



Popular Annual Financial Report

Village of Lincolnwood

Fiscal Year Ended April 30, 2022

About the PAFR

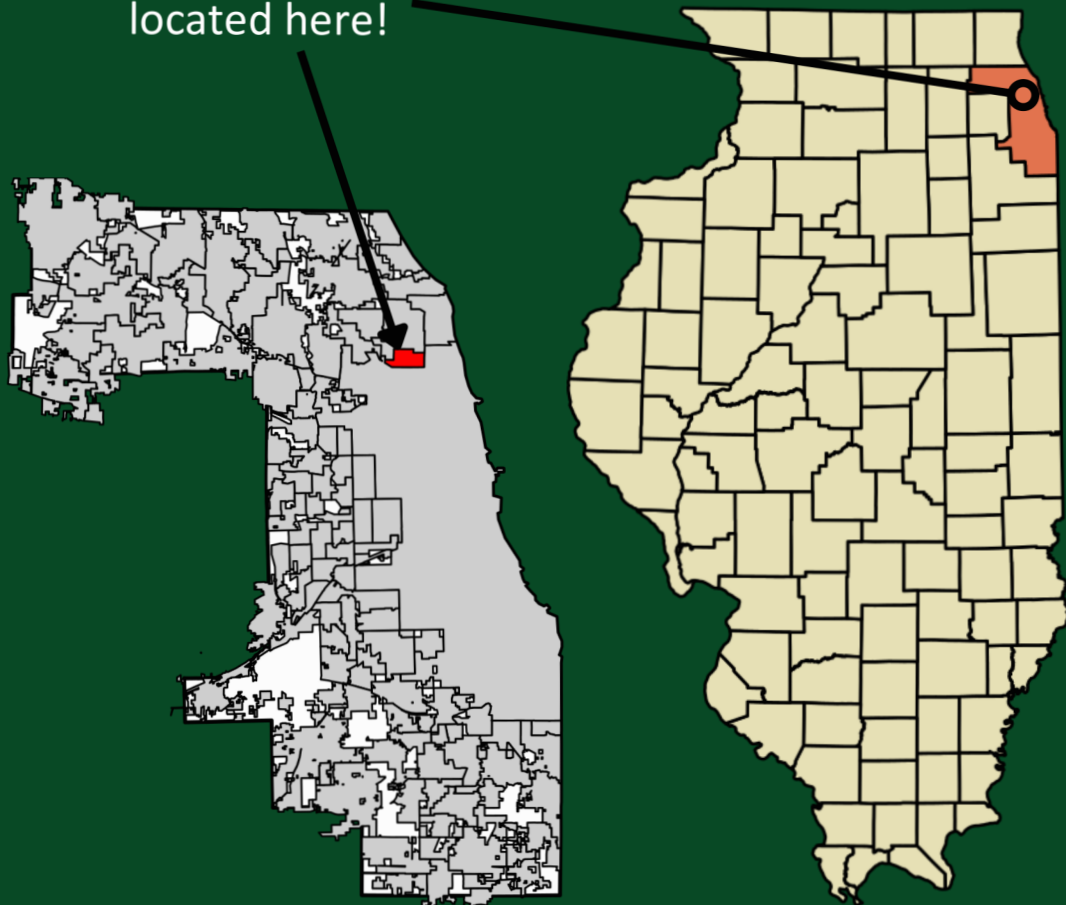


Lincolnwood, IL

This is the Village's first Popular Annual Financial Report (PAFR) summarizing Fiscal Year 2022 audited financials. The PAFR is intended to provide selected information on the Village's financial condition in a summarized, easily understandable format. This PAFR is based on the Annual Comprehensive Financial Report which is a more detailed report containing annually audited financial information pertaining to the Village.

The information contained within this report will highlight only the most significant funds of the Village of Lincolnwood. For a more in-depth look at the Village's current financial position, please see the Annual Comprehensive Financial Report at our website.

Lincolnwood is located here!



