



815.344.1300 mchenry
847.382.3366 barrington
847.336.6455 gurnee
www.edercasella.com

**VILLAGE OF LAKEWOOD
McHENRY COUNTY, ILLINOIS**

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED APRIL 30, 2020

eder, casella & co

VILLAGE OF LAKEWOOD
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INDEPENDENT AUDITOR'S REPORT

To the President and Board of Trustees
Village of Lakewood
Lakewood, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of

VILLAGE OF LAKEWOOD

as of and for the year ended April 30, 2020, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

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Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Village of Lakewood's basic financial statements. The combining nonmajor governmental fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Eder, Casella & Co.

EDER, CASELLA & CO.
Certified Public Accountants

McHenry, Illinois
December 22, 2020

REQUIRED SUPPLEMENTARY INFORMATION

Village of Lakewood **MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the Village of Lakewood (Village), we offer readers of the Village's statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended April 30, 2020.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Village exceeded its liabilities and deferred inflows of resources at April 30, 2020 by \$28,589,614 (*net position*). Of this amount, \$3,109,094 (*unrestricted net position*) may be used to meet the Village's ongoing obligations to citizens and creditors.
- The Village's total net position decreased by \$946,552. A net position adjustment of \$386,719 was also made to adjust for fixed assets accumulated depreciation and accounts receivable.
- At April 30, 2020, the Village's governmental funds reported combined ending fund balances of \$3,285,864, an increase of \$416,759 from the prior year.
- The Village's total long-term debt increased by \$541,138 during the year ended April 30, 2020. The key factor in this increase was the refunding of 2010 Series Bonds and an issuance of new capital purchase agreements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the Village's assets and deferred outflows of resources, less its liabilities and deferred inflows 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 financial position of the Village is improving or deteriorating when comparing year to year results.

The Statement of Activities presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village include general government, public safety, public works and transportation, culture and recreation, and economic development. The business-type activities of the Village include culture and recreation, water and sewer, and refuse.

The government-wide financial statements can be found on pages 10 and 11 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Village's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains twelve individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General and Capital Improvements Funds, which are considered to be the Village's only major governmental funds. Data from the other ten governmental funds are combined into a single, aggregated presentation.

The basic governmental fund financial statements can be found on pages 12 through 15 of this report.

Proprietary funds. The Village maintains one type of proprietary fund (enterprise fund). Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses enterprise funds to account for its golf course operations, water and sewer services, and refuse and recycling services.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the golf course operations, water and sewer services, and refuse and recycling services, all of which are considered to be major funds of the Village.

The basic proprietary fund financial statements can be found on pages 16 through 18 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the Village. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Village utilizes a fiduciary fund to segregate developer deposits.

The basic fiduciary fund financial statement can be found on page 19 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 20 through 39 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's progress in meeting its obligation to provide as fully adequate as possible services to its residents.

The Village adopts an annual budget and appropriation ordinance for all funds. A budget comparison statement has been provided for the General Fund to demonstrate compliance with the appropriation ordinance.

The budget comparison statement and related notes can be found on pages 40 through 45 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Village, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$28,589,614 at April 30, 2020.

One portion of the Village's net position (81%) reflects its investment in capital assets (e.g., land, construction in progress, buildings, systems and equipment); less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

