales and Services			
Personal Services	842,024	842,024	809,011
Contractual	463,008	463,008	380,945
Commodities	2,409,227	2,409,227	2,283,019
Capital Outlay	785,000	785,000	376,318
Less Capital Assets Capitalized	(785,000)	(785,000)	(375,940)
Debt Service			
Principal Payments	575,646	575,646	575,647
Less Principal Payments Capitalized	(575,646)	(575,646)	(575,647)
Depreciation	-	-	694,967
Total Operating Expenses	3,714,259	3,714,259	4,168,320
Operating Income	925,741	925,741	475,555
Nonoperating Revenues (Expenses)			
Interest Income	2,000	2,000	2,813
Other Income	-	-	10,000
Interest and Fiscal Charges	(106,628)	(106,628)	(106,628)
	(104,628)	(104,628)	(93,815)
Income Before Transfers	821,113	821,113	381,740
Transfers Out	(200,000)	(200,000)	(200,000)
Change in Net Position	621,113	621,113	181,740
Net Position - Beginning as Restated			8,471,510
Net Position - Ending			8,653,250

VILLAGE OF LINCOLNWOOD, ILLINOIS

Police Pension - Pension Trust Fund

**Schedule of Changes in Fiduciary Net Position
For the Fiscal Year Ended April 30, 2016**

	Budget		Actual
	Original	Final	
Additions			
Contributions - Employer	\$ 1,680,000	1,680,000	1,663,647
Contributions - Plan Members	280,000	280,000	368,810
Total Contributions	1,960,000	1,960,000	2,032,457
Investment Income			
Interest Earned	780,000	780,000	483,997
Net Change in Fair Value	-	-	(404,051)
	780,000	780,000	79,946
Less Investment Expenses	(76,000)	(76,000)	(42,732)
Net Investment Income	704,000	704,000	37,214
Total Additions	2,664,000	2,664,000	2,069,671
Deductions			
Administration	19,550	19,550	23,850
Benefits and Refunds	2,362,770	2,362,770	2,213,010
Total Deductions	2,382,320	2,382,320	2,236,860
Change in Fiduciary Net Position	281,680	281,680	(167,189)
Net Position - Beginning			18,945,937
Net Position - Ending			18,778,748

SUPPLEMENTAL SCHEDULES

VILLAGE OF LINCOLNWOOD, ILLINOIS

Long-Term Debt Requirements

**Illinois Finance Authority Loan Payable of 2009
April 30, 2016**

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

CURRENT AND LONG-TERM PRINCIPAL REQUIREMENTS

<u>Fiscal Year</u>	<u>Principal</u>
2017	\$ 12,500
2018	12,500
2019	12,500
2020	12,500
2021	12,500
2022	12,500
2023	12,500
2024	12,500
2025	12,500
2026	12,500
2027	12,500
2028	12,500
2029	12,500
2030	12,500
	<u>175,000</u>

VILLAGE OF LINCOLNWOOD, ILLINOIS

Long-Term Debt Requirements

**Cook County Intergovernmental Agreement of 2014
April 30, 2016**

Date of Issue	May 1, 2014
Date of Maturity	May 1, 2018
Authorized Issue	\$2,511,211
Interest Rate	Non-Interest Bearing
Principal Maturity Date	May 1
Payable at	Cook County Treasurer

CURRENT AND LONG-TERM PRINCIPAL REQUIREMENTS

<u>Fiscal Year</u>	<u>Principal</u>	
2017	\$ 500,000	
2018	500,000	
2019	511,212	
	<u>1,511,212</u>	
	606,159	Debt Service
	<u>905,053</u>	Water and Sewer
	<u>1,511,212</u>	

VILLAGE OF LINCOLNWOOD, ILLINOIS

Long-Term Debt Requirements

**General Obligation Refunding Bonds of 2011A
April 30, 2016**

Date of Issue	November 1, 2011
Date of Maturity	December 1, 2017
Authorized Issue	\$2,325,000
Denomination of Bonds	\$5,000
Interest Rate	2.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Wells Fargo Bank, N.A.

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2017	\$ 400,000	16,200	416,200
2018	410,000	8,200	418,200
	<u>810,000</u>	<u>24,400</u>	<u>834,400</u>

Note: Repayment of these bonds comes 25% from the Debt Service Fund and 75% from the Northeast Industrial District Tax Increment Financing Fund.

VILLAGE OF LINCOLNWOOD, ILLINOIS

Long-Term Debt Requirements

**General Obligation Refunding Bonds of 2011B
April 30, 2016**

Date of Issue	November 1, 2011
Date of Maturity	December 1, 2017
Authorized Issue	\$2,090,000
Denomination of Bonds	\$5,000
Interest Rate	2.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Wells Fargo Bank, N.A.

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2017	\$ 360,000	14,600	374,600
2018	370,000	7,400	377,400
	<u>730,000</u>	<u>22,000</u>	<u>752,000</u>

VILLAGE OF LINCOLNWOOD, ILLINOIS

Long-Term Debt Requirements

**Illinois Environmental Protection Agency Loan Payable of 2008
April 30, 2016**

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

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2017	\$ 280,409	99,747	380,156
2018	287,463	92,693	380,156
2019	294,695	85,461	380,156
2020	302,108	78,048	380,156
2021	309,708	70,448	380,156
2022	317,500	62,656	380,156
2023	325,486	54,670	380,156
2024	333,674	46,482	380,156
2025	342,068	38,088	380,156
2026	350,673	29,482	380,155
2027	359,495	20,661	380,156
2028	368,539	11,617	380,156
2029	187,731	2,347	190,078
	<u>4,059,549</u>	<u>692,400</u>	<u>4,751,949</u>

STATISTICAL SECTION

(Unaudited)

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

Net Position by Component - Last Ten Fiscal Years*
April 30, 2016 (Unaudited)

See Following Page

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Net Position by Component - Last Ten Fiscal Years*
April 30, 2016 (Unaudited)**