Cook County, IL

State of Illinois

About Lincolnwood



Lincolnwood is governed as a Home Rule community under Illinois law and operates under the Mayor/Trustee form of government with a full time Village Manager appointed by the Mayor and Board of Trustees. Under Home Rule powers, the Village is permitted to carry out its own governing procedures except where it is specifically prohibited by the State legislature. The Village Manager is the chief administrative officer who oversees the day-to-day operations of the Village. The Village currently has 86 full-time employees and seven part-time employees who work in the seven departments that combine to form the Village government. Each of these departments is coordinated by a Department Director who reports directly to the Village Manager.

ELECTED OFFICIALS

Village President
Jesal B. Patel Sr.

Trustee
Chris Martel

Trustee
Grace Diaz-Herrera

Trustee
Mohammed Saleem

Trustee
Jean Ikezoe-Halevi

Trustee
Atour Sargon

Trustee
Craig Klatzco

Village Clerk
Beryl Herman



Statistics, Demographics, and Government Information

Population (2020 Census): 13,463

County: Cook

Type of Government: Mayor/Trustee with a full-time Manager

Special Financing Techniques: Tax Increment Financing

Number of Village Employees: 366

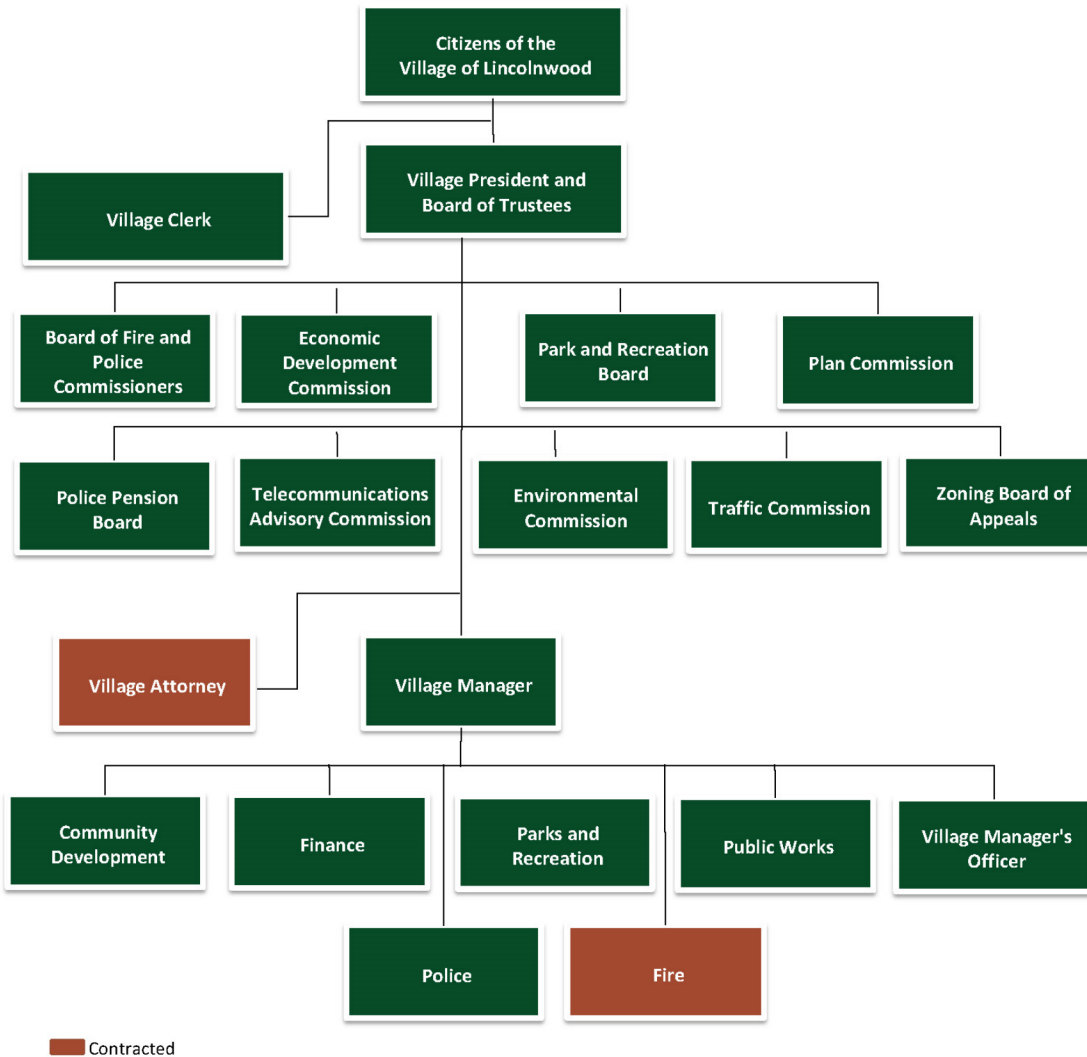
Police: 33 full-time sworn officers

Fire: 29 full-time, 12 vehicles

Public Works: 28.5 full-time equivalent

About the Organization

How is the Village of Lincolnwood's Government Organized?



Senior Management

Village Manager

Anne Marie Gaura

Assistant Village Manager

Charles Meyer

Community Development Director

Scott Mangum

Finance Director/Treasurer

Denise Joseph

Fire Chief

Michael Hansen*

Parks and Recreation Director

Karen Hawk

Police Chief

Jay Parrott

Public Works Director

Nadim Badran

*Fire Chief Hansen retired in July 2022. In August 2022, Barry Liss started as the Village's Fire Chief.