| | Village of Lakewood's Net Position | | | | | |
|---|------------------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
| | Governmental Activities | | Business-Type Activities | | Total | |
| | 4/30/2020 | 4/30/2019 | 4/30/2020 | 4/30/2019 | 4/30/2020 | 4/30/2019 |
| ASSETS | | | | | | |
| Current and Other Assets | \$ 5,011,765 | \$ 4,592,446 | \$ 4,200,152 | \$ 3,971,131 | \$ 9,211,917 | \$ 8,563,577 |
| Capital Assets | 8,585,436 | 8,821,889 | 24,367,684 | 24,983,017 | 32,953,120 | 33,804,906 |
| Total Assets | \$ 13,597,201 | \$ 13,414,335 | \$ 28,567,836 | \$ 28,954,148 | \$ 42,165,037 | \$ 42,368,483 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | |
| Pension Expense/Revenue | \$ 47,143 | \$ 492,742 | \$ 12,473 | \$ 220,747 | \$ 59,616 | \$ 713,489 |
| OPEB Expense/Revenue | 11,391 | 6,783 | - | - | 11,391 | 6,783 |
| Loss on Refunding | - | - | - | 111,780 | - | 111,780 |
| Total Deferred Outflows of Resources | \$ 58,534 | \$ 499,525 | \$ 12,473 | \$ 332,527 | \$ 71,007 | \$ 832,052 |
| LIABILITIES | | | | | | |
| Long-Term Liabilities Outstanding | \$ 1,027,339 | \$ 1,591,387 | \$ 10,651,142 | \$ 10,037,797 | \$ 11,678,481 | \$ 11,629,184 |
| Other Liabilities | 15,017 | 45,036 | 210,507 | 204,486 | 225,524 | 249,522 |
| Total Liabilities | \$ 1,042,356 | \$ 1,636,423 | \$ 10,861,649 | \$ 10,242,283 | \$ 11,904,005 | \$ 11,878,706 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Unavailable Revenue | \$ 1,710,884 | \$ 1,678,305 | \$ - | \$ - | \$ 1,710,884 | \$ 1,678,305 |
| Pension Expense/Revenue - IMRF | 24,942 | 74,142 | 6,599 | 33,216 | 31,541 | 107,358 |
| Total Deferred Inflows of Resources | \$ 1,735,826 | \$ 1,752,447 | \$ 6,599 | \$ 33,216 | \$ 1,742,425 | \$ 1,785,663 |
| NET POSITION | | | | | | |
| Net Investment in Capital Assets | \$ 8,459,028 | \$ 7,295,993 | \$ 14,649,398 | \$ 15,135,287 | \$ 23,108,426 | \$ 22,431,280 |
| Restricted | 1,463,444 | 1,516,347 | 908,650 | 63,812 | 2,372,094 | 1,580,159 |
| Unrestricted | 955,081 | 1,712,650 | 2,154,013 | 3,812,077 | 3,109,094 | 5,524,727 |
| Total Net Position | \$ 10,877,553 | \$ 10,524,990 | \$ 17,712,061 | \$ 19,011,176 | \$ 28,589,614 | \$ 29,536,166 |

An additional portion of the Village's net position (8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$3,109,094) may be used to meet the Village's ongoing obligations to citizens and creditors.

At April 30, 2020, the Village is able to report positive balances in all three categories of net position, both for the Village as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The Village's net position decreased \$946,552 which includes a net position adjustment increase of \$386,719, during the year ended April 30, 2020.

Governmental activities. Governmental activities increased the Village's net position by \$352,563 which includes a net position adjustment increase of \$447,313.

Business-type activities. Business-type activities decreased the Village's net position by \$1,299,115 which includes a net position adjustment decrease of \$60,594. This was mainly due to a decrease in water and sewer connection fees, which will vary year to year based on need, and also due to bond issuance costs that are expensed immediately in the year of issue.

| | Village of Lakewood's Change in Net Position | | | | | |
|---------------------------------------|--|---------------|--------------------------|---------------|----------------|---------------|
| | Governmental Activities | | Business-Type Activities | | Total | |
| | 4/30/2020 | 4/30/2019 | 4/30/2020 | 4/30/2019 | 4/30/2020 | 4/30/2019 |
| Revenues | | | | | | |
| Program Revenues | | | | | | |
| Charges for Services | \$ 182,676 | \$ 216,966 | \$ 2,515,937 | \$ 2,929,361 | \$ 2,698,613 | \$ 3,146,327 |
| Operating Grants and Contributions | 11,157 | 8,088 | 15,569 | 45,309 | 26,726 | 53,397 |
| Capital Grants and Contributions | - | 14,090 | - | - | - | 14,090 |
| General Revenues | | | | | | |
| Property Taxes | 1,694,294 | 1,646,563 | - | - | 1,694,294 | 1,646,563 |
| Other Taxes | 1,091,978 | 1,078,463 | - | - | 1,091,978 | 1,078,463 |
| Other | 29,427 | 17,450 | 15,126 | 61,771 | 44,553 | 79,221 |
| Interest | 48,931 | 48,669 | 36,267 | 31,091 | 85,198 | 79,760 |
| Gain/(Loss) on Sale of Capital Assets | 3,970 | 11,331 | - | (7,422) | 3,970 | 3,909 |
| Total Revenues | \$ 3,062,433 | \$ 3,041,620 | \$ 2,582,899 | \$ 3,060,110 | \$ 5,645,332 | \$ 6,101,730 |
| Expenses | | | | | | |
| General Government | \$ 425,580 | \$ 396,438 | \$ - | \$ - | \$ 425,580 | \$ 396,438 |
| Public Safety | 1,973,143 | 1,809,192 | - | - | 1,973,143 | 1,809,192 |
| Public Works and Transportation | 902,128 | 737,451 | - | - | 902,128 | 737,451 |
| Culture and Recreation | - | - | 839,645 | 929,771 | 839,645 | 929,771 |
| Economic Development | 89,378 | 96,295 | - | - | 89,378 | 96,295 |
| Interest on Long-Term Debt | 12,402 | 10,276 | - | - | 12,402 | 10,276 |
| Water and Sewer | - | - | 2,420,196 | 1,947,094 | 2,420,196 | 1,947,094 |
| Refuse | - | - | 316,131 | 310,898 | 316,131 | 310,898 |
| Total Expenses | \$ 3,402,631 | \$ 3,049,652 | \$ 3,575,972 | \$ 3,187,763 | \$ 6,978,603 | \$ 6,237,415 |
| Increase/(Decrease) in Net Position | | | | | | |
| Before Transfers | \$ (340,198) | \$ (8,032) | \$ (993,073) | \$ (127,653) | \$ (1,333,271) | \$ (135,685) |
| Transfers | 245,448 | 286,202 | (245,448) | (286,202) | - | - |
| Increase/(Decrease) in Net Position | \$ (94,750) | \$ 278,170 | \$ (1,238,521) | \$ (413,855) | \$ (1,333,271) | \$ (135,685) |
| Net Position - Beginning of Year | 10,524,990 | 12,023,145 | 19,011,176 | 21,434,945 | 29,536,166 | 33,458,090 |
| Net Position Adjustment | 447,313 | (1,776,325) | (60,594) | (2,009,914) | 386,719 | (3,786,239) |
| Net Position - End of Year | \$ 10,877,553 | \$ 10,524,990 | \$ 17,712,061 | \$ 19,011,176 | \$ 28,589,614 | \$ 29,536,166 |