	2007	2008	2009
Governmental Activities			
Net Investment in Capital Assets	\$ 17,044,916	19,075,136	20,057,662
Restricted	6,301,033	6,052,311	7,642,939
Unrestricted	7,986,055	8,921,742	9,054,630
Total Governmental Activities Net Position	<u>31,332,004</u>	<u>34,049,189</u>	<u>36,755,231</u>
Business-Type Activities			
Net Investment in Capital Assets	6,254,185	7,859,971	7,998,375
Restricted	-	-	-
Unrestricted	2,251,419	832,538	990,528
Total Business-Type Activities Net Position	<u>8,505,604</u>	<u>8,692,509</u>	<u>8,988,903</u>
Primary Government			
Net Investment in Capital Assets	23,299,101	26,935,107	28,056,037
Restricted	6,301,033	6,052,311	7,642,939
Unrestricted	10,237,474	9,754,280	10,045,158
Total Primary Government Net Position	<u>39,837,608</u>	<u>42,741,698</u>	<u>45,744,134</u>

* Accrual Basis of Accounting

Data Source: Village Records

2010	2011	2012	2013	2014	2015	2016
21,129,264	24,011,361	25,625,635	26,637,660	27,626,486	28,404,391	34,823,932
8,516,994	7,664,671	11,211,585	12,260,925	12,353,691	12,637,469	10,929,345
9,618,838	10,140,308	7,590,556	8,193,496	9,402,780	9,965,159	(14,079,642)
39,265,096	41,816,340	44,427,776	47,092,081	49,382,957	51,007,019	31,673,635
7,097,003	6,177,316	6,576,698	6,521,402	6,299,012	6,248,147	6,504,767
-	240,000	-	-	-	-	-
1,387,413	2,156,907	1,969,054	2,144,850	2,337,049	2,284,624	2,148,483
8,484,416	8,574,223	8,545,752	8,666,252	8,636,061	8,532,771	8,653,250
28,226,267	30,188,677	32,202,333	33,159,062	33,925,498	34,652,538	41,328,699
8,516,994	7,904,671	11,211,585	12,260,925	12,353,691	12,637,469	10,929,345
11,006,251	12,297,215	9,559,610	10,338,346	11,739,829	12,249,783	(11,931,159)
47,749,512	50,390,563	52,973,528	55,758,333	58,019,018	59,539,790	40,326,885

VILLAGE OF LINCOLNWOOD, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years*
April 30, 2016 (Unaudited)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental Activities										
General Government	\$ 7,942,459	8,310,374	7,717,680	8,543,683	8,368,482	8,425,153	8,584,081	8,575,330	7,684,121	10,954,427
Public Safety	8,751,570	9,515,472	9,396,466	8,743,302	8,854,696	9,309,941	9,211,302	9,406,734	9,588,612	10,010,892
Public Works	2,060,518	2,266,360	2,141,803	2,092,928	2,182,058	2,307,646	2,372,041	2,759,369	3,659,649	3,645,814
Interest on Long-Term Debt	573,106	485,310	427,695	369,448	345,551	274,942	169,973	132,128	87,897	49,222
Total Governmental Activities Expenses	19,327,653	20,577,516	19,683,644	19,749,361	19,750,787	20,317,682	20,337,397	20,873,561	21,020,279	24,660,355
Business-Type Activities										
Water and Sewer	2,259,393	2,258,816	2,188,047	3,010,490	3,317,525	3,290,392	3,719,065	4,012,613	4,062,562	4,274,948
Total Business-Type Activities Expenses	2,259,393	2,258,816	2,188,047	3,010,490	3,317,525	3,290,392	3,719,065	4,012,613	4,062,562	4,274,948
Total Primary Government Expenses	21,587,046	22,836,332	21,871,691	22,759,851	23,068,312	23,608,074	24,056,462	24,886,174	25,082,841	28,935,303
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	1,529,905	1,660,102	1,813,687	1,859,319	2,023,209	1,731,344	1,841,064	1,804,892	1,736,500	1,748,840
Public Safety	1,385,084	965,460	1,087,079	917,706	1,065,490	1,575,783	1,532,619	1,555,281	1,498,731	1,583,595
Public Works	40,844	3,792	4,605	2,858	733	-	-	-	-	-
Operating Grants/Contributions	166,000	751,563	304,282	80,817	602,356	105,533	250,393	347,483	205,573	3,847,125
Capital Grants/Contributions	-	-	-	-	-	388,795	392,023	104,024	182,199	79,245
Total Governmental Activities Program Revenues	3,121,833	3,380,917	3,209,653	2,860,700	3,691,788	3,801,455	4,016,099	3,811,680	3,623,003	7,258,805
Business-Type Activities										
Charges for Services										
Water and Sewer	2,181,794	2,474,138	2,508,912	2,639,221	3,576,490	3,455,950	4,035,302	4,163,619	4,156,613	4,643,875
Total Business-Type Activities Program Revenues	2,181,794	2,474,138	2,508,912	2,639,221	3,576,490	3,455,950	4,035,302	4,163,619	4,156,613	4,643,875
Total Primary Government Program Revenues	5,303,627	5,855,055	5,718,565	5,499,921	7,268,278	7,257,405	8,051,401	7,975,299	7,779,616	11,902,680
Net (Expenses) Revenues										
Governmental Activities										
	(16,205,820)	(17,196,599)	(16,473,991)	(16,888,661)	(16,058,999)	(16,516,227)	(16,321,298)	(17,061,881)	(17,397,276)	(17,401,550)
Business-Type Activities										
	(77,599)	215,322	320,865	(371,269)	258,965	165,558	316,237	151,006	94,051	368,927
Total Primary Government Net (Expenses) Revenues	(16,283,419)	(16,981,277)	(16,153,126)	(17,259,930)	(15,800,034)	(16,350,669)	(16,005,061)	(16,910,875)	(17,303,225)	(17,032,623)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property	\$ 6,682,802	6,688,546	6,960,014	8,124,554	6,699,698	7,612,055	6,516,497	6,879,900	6,227,314	6,754,910
Utility	1,694,638	1,766,707	1,682,754	1,595,804	1,601,218	1,546,490	1,545,378	1,565,985	1,482,244	1,323,632
Intergovernmental - Unrestricted										
State Sales, Income Taxes and Use Taxes	9,705,050	9,545,382	9,072,290	8,099,811	8,681,973	8,448,621	8,683,316	8,860,471	9,045,745	8,916,421
Replacement Taxes	155,270	171,151	150,040	124,581	153,684	135,608	143,399	150,349	157,314	126,382
Other	927,833	575,230	507,724	866,145	872,480	799,404	1,330,642	1,339,288	1,337,757	1,528,313
Interest	630,637	584,477	222,002	200,209	238,760	196,040	152,448	176,067	186,750	231,769
Miscellaneous	331,957	432,291	435,209	212,422	187,430	189,445	413,923	180,697	384,214	326,367
Transfers	150,000	150,000	150,000	175,000	175,000	200,000	200,000	200,000	200,000	200,000
Total Governmental Activities	20,278,187	19,913,784	19,180,033	19,398,526	18,610,243	19,127,663	18,985,603	19,352,757	19,021,338	19,407,794
Business-Type Activities										
Interest	169,809	121,583	125,529	41,782	5,842	5,971	4,263	2,653	2,659	2,813
Miscellaneous	-	-	-	-	-	-	-	16,150	-	10,000
Transfers	(150,000)	(150,000)	(150,000)	(175,000)	(175,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)
Total Business-Type Activities	19,809	(28,417)	(24,471)	(133,218)	(169,158)	(194,029)	(195,737)	(181,197)	(197,341)	(187,187)
Total Primary Government General Revenue	20,297,996	19,885,367	19,155,562	19,265,308	18,441,085	18,933,634	18,789,866	19,171,560	18,823,997	19,220,607
Changes in Net Position										
Governmental Activities	4,072,367	2,717,185	2,706,042	2,509,865	2,551,244	2,611,436	2,664,305	2,290,876	1,624,062	2,006,244
Business-Type Activities	(57,790)	186,905	296,394	(504,487)	89,807	(28,471)	120,500	(30,191)	(103,290)	181,740
Total Primary Government	4,014,577	2,904,090	3,002,436	2,005,378	2,641,051	2,582,965	2,784,805	2,260,685	1,520,772	2,187,984

