



# Village of Lincolnwood Popular Annual Financial Report



**For the Fiscal Year Ended April 30, 2023**

# About the PAFR



This is the Village's Popular Annual Financial Report (PAFR) summarizing Fiscal Year 2023 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.



# 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 employs approximately 94 full time, 10 regular part-time, and 250 seasonal summer employees in the Parks and Recreation and Public Works Departments. 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: 354

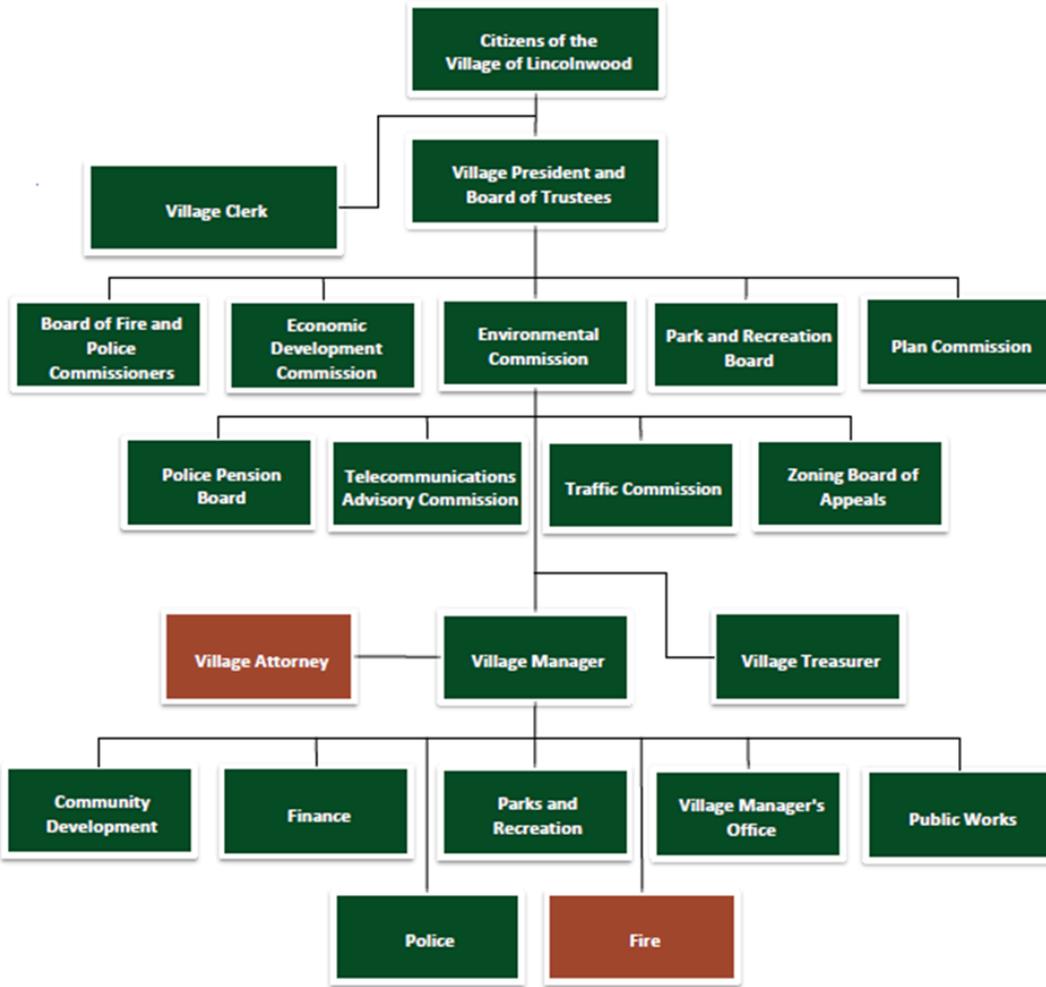
Police: 33 full-time sworn officers

Fire: 29 full-time, 12 vehicles

Public Works: 23.75 full-time equivalent

# About the Organization

How is the Village of Lincolnwood's Government Organized?