Police Department, 2021



Statement of Net Position

The Statement of Net Position provides a picture of the Village's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the Village's financial position is improving or deteriorating. Listed below is the Village of Lincolnwood's Statement of Net Position as of April 30, 2022.

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and Other Assets	55,280,775	27,964,982	6,796,818	4,739,812	62,077,593	32,704,794
Capital Assets	50,041,379	49,008,679	22,481,690	22,227,443	72,523,069	71,236,122
Other Assets	4,511,253	1,875,750	607,780	276,279	5,119,033	2,152,029
Total Assets	109,833,407	78,849,411	29,886,288	27,243,534	139,719,695	106,092,945
Deferred Outflows	4,753,133	3,479,645	106,807	93,403	4,859,940	3,573,048
Total Assets/Deferred Outflows	114,586,540	82,329,056	29,993,095	27,336,937	144,579,635	109,665,993
Current Liabilities	6,533,272	3,799,262	523,847	1,712,049	7,057,119	5,511,311
Long-Term Liabilities	64,496,426	36,122,241	18,587,151	16,129,005	83,083,577	52,251,246
Total Liabilities	71,029,698	39,921,503	19,110,998	17,841,054	90,140,696	57,762,557
Deferred Inflows	9,434,695	7,919,493	527,956	335,139	9,962,651	8,254,632
Total Liabilities/Deferred Inflows	80,464,393	47,840,996	19,638,954	18,176,193	100,103,347	66,017,189
Net Position						
Net Investment in Capital Assets	44,001,956	44,009,807	6,576,009	7,047,478	50,577,965	51,057,285
Restricted	5,197,491	9,525,971	-	-	5,197,491	9,525,971
Unrestricted (Deficit)	(15,077,300)	(19,047,718)	3,778,132	2,113,266	(11,299,168)	(16,934,452)
Net Position	\$ 34,122,147	\$ 34,488,060	\$ 10,354,141	\$ 9,160,744	\$ 44,476,288	\$ 43,648,804
Prior period adjustment	\$ -	\$ 837,926	\$ -	\$ (1,231,691)	\$ -	\$ (393,765)
Net Position, May (Restated)	\$ -	\$ 35,325,986	\$ -	\$ 7,929,053	\$ -	\$ 43,255,039
				1,231,691	-	393,765
Total Net Position	\$ 34,122,147	\$ 35,325,986	\$ 10,354,141	\$ 7,929,053	\$ 44,476,288	\$ 43,255,039