* Accrual Basis of Accounting

Data Source: Village Records

VILLAGE OF LINCOLNWOOD, ILLINOIS

Fund Balances of Governmental Funds - Last Ten Fiscal Years*
April 30, 2016 (Unaudited)

	2007	2008	2009
General Fund			
Reserved	\$ 2,407	2,407	625
Unreserved	8,868,659	9,272,816	9,158,204
Nonspendable	-	-	-
Unassigned	-	-	-
Total General Fund	<u>8,871,066</u>	<u>9,275,223</u>	<u>9,158,829</u>
All Other Governmental Funds			
Reserved	6,301,033	6,052,311	7,642,939
Unreserved, Reported in,			
Special Revenue Funds	1,072,217	1,409,348	1,778,703
Debt Service Funds	5,428	6,629	-
Capital Projects Funds	1,213	9,244	17,842
Restricted	-	-	-
Unassigned	-	-	-
Total All Other Governmental Funds	<u>7,379,891</u>	<u>7,477,532</u>	<u>9,439,484</u>

* Modified Accrual Basis of Accounting

Data Source: Village Records

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

2010	2011	2012	2013	2014	2015	2016
400,625	150,478	-	-	-	-	-
8,914,733	9,805,693	-	-	-	-	-
-	-	511,884	408,967	435,356	142,887	110,482
-	-	9,047,480	9,370,395	10,206,133	10,639,883	11,113,026
9,315,358	9,956,171	9,559,364	9,779,362	10,641,489	10,782,770	11,223,508
8,516,994	7,664,671	-	-	-	-	-
2,084,554	1,632,933	-	-	-	-	-
453	703	-	-	-	-	-
18,102	485,611	-	-	-	-	-
-	-	11,221,347	12,270,687	12,363,453	12,647,231	10,939,074
-	-	(103,757)	(59,987)	(63,017)	(106,302)	(310,218)
10,620,103	9,783,918	11,117,590	12,210,700	12,300,436	12,540,929	10,628,856

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years*
April 30, 2016 (Unaudited)**

	2007	2008	2009
Revenues			
Taxes	\$ 19,276,245	19,220,739	18,798,722
Licenses, Permits and Fees	1,082,324	973,929	983,497
Intergovernmental - Grants	605,242	544,027	301,604
Charges for Services	1,408,827	1,458,500	1,563,533
Fines and Forfeitures	213,138	189,514	183,904
Interest	630,637	575,803	213,404
Miscellaneous	33,607	195,026	195,022
Total Revenues	23,250,020	23,157,538	22,239,686
Expenditures			
Current			
General Government	3,770,594	3,974,785	3,709,003
Public Safety	8,673,850	9,325,358	9,068,488
Public Works	1,224,594	1,266,245	1,131,520
Culture and Recreation	1,984,619	2,071,540	2,086,397
Sanitation	910,548	917,168	956,426
Economic Development	804,893	872,154	940,667
Capital Outlay	405,038	2,058,126	336,409
Debt Service			
Principal Retirement	2,088,232	1,850,000	1,905,000
Interest and Fiscal Charges	547,167	470,364	410,218
Total Expenditures	20,409,535	22,805,740	20,544,128
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,840,485	351,798	1,695,558
Other Financing Sources (Uses)			
Debt Issuance	-	-	-
Transfers In	449,038	1,055,240	418,279
Transfers Out	(299,038)	(905,240)	(268,279)
Total Other Financing Sources (Uses)	150,000	150,000	150,000
Net Change in Fund Balances	2,990,485	501,798	1,845,558
Debt Service as a Percentage of Noncapital Expenditures	13.20%	11.20%	11.40%