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Village's net resources available for spending at the end of the fiscal year.

At April 30, 2020, the Village's governmental funds reported combined ending fund balances of \$3,285,864 an increase of \$416,759 in comparison with the prior year. Of this total amount, \$1,480,029 constitutes unassigned fund balance, which is available for spending at the Village's discretion. The remainder of fund balance is restricted to indicate that it is not available for new spending because it has already been restricted for various purposes.

The General Fund is the chief operating fund of the Village. At April 30, 2020, unassigned fund balance of the General Fund was \$1,490,426, while total fund balance was \$1,673,047. The fund balance of the Village's General Fund increased by \$463,056 during the year ended April 30, 2020, due mainly to the proceeds for the sale of 10 acres of Village owned land.

The Capital Improvements Fund unassigned fund balance was zero, as all funds are assigned for capital projects. The total ending fund balance did not change as all expenses from this fund are covered by the General Fund.

Proprietary funds. The Village's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Golf Course Fund at April 30, 2020 was to negative \$201,961. The total decrease in net position from operations for the Golf Course Fund was \$204,803. In general, there was a decrease in operating revenue due to inclement weather during the summer and the Covid-19 virus. Operating expenses also decreased due to the decreased demand for the golf course and its amenities.

Unrestricted net position of the Lakewood Utilities Fund, which is a Water and Sewer Fund, at April 30, 2020 amounted to \$2,334,539. The total decrease in net position from operations for the Lakewood Utilities Fund was \$122,038. Operating revenues decreased during the year due to a decrease in connection fees in comparison to the prior year. This decrease was offset by an increase in operating expenses due to higher supplies and depreciation expense.

Unrestricted net position of the East Sewer Fund, which is a Water and Sewer Fund, at April 30, 2020 amounted to negative \$18,647. There was no increase/decrease due to operations in this fund. The only activity in the current year was interest payments of \$40,784 in relation to the IEPA loan. All related revenues and operation expenses, once operations began, were allocated to the Lakewood Utilities Fund.

Unrestricted net position of the Refuse Fund at April 30, 2020 amounted to \$40,082. The total increase in net position for the Refuse Fund was \$12,583 (including a net position adjustment increase of \$8,144). Contractual services expenses increased while refuse charges revenues decreased for the year.

General Fund Budgetary Highlights

Differences between the original budget and appropriations ordinance and the final budget and appropriations ordinance were relatively minor. Significant differences between the final amended budget and appropriations ordinance and the actual revenues and expenditures are summarized as follows:

- The difference between the estimated revenues and the actual revenues was \$27,293 (unfavorable). This was primarily due to the Village receiving lower state taxes than expected.
- The difference between the estimated expenditures and the actual expenditures was \$52,117 (favorable). This was primarily due to less than expected expenditures for economic development.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. The Village's investment in capital assets for its governmental and business-type activities as of April 30, 2020 amounts to \$32,953,120 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, improvements, infrastructure, systems, and equipment.