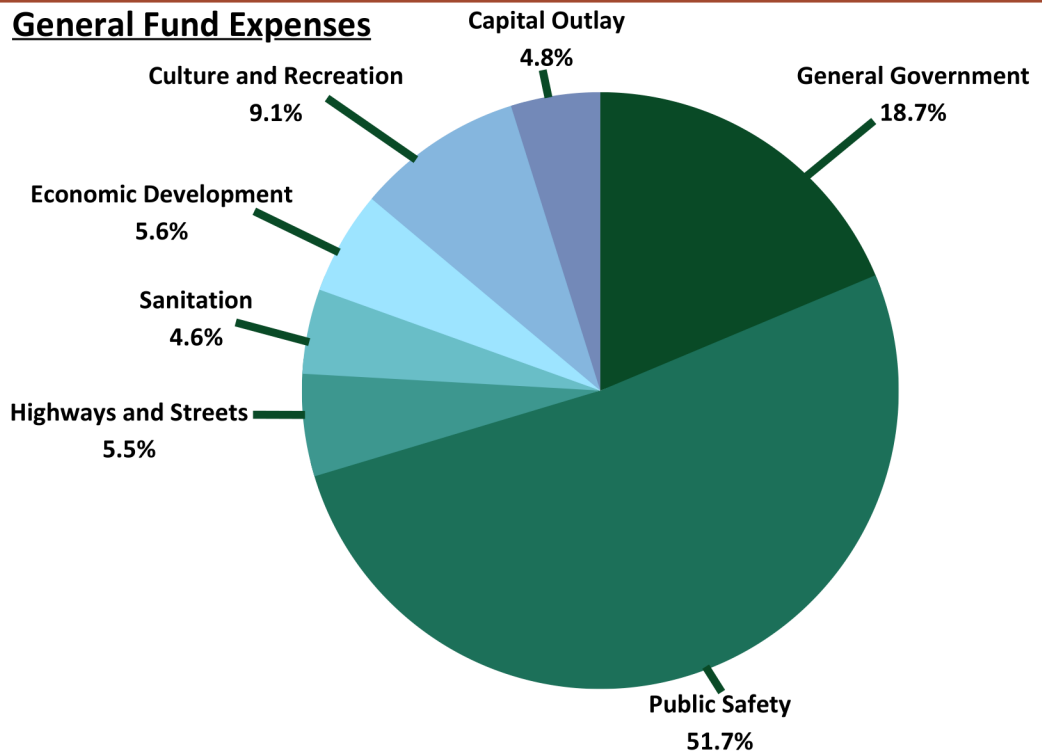
Net position related to governmental activities decreased by \$1,203,839 or -3.41% from the prior year's restated net position. Net position related to business-type activities increased by \$2,428,088 or 30.58% from the prior year's restated net position. Net position for total primary government increased \$1,221,249 or 2.82% from the prior year's restated net position. For more detailed information, see the Statement of Net Position on pages 5-6 of the Annual Comprehensive Financial Report.

General Fund

The General Fund is the Village's primary operating fund. It accounts for all financial resources of the general government except those accounted for in another fund. The table to the lower right reflects the Fiscal Year 2022 budget and the actual revenues and expenditures for the General Fund as of April 30, 2022.

For the Fiscal Year that ended April 30, 2022, General Fund expenses for governmental activities totaled \$23,939,654. A breakdown of those expenses can be seen in the chart to the upper right-hand corner.