* Modified Accrual Basis of Accounting

Data Source: Village Records

2010	2011	2012	2013	2014	2015	2016
18,837,235	18,036,316	18,715,559	18,219,232	18,795,993	18,250,374	18,649,658
922,356	1,007,370	1,009,122	1,074,728	1,109,864	1,033,923	1,072,394
166,993	667,400	494,328	642,416	451,507	387,772	3,926,370
1,654,481	1,789,585	1,764,893	1,940,107	1,902,915	1,903,730	1,968,852
176,706	265,214	359,731	358,848	347,394	297,578	291,189
200,209	238,758	196,040	152,448	176,067	186,750	231,769
129,033	135,559	189,445	413,923	180,697	384,214	326,367
22,087,013	22,140,202	22,729,118	22,801,702	22,964,437	22,444,341	26,466,599
3,889,439	3,825,017	3,858,935	3,723,651	3,965,888	3,722,000	4,155,775
8,668,806	9,489,960	9,051,421	9,200,803	9,393,305	9,518,972	9,767,597
1,141,803	1,873,033	1,171,370	1,257,315	1,768,165	2,670,998	2,605,336
2,064,504	2,142,897	2,100,417	2,210,831	2,091,160	2,194,920	2,195,582
1,006,848	1,000,832	1,042,760	1,003,569	977,975	1,001,538	1,000,930
1,415,550	1,105,001	1,137,237	1,184,987	1,191,511	1,314,624	950,667
1,449,975	2,111,785	2,106,974	1,521,896	1,202,232	1,016,945	6,017,661
1,190,000	1,242,500	1,330,550	1,402,751	1,478,386	1,718,674	1,375,553
347,940	312,201	351,695	182,791	143,952	105,817	68,834
21,174,865	23,103,226	22,151,359	21,688,594	22,212,574	23,264,488	28,137,935
912,148	(963,024)	577,759	1,113,108	751,863	(820,147)	(1,671,336)
250,000	592,652	159,106	-	-	1,001,921	-
310,000	422,094	1,264,655	883,513	518,392	768,716	1,066,060
(135,000)	(247,094)	(1,064,655)	(683,513)	(318,392)	(568,716)	(866,060)
425,000	767,652	359,106	200,000	200,000	1,201,921	200,000
1,337,148	(195,372)	936,865	1,313,108	951,863	381,774	(1,471,336)
7.90%	8.10%	8.37%	7.80%	7.76%	8.53%	6.79%

VILLAGE OF LINCOLNWOOD, ILLINOIS

Sales Tax by Category - Last Ten Calendar Years
April 30, 2016 (Unaudited)

	2015		2014		2013		2012	
	Amount	% Change from Previous Year						
General Merchandise	\$ 314,147	(4.2%)	\$ 328,058	(0.3%)	\$ 328,933	20.3%	\$ 273,486	(2.9%)
Food	200,513	(1.7%)	204,020	(45.7%)	375,458	(4.2%)	392,096	0.8%
Drinking and Eating Places	492,393	2.0%	482,730	6.8%	452,061	4.4%	433,003	11.5%
Apparel	214,716	10.5%	194,259	(3.0%)	200,338	(10.0%)	222,703	(4.1%)
Furniture, Households and Radio	80,594	(9.0%)	88,558	1.2%	87,519	14.3%	76,548	13.5%
Lumber, Building and Hardware	220,429	(0.2%)	220,960	1.5%	217,737	4.2%	208,967	(2.1%)
Automotive Filing Stations	2,769,625	4.1%	2,661,791	11.2%	2,392,776	0.3%	2,385,103	0.0%
Drugs and Other Retail	434,860	(15.8%)	516,760	(1.9%)	526,540	11.6%	471,864	15.7%
Agriculture and Extractive Manufacturers	237,989	(1.5%)	241,719	13.1%	213,816	(6.2%)	227,959	(4.3%)
	<u>83,010</u>	3.3%	<u>80,379</u>	2.0%	<u>78,803</u>	(41.9%)	<u>135,689</u>	1.0%
	<u>5,048,276</u>	0.6%	<u>5,019,234</u>	3.0%	<u>4,873,981</u>	1.0%	<u>4,827,418</u>	1.9%
Village Statutory Allocated Sales Tax Rate	<u>1.00%</u>		<u>1.00%</u>		<u>1.00%</u>		<u>1.00%</u>	

Note: Sales Tax information for the calendar year 2015 is the most current available.

Data Source: Illinois Department of Revenue

2011		2010		2009		2008		2007		2006	
Amount	% Change from Previous Year										
\$ 281,587	(19.3%)	\$ 349,013	(2.4%)	\$ 357,635	(7.7%)	\$ 387,343	(13.6%)	\$ 448,526	10.1%	\$ 407,383	(2.4%)
388,828	14.3%	340,290	0.2%	339,654	(3.8%)	352,895	7.5%	328,219	1.7%	322,803	(1.6%)
388,243	3.5%	375,025	(1.4%)	380,518	(9.4%)	420,113	2.9%	408,198	0.9%	404,746	(5.7%)
232,302	(4.9%)	244,264	0.6%	242,758	(11.5%)	274,233	(14.5%)	320,828	(2.4%)	328,715	(3.0%)
67,414	(9.6%)	74,594	(2.2%)	76,302	(17.4%)	92,403	(8.4%)	100,831	5.2%	95,852	(6.7%)
213,529	(6.6%)	228,726	(2.6%)	234,730	(15.2%)	276,899	(13.8%)	321,215	(13.8%)	372,716	5.2%
2,384,220	14.6%	2,080,078	14.0%	1,824,494	(17.1%)	2,201,509	(13.0%)	2,530,231	(8.2%)	2,754,935	17.5%
407,778	16.9%	348,743	(0.6%)	350,756	(6.7%)	375,877	(9.1%)	413,424	(0.6%)	415,789	3.1%
238,146	(35.3%)	367,963	(0.5%)	369,838	(13.6%)	428,148	(1.2%)	433,155	2.8%	421,297	(1.6%)
134,346	(19.3%)	166,420	17.1%	142,106	(12.0%)	161,443	21.6%	132,776	17.1%	113,343	5.8%
<u>4,736,393</u>	3.5%	<u>4,575,116</u>	5.9%	<u>4,318,791</u>	(13.1%)	<u>4,970,863</u>	(8.6%)	<u>5,437,403</u>	(3.6%)	<u>5,637,579</u>	7.3%
<u>1.00%</u>		<u>1.00%</u>		<u>1.00%</u>		<u>1.00%</u>		<u>1.00%</u>		<u>1.00%</u>	

VILLAGE OF LINCOLNWOOD, ILLINOIS

Home Rule Sales Tax by Category - Last Ten Calendar Years
 April 30, 2016 (Unaudited)