 Contracted

## Senior Management

**Village Manager**  
Anne Marie Gaura

**Assistant Village Manager**  
Madeline Farrell

**Community Development Director**  
Scott Mangum

**Finance Director/Treasurer**  
John Risko

**Fire Chief**  
Barry Liss

**Parks and Recreation Director**  
Karen Hawk

**Police Chief**  
Jason Parrott

**Public Works Director**  
John Welch



# 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, 2023.

## Statement of Net Position April 30, 2023

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Current and Other Assets</b>	42,307,154	55,280,775	7,414,462	6,796,818	49,721,616	62,077,593
<b>Capital Assets</b>	53,189,603	50,041,379	21,705,927	22,481,690	74,895,530	72,523,069
<b>Other Assets</b>	157,681	4,511,253	-	607,780	157,681	5,119,033
<b>Total Assets</b>	95,654,438	109,833,407	29,120,389	29,886,288	124,774,827	139,719,695
<b>Deferred Outflows</b>	7,435,166	4,753,133	298,800	106,807	7,733,966	4,859,940
<b>Total Assets/Deferred Outflows</b>	103,089,604	114,586,540	29,419,189	29,993,095	132,508,793	144,579,635
<b>Current Liabilities</b>	7,373,090	6,533,272	379,740	523,847	7,752,830	7,057,119
<b>Long-Term Liabilities</b>	69,483,206	64,496,426	18,251,676	18,587,151	87,734,882	83,083,577
<b>Total Liabilities</b>	76,856,296	71,029,698	18,631,416	19,110,998	95,487,712	90,140,696
<b>Deferred Inflows</b>	5,644,127	9,434,695	4,498	527,956	5,648,625	9,962,651
<b>Total Liabilities/Deferred Inflows</b>	82,500,423	80,464,393	18,635,914	19,638,954	101,136,337	100,103,347
<b>Net Position</b>						
<b>Net Investment in Capital Assets</b>	30,288,532	44,001,956	6,542,515	6,576,009	36,831,047	50,577,965
<b>Restricted</b>	5,167,129	5,197,491	-	-	5,167,129	5,197,491
<b>Unrestricted (Deficit)</b>	(14,866,480)	(15,077,300)	4,240,760	3,778,132	(10,625,720)	(11,299,168)
<b>Net Position</b>	<b>\$ 20,589,181</b>	<b>\$ 34,122,147</b>	<b>\$ 10,783,275</b>	<b>\$ 10,354,141</b>	<b>\$ 31,372,456</b>	<b>\$ 44,476,288</b>
Prior period adjustment	\$ -	\$ (14,520,223)	\$ -	\$ -	\$ -	\$ (14,520,223)
<b>Net Position, May (Restated)</b>	<b>\$ -</b>	<b>\$ 19,601,924</b>	<b>\$ -</b>	<b>\$ 10,354,141</b>	<b>\$ -</b>	<b>\$ 29,956,065</b>
<b>Total Net Position</b>	<b>\$ 20,589,181</b>	<b>\$ 19,601,924</b>	<b>\$ 10,783,275</b>	<b>\$ 10,354,141</b>	<b>\$ 31,372,456</b>	<b>\$ 29,956,065</b>

Net position related to governmental activities increased by \$987,257 or 5.03% from prior year's net position. Net position related to business-type activities increased by \$429,134 or 4.14% from prior year's net position. Total net position increased by \$1,416,391 or 4.73%. For more information, see the Statement of Net Position on page 5-6 of the Annual Comprehensive Financial Report.

# General Fund Overview

The General Fund is the Village's primary operating fund. It accounts for all financial resources related to the Village's operations except those accounted for in other funds. The table with revenue and expenditure amounts reflects the Fiscal Year 2023 budget to actual results for the General Fund at April 30, 2023. The next page depicts the classification of each share of these revenues and expenditures.