General Fund Expenses

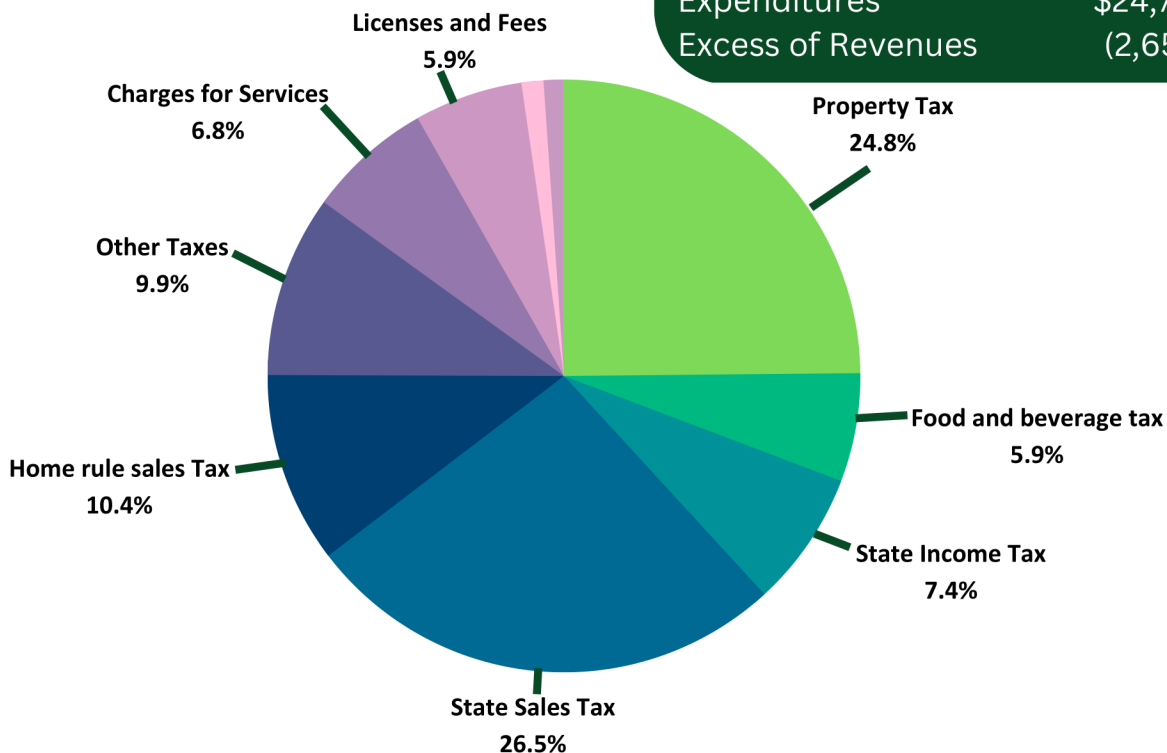


Revenues

	Original	Actual
Taxes	\$8,975,000	\$9,333,961
Intergovernmental	\$9,418,885	\$12,156,856
Other	\$3,744,580	\$3,345,140
Total	\$22,138,465	\$24,835,957

Expenditures	\$24,794,917	\$23,939,654
Excess of Revenues	(2,656,452)	896,303

General Fund Revenues



For the Fiscal Year that ended April 30, 2022, General Fund revenues totaled \$24,835,957. A breakdown of those revenues can be seen in the chart to the left.

Major Revenue Sources

Several factors impact the local finances of the Village. The Village is impacted by regional, state, and national economic conditions as well as the governance of the State of Illinois. Economic conditions beyond the Village's control affect several important revenue sources. These sources include sales tax, building permit fees, income tax, motor fuel tax, and utility taxes. The State of Illinois may also impact revenues through legislative changes (i.e., a formula for shared income tax, etc.) and by adjusting the timeliness of payments due to the Village. Below are four major sources of revenue for the Village of Lincolnwood.

Property Tax

The collection of property taxes is one of the Village's largest revenue sources. A small portion of payments was delayed in the latter half of the year due to the County's extension of the payment due date. Despite the delay, property tax revenue in the General Fund ended the fiscal year at \$6,256,450, which was \$178,450 over budget.



Sales Tax

Sales tax revenue is comprised of 1% municipal tax and 1.25% home rule sales tax. Sales tax revenue ended the year at \$6,670,029, which was \$1,770,029 above budget. In addition, the Village's home rule sales tax ended the year at \$623,692 above budget. A portion of both the sales and home rule sales tax has been earmarked for debt service payments.



Food and Beverage Tax

The Village enacted a Food and Beverage tax in Fiscal Year 2009. This tax is levied on the purchase of prepared for immediate consumption. The tax is assessed at 2.00%. Revenue from food and beverage tax was \$1,495,782, which was \$495,782 more than budgeted. This is mainly attributable to people dining out more after the COVID-19 Pandemic.