	2015		2014		2013		2012	
	Amount	% Change from Previous Year	Amount	% Change from Previous Year	Amount	% Change from Previous Year	Amount	% Change from Previous Year
General Merchandise	\$ 314,098	(4.20%)	\$ 327,862	(0.33%)	\$ 328,934	21.4%	\$ 270,971	0.1%
Food	147,100	4.46%	140,820	(24.35%)	186,143	(4.1%)	194,097	2.9%
Drinking and Eating Places	489,053	1.99%	479,509	6.74%	449,239	4.3%	430,734	11.5%
Apparel	214,718	10.53%	194,257	(3.04%)	200,339	(10.0%)	222,704	(4.1%)
Furniture, Households and Radio	80,595	(8.99%)	88,559	1.19%	87,521	14.3%	76,548	13.5%
Lumber, Building and Hardware	220,124	(0.19%)	220,540	1.63%	216,994	4.1%	208,436	(2.3%)
Automotive Filing Stations	350,202	(17.95%)	426,815	(7.13%)	459,580	2.6%	448,000	3.8%
Drugs and Other Retail	255,043	(22.52%)	329,188	(6.20%)	350,943	13.5%	309,144	11.5%
Agriculture and Extractive Manufacturers	227,516 79,825	5.60% 3.20%	215,448 77,353	11.91% 2.00%	192,520 75,836	(9.4%) (43.7%)	212,591 134,729	2.2% 1.0%
	<u>2,378,274</u>	(4.88%)	<u>2,500,351</u>	(1.87%)	<u>2,548,049</u>	1.6%	<u>2,507,954</u>	4.1%
Village Home Rule Sales Tax Rate	<u>1.00%</u>		<u>1.00%</u>		<u>1.00%</u>		<u>1.00%</u>	

Note: Sales Tax information for the calendar year 2015 is the most current available.

Data Source: Illinois Department of Revenue

2011		2010		2009		2008		2007		2006	
Amount	% Change from Previous Year										
\$ 270,834	(22.4%)	\$ 349,013	(2.4%)	\$ 357,635	(7.7%)	\$ 387,343	(13.6%)	\$ 448,322	10.3%	\$ 406,461	30.1%
188,624	63.3%	115,542	26.2%	91,548	2.4%	89,392	6.4%	84,035	4.5%	80,451	32.5%
386,324	3.5%	373,285	(1.3%)	378,311	(9.5%)	417,838	3.0%	405,782	1.1%	401,322	26.2%
232,285	(4.9%)	244,246	0.7%	242,561	(11.5%)	274,140	(14.5%)	320,751	(2.2%)	328,066	29.2%
67,414	(9.6%)	74,592	(2.2%)	76,305	(17.6%)	92,642	(8.1%)	100,830	7.5%	93,836	21.8%
213,421	(6.4%)	228,116	(2.3%)	233,600	(15.2%)	275,450	(14.2%)	321,061	(13.8%)	372,645	40.3%
431,588	52.8%	282,472	2.4%	275,854	(23.4%)	360,287	8.1%	333,171	(3.2%)	344,231	35.8%
277,149	13.8%	243,535	16.3%	209,486	(11.6%)	236,960	(14.2%)	276,254	(4.7%)	289,832	31.1%
208,091	(33.6%)	313,544	(10.6%)	350,667	(15.3%)	413,990	(0.9%)	417,766	2.6%	407,266	29.5%
133,396	(13.4%)	154,123	17.0%	131,713	(14.3%)	153,676	23.3%	124,618	16.5%	106,928	41.6%
<u>2,409,126</u>	1.3%	<u>2,378,468</u>	1.3%	<u>2,347,680</u>	(13.1%)	<u>2,701,718</u>	(4.6%)	<u>2,832,590</u>	0.1%	<u>2,831,038</u>	31.5%
<u>1.00%</u>		<u>1.00%</u>		<u>1.00%</u>		<u>1.00%</u>		<u>1.00%</u>		<u>0.75%</u>	

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years (in Thousands)
April 30, 2016 (Unaudited)**

Tax Levy Year	Residential Property	Farm	Commercial Property	Industrial Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2006	\$ 417,718	\$ 72	\$ 170,066	\$ 99,023	\$ 19,422	\$ 667,457	0.704
2007	575,648	128	189,630	84,606	27,833	822,179	0.586
2008	588,860	136	194,846	86,963	-	870,805	0.576
2009	596,660	49	183,818	76,573	-	857,100	0.585
2010	514,583	130	181,926	82,205	57	778,787	0.661
2011	464,664	49	155,217	73,887	N/A	693,817	0.753
2012	428,515	49	143,447	71,069	N/A	643,080	0.836
2013	368,229	49	134,578	70,450	N/A	573,306	0.954
2014	377,532	108	156,369	42,453	N/A	576,462	0.963
2015	368,908	107	154,132	43,037	N/A	566,184	0.988

Data Source: Office of the County Clerk

Property in the Village is reassessed every three years.

N/A - Information is not available.

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years
April 30, 2016 (Unaudited)**

See Following Page

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years
April 30, 2016 (Unaudited)**

	2006	2007	2008
Village Direct Rates			
General	0.403	0.332	0.327
Police Pension	0.146	0.128	0.130
Special Recreation	-	-	0.013
Playgrounds and Recreation	0.155	0.126	0.106
Total Direct Rates	0.704	0.586	0.576
Overlapping Rates			
Lincolnwood Public Library	0.339	0.285	0.280
School District #74	2.807	2.348	2.313
High School District #219	2.374	2.114	2.120
Oakton Community College District #535	0.166	0.141	0.140
Niles Township	0.031	0.027	0.027
Niles Township General Assistance	0.003	0.003	0.003
North Shore Mosquito Abatement District	0.009	0.008	0.008
County of Cook	0.395	0.186	0.224
Cook County Health Facilities	0.105	0.093	0.086
Forest Preserve District of Cook County	0.057	0.053	0.051
Cook County Consolidated Elections	-	0.012	-
Cook County Public Safety	-	0.167	0.105
Suburban Cook County T.B. Sanitarium District	0.005	-	-
Metro Water Reclamation District of Greater Chicago	0.284	0.263	0.252
Total Overlapping Rates	6.575	5.700	5.609
Total Direct and Overlapping Rates	7.279	6.286	6.185

Data Source: Office of the County Clerk

Note: Rates are per \$100 of Assessed Value

2009	2010	2011	2012	2013	2014	2015
0.328	0.366	0.395	0.450	0.522	0.541	0.530
0.137	0.165	0.210	0.226	0.252	0.243	0.276
0.013	0.015	0.016	0.018	0.020	0.019	0.020
0.107	0.115	0.132	0.143	0.160	0.160	0.162
0.585	0.661	0.753	0.836	0.954	0.963	0.988
0.286	0.289	0.330	0.368	0.421	0.426	0.442
2.363	2.666	3.034	3.366	3.383	3.421	3.891
2.267	2.538	2.904	3.256	3.707	3.650	3.741
0.140	0.160	0.196	0.219	0.256	0.258	0.271
0.029	0.032	0.037	0.042	0.049	0.050	0.052
0.003	0.004	0.005	0.006	0.007	0.007	0.008
0.008	0.009	0.010	0.010	0.007	0.011	0.012
0.203	0.228	0.223	0.287	0.275	0.296	0.289
0.086	0.082	0.078	0.063	0.066	0.031	0.116
0.049	0.051	0.058	0.063	0.069	0.069	0.069
0.021	-	0.025	-	0.031	-	0.034
-	0.113	0.161	0.181	0.219	0.241	0.147
0.105	-	-	-	-	-	-
0.261	0.274	0.320	0.370	0.417	0.430	0.426
5.821	6.446	7.381	8.231	8.907	8.890	9.498
6.406	7.107	8.134	9.067	9.861	9.853	10.486