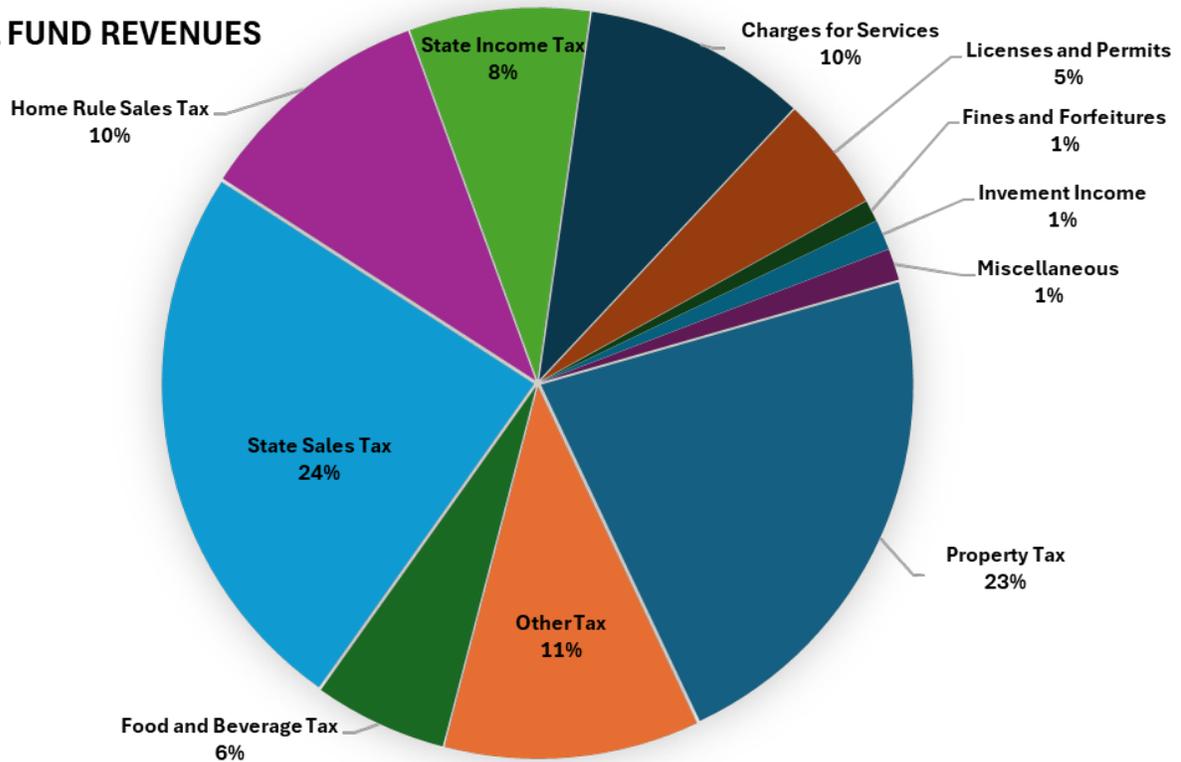
## Schedule of Revenues and Expenditures

<b>Revenues</b>	<b>Budget</b>	<b>Actual</b>
Taxes and Fees	\$9,181,894	\$9,689,382
Services and Permits	\$3,793,845	\$4,087,315
Intergovernmental	\$11,597,272	\$13,051,382
Other	\$319,000	\$1,005,583
<b>Total Revenues</b>	<b>\$24,892,011</b>	<b>\$27,833,662</b>
<b>Expenditures</b>		
Operations	\$25,445,532	\$24,251,145
Capital Outlay	\$1,279,020	\$959,266
Debt Service Payments	\$0	\$19,225
<b>Total Expenditures</b>	<b>\$26,724,552</b>	<b>\$25,229,636</b>
<b>Excess of Revenues</b>	<b>-\$1,832,541</b>	<b>\$2,604,026</b>