Income Tax

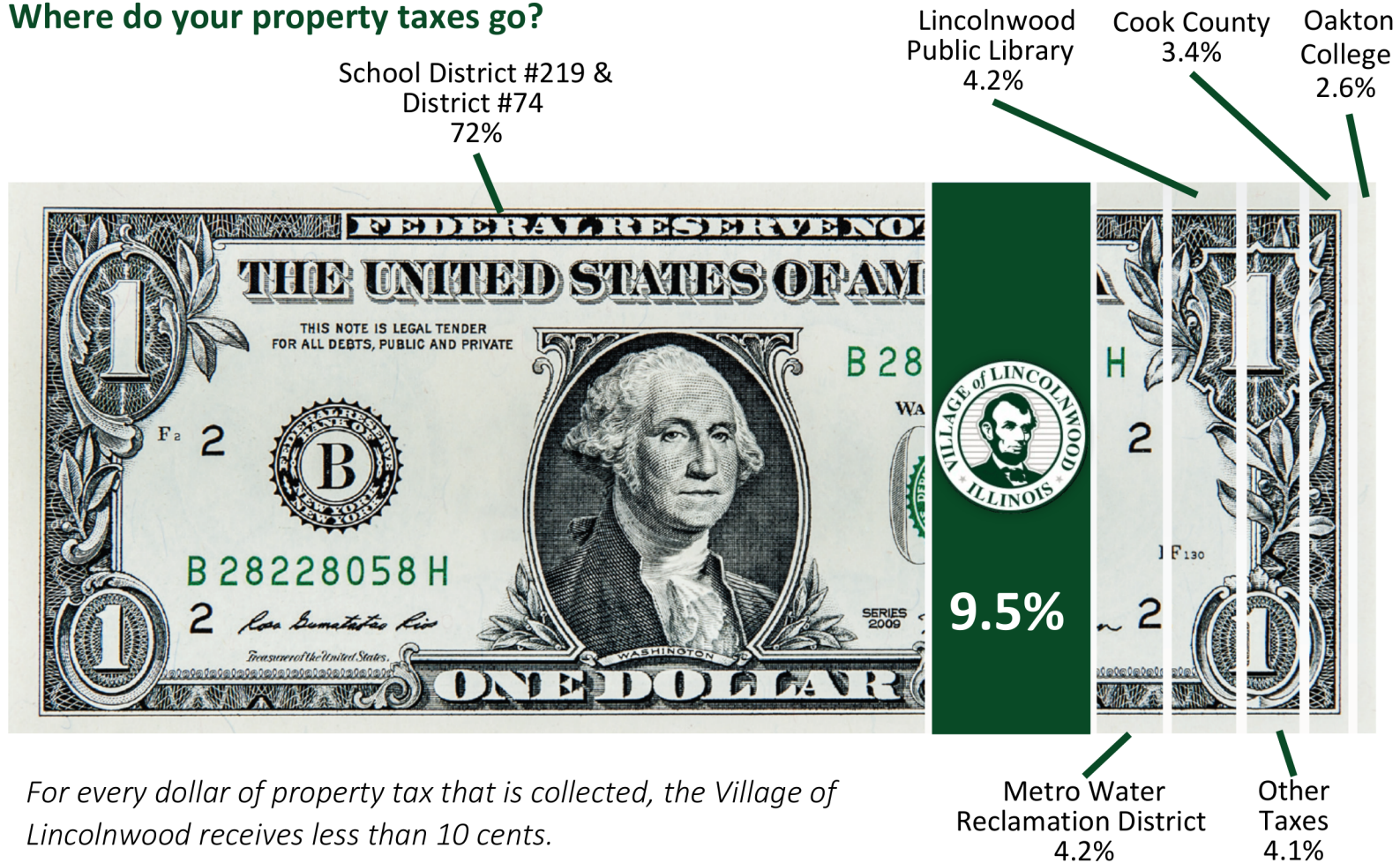
Income tax finished the year at \$1,865,831 or \$615,831 over. Income taxes are a significant revenue source for the Village and are very susceptible to changes in legislative and economic factors.



Property Tax

One of the Village's primary sources of revenue is property taxes. This tax is used to support day-to-day operations, fund public safety pensions, and repay previously committed debts.

Where do your property taxes go?