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Principal Property Tax Payers - Current Fiscal Year and Nine Fiscal Years Ago
April 30, 2016 (Unaudited)**

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value
Simon Property Group (formerly Syndicated Equities)	\$ 29,713,972	1	5.25%	\$ 30,833,352	1	4.61%
Puig Holding Co.	7,383,454	2	1.30%	6,837,816	7	1.02%
WLH Lincolnwood LLC	7,384,708	3	1.30%			
Grossprops Assoc.	7,216,929	4	1.27%	10,564,348	2	1.58%
Joe Koenig	4,975,402	5	0.88%			
Lowes Companies	4,945,470	6	0.87%	9,430,940	3	1.41%
MCRIL LLC	4,936,725	7	0.87%			
Loeber Motors Corp	4,486,506	8	0.79%	6,794,490	8	1.02%
Country Fresh Market (formerly Safe Way, Inc.)				5,637,130	10	1.02%
Kohls	3,735,900	9	0.66%			
Bryn Mawr Country Club	3,701,271	10	0.65%			
Centerpoint Prop Trust				8,175,312	4	1.22%
McRaes Inc.				7,639,940	5	1.14%
Senior Lifestyle Corp.				7,338,512	6	1.10%
Imperial Realty				5,774,894	9	0.86%
	<u>78,480,337</u>		<u>13.86%</u>	<u>99,026,734</u>		<u>14.98%</u>

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Property Tax Levies and Collections - Last Ten Fiscal Years
April 30, 2016 (Unaudited)**

Fiscal Year	Tax Levy Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2007	2006	\$ 4,698,899	\$ 4,640,292	98.75%	\$ -	\$ 4,640,292	98.75%
2008	2007	4,817,971	-	0.00%	4,729,420	4,729,420	98.16%
2009	2008	5,008,652	-	0.00%	4,942,904	4,942,904	98.69%
2010	2009	5,014,344	2,379,592	47.46%	2,526,706	4,906,298	97.85%
2011	2010	5,148,487	2,653,434	51.54%	2,456,162	5,109,596	99.24%
2012	2011	5,224,442	2,657,978	50.88%	2,479,071	5,137,049	98.33%
2013	2012	5,382,584	2,563,342	47.62%	2,765,655	5,328,997	99.00%
2014	2013	5,469,347	2,769,183	50.63%	2,610,222	5,379,405	98.36%
2015	2014	5,551,337	2,722,099	49.04%	2,691,416	5,413,515	97.52%
2016	2015	5,599,559	2,847,165	50.85%	-	2,847,165	50.85%

Data Source: Office of the County Clerk

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Ratios of Outstanding Debt by Type - Last Ten Fiscal Years
April 30, 2016 (Unaudited)**

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Loan Payable	Loan Payable	IEPA Loan Payable			
2007	\$ 13,875,000	\$ -	\$ -	\$ -	\$ 13,875,000	3.13%	\$ 1,123
2008	12,025,000	-	-	1,992,021	14,017,021	3.16%	1,134
2009	10,120,000	-	-	4,371,277	14,491,277	3.27%	1,173
2010	8,930,000	250,000	-	4,992,058	14,172,058	3.19%	1,147
2011	7,662,129	830,152	-	5,361,696	13,853,977	2.82%	1,100
2012	6,405,878	869,602	-	5,114,044	12,389,524	2.52%	984
2013	5,078,564	806,851	-	4,860,162	10,745,577	2.19%	854
2014	3,705,000	708,465	-	4,599,893	9,013,358	1.84%	716
2015	2,285,000	1,411,712	1,207,172	4,333,077	9,236,961	1.88%	734
2016	1,540,000	781,159	905,053	4,059,549	7,285,761	1.48%	579

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

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years
April 30, 2016 (Unaudited)**

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Total Taxable Assessed Value of Property (1)	Per Capita (2)
2007	\$ 13,875,000	\$ -	\$ 13,875,000	2.08%	\$ 1,123
2008	12,025,000	-	12,025,000	1.46%	973
2009	10,120,000	-	10,120,000	1.16%	819
2010	8,930,000	-	8,930,000	1.04%	723
2011	7,662,129	-	7,662,129	0.98%	609
2012	6,405,878	-	6,405,878	0.92%	509
2013	5,078,564	-	5,078,564	0.79%	403
2014	3,705,000	-	3,705,000	0.65%	294
2015	2,285,000	-	2,285,000	0.40%	181
2016	1,540,000	-	1,540,000	0.27%	122

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

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

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Schedule of Direct and Overlapping Governmental Activities Debt
April 30, 2016 (Unaudited)**

Governmental Unit	Gross Debt	Percentage of Debt Applicable to Village*	Village's Share of Debt
Village - Payable from Property Taxes	\$ 2,321,159	100.000%	\$ 2,321,159
Overlapping Debt			
Cook County - Including Forest Preserve	3,525,168,750	0.427%	15,052,471
Metropolitan Water Reclamation District	2,629,938,992 (1)	0.435%	11,440,235
School District #74	12,740,000	100.000%	12,740,000
School District #219	139,728,951 (2)	16.296%	22,770,230
Oakton Community College #535	33,175,000	3.031%	1,005,534
Total Overlapping Debt	6,340,751,693		63,008,469
Total Direct and Overlapping Debt	6,343,072,852		65,329,628

Data Source: Cook County Tax Extension Department

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

Notes:

(1) Includes Illinois EPA Revolving Loan Bonds

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Direct and Overlapping Sales Tax Rates - Last Ten Fiscal Years
April 30, 2016 (Unaudited)**