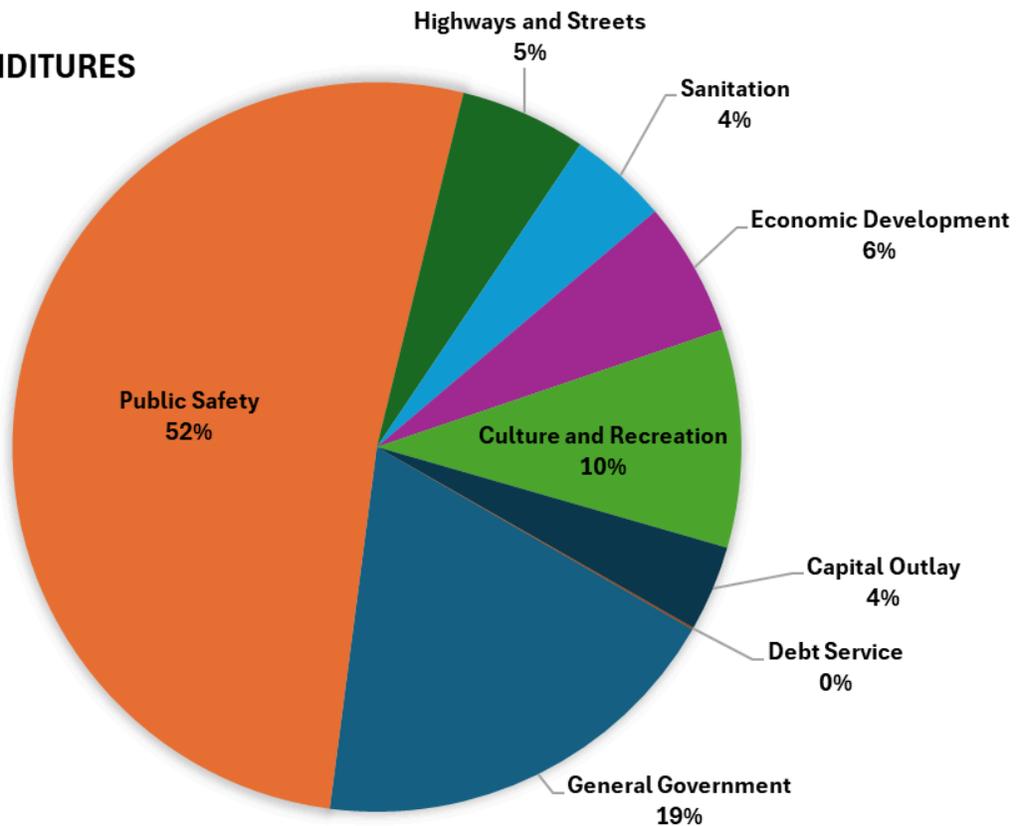


# General Fund Breakdown

## GENERAL FUND REVENUES



## GENERAL FUND EXPENDITURES



# 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, income tax, motor fuel tax, utility tax and building permit fees. 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.

## 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 \$6,769,185, which was \$391,106 above budget and greater than the \$6,670,029 collected last year. In addition, the Village's home rule sales tax ended the year at \$2,869,203 which was \$389,062 above budget and \$245,511 more than was received last year.

## Food and Beverage Tax

The Village enacted a Food and Beverage tax in Fiscal Year 2009. This tax is levied on the purchase of food and beverage items prepared for immediate consumption. Tax is assessed at 2.00%. Food and Beverage taxes received were \$1,609,763 which is \$389,763 over budget and \$113,981 more than what was received last year. The increase in these tax revenues reflects the positive change post COVID-19 had on businesses in Lincolnwood.

## Property Tax

The collection of property tax is one of the Village's largest revenue sources. A small portion of payments were delayed in the latter half of the year due to the County's extension of the payment due date. However, property tax revenue ended the year at \$6,240,515, which is \$32,621 over budget, but slightly less than the \$6,256,450 collected last year.

## State Income Tax

State income tax is another significant revenue source and is very susceptible to changes in legislative and economic factors. State income tax revenues were \$2,175,330 which is \$410,330 over budget and \$309,499 more than what was received last year.