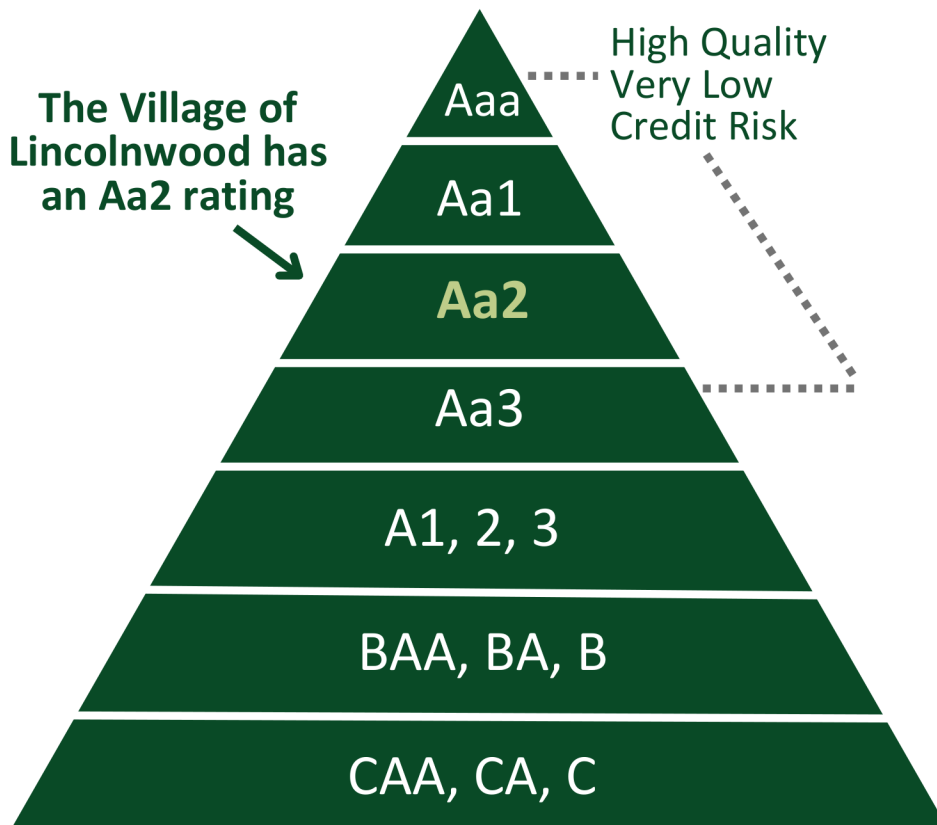
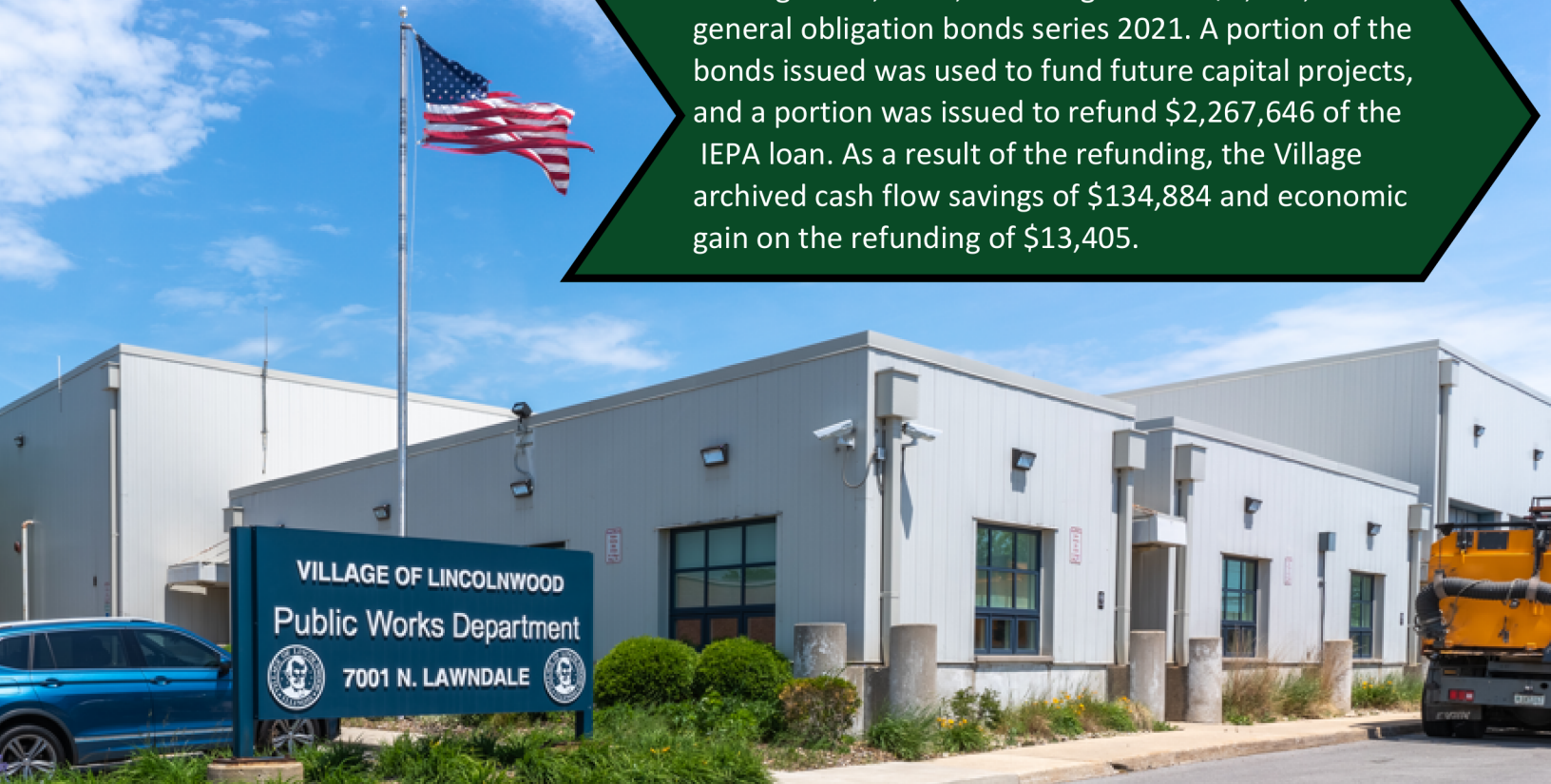
Village of Lincolnwood's Financial Policy on Property Tax