See Following Page

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Direct and Overlapping Sales Tax Rates - Last Ten Fiscal Years
April 30, 2016 (Unaudited)**

	2007	2008	2009
Issuing Body			
Direct (Locally Imposed)			
Village of Lincolnwood	1.00%	1.00%	1.00%
Village of Lincolnwood Home Rule	1.00%	1.00%	1.00%
Total Direct Rates	2.00%	2.00%	2.00%
Overlapping (State Imposed)			
State of Illinois	5.00%	5.00%	5.00%
Cook County	1.00%	1.00%	2.00%
RTA	0.75%	1.00%	1.00%
Total Overlapping Rates	6.75%	7.00%	8.00%
Total Direct and Overlapping Rates	8.75%	9.00%	10.00%

Data Source: Illinois Department of Revenue

2010	2011	2012	2013	2014	2015	2016
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Retailers' Occupation, Service Occupation and Use Tax Distribution - Last Ten Fiscal Years
April 30, 2016 (Unaudited)**

Fiscal Year	State Sales Tax Distributions	Annual Change	
		Amount	Percentage
2007	\$ 8,634,119	\$ 1,819,685	26.70%
2008	8,383,508	(250,611)	(2.90%)
2009	7,580,207	(803,301)	(9.58%)
2010	6,759,593	(820,614)	(10.83%)
2011	7,303,975	544,382	8.05%
2012	7,373,902	69,927	0.96%
2013	7,502,274	128,372	1.74%
2014	7,443,297	(58,977)	(0.79%)
2015	7,504,348	61,051	0.82%
2016	7,351,368	(152,980)	(2.04%)

Data Source: State of Illinois

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Schedule of Legal Debt Margin - Last Ten Fiscal Years
April 30, 2016 (Unaudited)**

	2007	2008	2009	2010
Legal Debt Limit	\$ -	-	-	-
Total Net Debt Applicable to Limit	-	-	-	-
Legal Debt Margin	-	-	-	-
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%

Data Source: Audited Financial Statements

2011	2012	2013	2014	2015	2016
-	59,841,718	55,465,700	49,447,717	49,719,915	48,833,359
-	6,425,000	5,085,000	3,705,000	2,285,000	1,540,000
-	53,416,718	50,380,700	45,742,717	47,434,915	47,293,359
0.00%	10.74%	9.17%	7.49%	4.60%	3.15%

Legal Debt Margin Calculation for Fiscal Year 2016

Assessed Value	<u>\$ 566,183,876</u>
Bonded Debt Limit - 8.625% of Assessed Value	48,833,359
Amount of Debt Applicable to Limit	<u>1,540,000</u>
Legal Debt Margin	<u>47,293,359</u>

VILLAGE OF LINCOLNWOOD, ILLINOIS

Demographic and Economic Statistics - Last Ten Fiscal Years April 30, 2016 (Unaudited)

Fiscal Year	Population (1)	Estimated Personal Income	Per Capita Personal Income (1)	Unemployment Rate (2)	
				Village	State
2007	12,359	\$ 443,824,049	\$ 35,911	4.00%	5.50%
2008	12,359	443,824,049	35,911	5.50%	7.30%
2009	12,359	443,824,049	35,911	6.00%	10.50%
2010	12,359	443,824,049	35,911	7.20%	10.30%
2011	12,590	491,161,080	39,012	6.80%	9.80%
2012	12,590	491,161,080	39,012	6.50%	8.60%
2013	12,590	491,161,080	39,012	5.20%	7.10%
2014	12,590	491,161,080	39,012	N/A	N/A
2015	12,590	491,161,080	39,012	N/A	N/A
2016	12,590	491,161,080	39,012	N/A	N/A

Data Source:

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

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

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

N/A - Not Available

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Construction - Last Ten Fiscal Years
April 30, 2016 (Unaudited)**

Fiscal Year	Commercial Construction		Residential Construction		Other Construction Alterations, Etc.	
	Number of Units	Property Value	Number of Units	Property Value	Number of Permits	Property Value
2007	N/A	N/A	21	10,450,900	694	17,955,436
2008	1	818,004	8	6,989,300	817	12,832,731
2009	N/A	N/A	4	3,724,600	943	10,446,483
2010	N/A	N/A	1	567,000	829	10,459,481
2011	N/A	N/A	N/A	N/A	869	13,856,843
2012	4	1,524,154	3	2,457,029	1,056	14,867,739
2013	-	-	5	3,484,700	707	11,575,025
2014	2	2,580,916	4	3,122,250	965	14,109,942
2015	-	-	5	3,744,549	887	12,710,383
2016	-	-	1	411,060	1,139	18,967,347

Data Source: Village's Building Department Records

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago
April 30, 2016 (Unaudited)**

Employer	2016			2007		
	Employees	Rank	Percentage of Total Village Population	Employees	Rank	Percentage of Total Village Population
ATF	244	1	1.94%	N/A	N/A	N/A
Carson Pirie Scott	142	2	1.13%	N/A	N/A	N/A
Lincolnwood Place	145	3	1.15%	N/A	N/A	N/A
Grossinger Autoplex	135	4	1.07%	N/A	N/A	N/A
Loeber Motors	121	5	0.96%	N/A	N/A	N/A
Lowe's	131	6	1.04%	N/A	N/A	N/A
Trim Tex	111	7	0.88%	N/A	N/A	N/A
Kohl's	112	8	0.89%	N/A	N/A	N/A
Olive Garden	109	9	0.87%	N/A	N/A	N/A
Village of Lincolnwood	103	10	0.82%	N/A	N/A	N/A
	<u>1,353</u>		<u>10.75%</u>	<u>N/A</u>		<u>N/A</u>

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

N/A - Information is not available for nine fiscal years ago.

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Full-Time Equivalent Village Government Employees by Function - Last Ten Fiscal Years
April 30, 2016 (Unaudited)**

See Following Page

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Full-Time Equivalent Village Government Employees by Function - Last Ten Fiscal Years
April 30, 2016 (Unaudited)**

	2007	2008	2009
General Government			
Executive	9.0	9.0	9.0
Administration	5.5	5.5	5.5
Finance	5.0	5.0	5.0
Public Safety			
Police			
Sworn	33.0	33.0	33.0
Non-Sworn	13.0	13.0	13.0
Fire			
Sworn*	-	-	-
Non-Sworn	1.0	1.0	1.0
Building	5.5	5.5	4.5
Village Services			
Community Development	1.0	1.0	1.0
Public Works	23.5	23.5	22.5
Parks and Recreation	11.5	11.5	11.5
Total	108.0	108.0	106.0

Data Source: Village Records

* The Village contracts for Fire and EMS Services.