# Property Tax

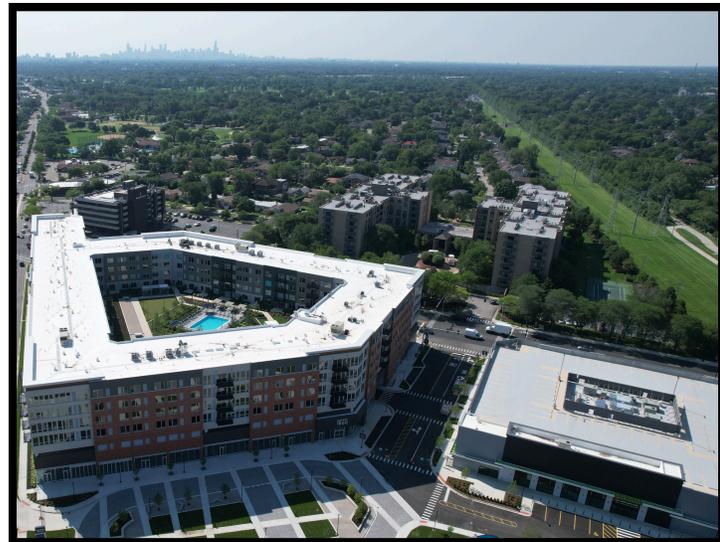
One of the Village's primary sources of revenue is property taxes. This tax is used to support day-to-day operations, fund public safety pensions, and repay previously committed debts.

## Where do your property taxes go?



## Village of Lincolnwood's Financial Policy on Property Tax

Although the Village is not restricted in its annual tax levy, 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 rate 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

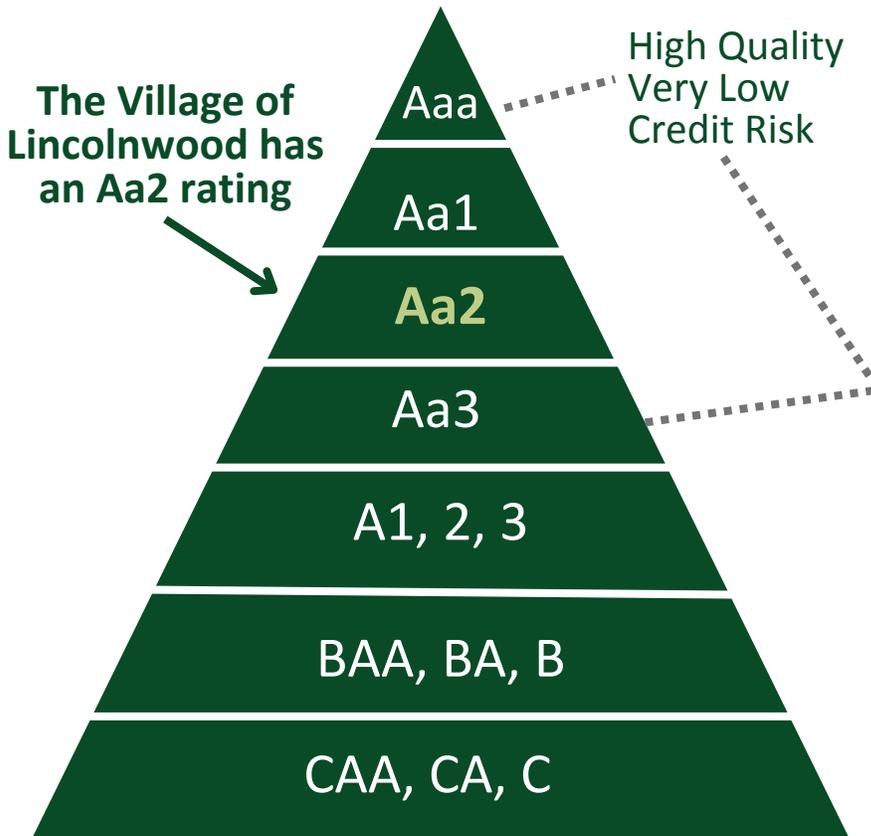


## Moody's Investors Service Ratings

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.