Although the Village is not restricted in its annual levy of taxes, the Village Board has a self-imposed cap on the annual increase in the property tax levy. The Village may not increase the annual property tax levy in excess of the Cook County CPI increase applicable as of the prior December, except as the Board determines to be necessary in order to satisfy the Village's pension payment obligations. This will limit the Village's dependence on a single source of revenue and prevent property owners from being overburdened by spikes in the tax rate.



Capital Projects

On August 24, 2021, the Village issued \$9,085,000 general obligation bonds series 2021. A portion of the bonds issued was used to fund future capital projects, and a portion was issued to refund \$2,267,646 of the IEPA loan. As a result of the refunding, the Village archived cash flow savings of \$134,884 and economic gain on the refunding of \$13,405.



Moody's Investors Service Ratings

Moody's Investors Service has assigned an Aa2 rating to the Village's outstanding municipal bond issues.

The Village has taken advantage of this rating to refinance its outstanding debt for better interest rates and pay off debt early to save on future interest costs.

Moody's investor service ratings are opinions of the relative credit risk of fixed income obligations with an original maturity of one year or more. They address the possibility that a financial obligation will not be honored as promised. Such ratings reflect both the likelihood of default and any financial loss suffered in the event of default.

Key Terms

Deferred Inflow of Resources

An acquisition of net assets by the government that is applicable to a future reporting period. For example, advance collections (revenues collected before a service was rendered).

Deferred Outflow of Resources

A consumption of net assets by the government that is applicable to a future reporting period. For example, prepaid items (expenses paid before a service was rendered).

Equalized Assessed Value (EAV)

The product of the assessed value of your property (both land and improvements) and the State equalization factor which is set by the Illinois Department of Revenue.

Net Assets

The difference between an entity's assets and its liabilities.

Net Investment in Capital Assets

Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent bond proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Net Position

The difference between an entity's assets plus deferred outflows of resources and its liabilities plus deferred inflows of resources represents its net position. Net position has the following three components: net investment in capital assets; restricted net position; and unassigned net position.

Restricted Net Position

Net position with constraints placed on their 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 legislation.

Tax Abatement

A reduction of taxes granted by a government to encourage economic development.

Tax Increment Financing (TIF)

A public financing method used by municipal governments to stimulate economic development in a targeted geographical area by utilizing future tax revenues to pay for necessary public improvements.