2010	2011	2012	2013	2014	2015	2016
9.0	9.0	9.0	9.0	9.0	9.0	9.0
5.0	5.0	5.0	5.0	5.0	5.0	5.0
5.0	5.0	5.0	5.0	5.0	5.0	5.0
32.0	32.0	32.0	32.0	32.0	33.0	33.0
13.0	12.5	12.5	12.5	12.5	12.0	12.0
-	-	-	-	-	-	-
1.0	1.0	1.0	1.0	1.0	1.0	1.0
-	-	-	-	-	-	-
4.0	4.0	4.0	4.0	4.0	4.5	5.0
22.5	22.5	22.5	22.5	22.5	23.0	23.0
11.5	10.5	10.5	10.5	10.5	10.0	10.0
103.0	101.5	101.5	101.5	101.5	102.5	103.0

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Operating Indicators by Function/Program - Last Ten Fiscal Years
April 30, 2016 (Unaudited)**

	2007	2008	2009
General Government			
Building and Zoning			
Permits Issued	849	827	949
Inspections Conducted	3,250	2,217	1,932
Contractors Licenses Issued	980	950	682
Business Licenses Issued	193	220	340
Legal Notices Published	18	18	25
Personnel			
Employment Exams Given	12	68	83
Full-Time Employees Hired	9	10	9
Part-Time/Seasonal Employees Hired	10	198	166
Legal			
Ordinances Written	38	68	46
Resolutions Written	52	78	74
Vehicles			
Vehicles Replaced	5	3	3
Public Safety			
Police			
Part I Offenses	579	555	625
Part II Offenses	1,268	1,530	1,314
Traffic Accidents	731	804	810
Criminal Arrests	701	868	886
Total Calls for Service	12,135	13,945	12,978
Fire			
EMS Related Incidents	1,155	1,195	1,276
Structural Fire Incidents	11	13	9
Other Fire and Rescue Incidents	472	457	10
Hazardous Materials Incidents	23	37	28
All Other Received	121	165	685
Mutual Aid Received	28	25	70
Mutual Aid Given	21	39	43
Total Incidents	1,782	1,931	2,066
Highways and Streets			
Complete Sweeps of the Village	10	10	10
Tons of Salt Used	850	688	600
Reconstruction by Contractor (Feet)	-	-	-
Tons of Asphalt Installed	140	62	150
Public Service			
Waterworks and Sewerage Systems			
Metered Customers	4,191	4,207	4,215
Gallons of Water Delivered to Residences and Businesses (Thousands of Gallons)	630,843	624,556	577,695
Feet of Sanitary Sewer Televised	4,200	-	-
Feet of Sanitary Sewer Cleaned	4,000	400	100,000
Water Meters Installed	50	200	4,500

Data Source: Village Departments

2010	2011	2012	2013	2014	2015	2016
822	869	861	801	971	920	1147
1,390	1,336	1,337	1,398	1,239	1,450	3657
339	599	499	557	560	506	664
416	505	406	559	602	613	828
25	26	23	25	19	25	14
83	-	46	-	86	67	14
5	3	7	7	19	8	10
109	187	180	180	180	180	180
69	61	53	59	47	64	52
44	74	79	60	64	58	63
3	3	4	5	5	8	3
500	496	576	748	575	444	404
827	1,047	1,394	1,071	978	1,260	998
897	948	851	897	818	853	897
808	957	946	1,177	725	835	678
18,128	20,118	20,688	21,449	18,228	21,881	22,522
1,262	1,264	1,263	1,416	1,338	1,365	1,395
38	18	7	13	12	10	11
291	26	23	23	24	39	40
63	30	18	52	20	26	25
293	645	570	585	682	584	600
24	28	26	27	16	35	35
32	36	41	33	39	50	40
1,947	1,983	1,948	2,089	2,131	2,109	2,146
10	10	10	10	10	10	10
600	800	800	800	1,000	750	600
-	-	4,625	-	-	-	-
700	200	500	700	900	800	405
4,232	4,226	4,228	4,228	4,228	4,223	4,231
508,073	529,871	483,640	500,000	498,000	447,000	451,000
235,000	-	500	1,000	1,500	1,000	400
500	57,000	57,000	57,000	50,000	55,000	105,600
10	40	30	50	100	35	35

VILLAGE OF LINCOLNWOOD, ILLINOIS

Capital Asset Statistics by Function/Program - Last Ten Fiscal Years April 30, 2016 (Unaudited)

	2007	2008	2009
General Government			
Land, General (Acres)	47	47	47
Land, Right of Way (Acres)	352	352	352
Buildings	3	3	3
Public Safety			
Police			
Land (Acres)	1	1	1
Buildings	1	1	1
Vehicles	20	20	20
Fire			
Land (Acres)	1	1	1
Buildings	1	1	1
Vehicles	12	12	12
Public Works			
Land (Acres)	3	3	3
Streets (Lane Miles)	35	35	35
Buildings	1	1	1
Vehicles	29	29	29
Enterprise			
Land (Acres)	3.5	3.5	35.0
Combined Sanitary/Storm (Miles)	59	59	59
Water Mains (Miles)	53	53	53
Buildings	1	1	1
Vehicles	17	17	17

Data Source: Various Village Departments

2010	2011	2012	2013	2014	2015	2016
47	47	47	47	47	47	47
352	352	352	352	352	352	352
3	3	3	3	3	3	3
1	1	1	1	1	1	1
1	1	1	1	1	1	1
20	19	19	19	22	26	26
1	1	1	1	1	1	1
1	1	1	1	1	1	1
12	13	13	12	12	13	13
3	3	3	3	3	3	3
35	35	35	35	35	35	35
1	1	1	1	1	19	19
29	29	29	29	29	26	26
35	35	35	35	35	35	35
59	59	59	59	59	59	59
53	53	53	53	53	53	53
1	1	1	1	1	1	1
17	17	17	17	17	17	17

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Surety Bonds of Principal Officials
April 30, 2016 (Unaudited)**

Principal Official

Village President	\$	3,000
Village Clerk		3,000
Finance Director/Treasurer		50,000

Data Source: Village Records