Major capital asset events during the current fiscal year included the following:

- A Hampshire Lane reconstruction for \$203,769
- Construction of Lake Ave for \$29,493
- Construction of the Redtail Deck for \$23,719
- Capital lease of the Grinder for \$85,120
- Sale of land resulting in proceeds in excess of \$600,000

Village of Lakewood's Capital Assets
(net of depreciation)

| | Governmental Activities | | Business-Type Activities | | Total | |
|--------------------------|-------------------------|---------------------|--------------------------|----------------------|----------------------|----------------------|
| | 4/30/2020 | 4/30/2019 | 4/30/2020 | 4/30/2019 | 4/30/2020 | 4/30/2019 |
| Land | \$ 3,921,537 | \$ 4,523,121 | \$ 3,434,865 | \$ 3,434,865 | \$ 7,356,402 | \$ 7,957,986 |
| Construction in Progress | - | - | - | 5,810 | - | 5,810 |
| Buildings | 279,579 | 291,920 | 330,961 | 357,510 | 610,540 | 649,430 |
| Improvements | 148,275 | 166,263 | 238,536 | 229,020 | 386,811 | 395,283 |
| Infrastructure | 3,698,003 | 3,360,508 | - | - | 3,698,003 | 3,360,508 |
| Water Systems | - | - | 3,569,260 | 3,729,028 | 3,569,260 | 3,729,028 |
| Sewer Systems | - | - | 16,590,800 | 17,067,192 | 16,590,800 | 17,067,192 |
| Equipment | 538,042 | 480,077 | 203,262 | 159,592 | 741,304 | 639,669 |
| Total | <u>\$ 8,585,436</u> | <u>\$ 8,821,889</u> | <u>\$ 24,367,684</u> | <u>\$ 24,983,017</u> | <u>\$ 32,953,120</u> | <u>\$ 33,804,906</u> |

Additional information on the Village's capital assets can be found in note 4 on pages 26 and 27 of this report.

Long-term debt. At April 30, 2020, the Village had total debt outstanding of \$10,744,694. This debt is collateralized by property and equipment.

Village of Lakewood's Outstanding Debt

| | Governmental Activities | | Business-Type Activities | | Total | |
|----------------------------------|-------------------------|-------------------|--------------------------|---------------------|----------------------|----------------------|
| | 4/30/2020 | 4/30/2019 | 4/30/2020 | 4/30/2019 | 4/30/2020 | 4/30/2019 |
| Refunding Bonds | \$ - | \$ - | \$ 8,355,084 | \$ 5,903,396 | \$ 8,355,084 | \$ 5,903,396 |
| Alternative Revenue Source Bonds | - | - | - | 1,609,266 | - | 1,609,266 |
| Loans Payable | - | 199,903 | 2,167,441 | 2,280,696 | 2,167,441 | 2,480,599 |
| Lease/Purchase Agreements | 126,408 | 155,923 | 95,761 | 54,372 | 222,169 | 210,295 |
| Total | <u>\$ 126,408</u> | <u>\$ 355,826</u> | <u>\$ 10,618,286</u> | <u>\$ 9,847,730</u> | <u>\$ 10,744,694</u> | <u>\$ 10,203,556</u> |

The Village's total debt increased by \$541,138 during the year ended April 30, 2020. The key factor in this increase was the refunding of 2010 Series Bonds and an issuance of new capital purchase agreements.

Additional information on the Village's long-term debt can be found in note 5 on pages 27 through 29 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The equalized assessed valuation (EA) of the Village for 2019 is \$182,312,065. That represents a decrease in EAV of \$3,363,296 from the prior year's EAV.

The President and Trustees of the Village considered the following factors in preparing the budget for the Village's 2021 fiscal year:

- COVID-19 impact including assumptions of the following decreases per IL State guidance and comparison to 2008 Economic Recession records:
 - IML forecast of \$105 per capita for Income Tax (-25% COVID-19)
 - IML forecast of \$35.50 per capita for Use Tax (-25% COVID-19)
 - IML forecast of no change for Replacement Tax (-30% COVID-19)
 - current trend for Telecom (-10% COVID-19)
 - current trend for Gas Utility (-10% COVID-19)
 - current trend Electric Utility (-10% COVID-19)
 - current trend for Water Sales (-5% COVID-19)
 - current trend for Sewer Sales (-5% COVID-19)

- Impact fee exemptions extended to July 14, 2020 for single family home development on existing lots.
- No cost of living allowance for staff
- Capital projects and purchases including but not limited to Well 3 rehab project and purchase of a sewer vector truck

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Village's finances for all those with an interest in the Village's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Village of Lakewood, 2500 Lake Avenue, Village of Lakewood, IL 60014.

BASIC FINANCIAL STATEMENTS

Village of Lakewood
Government-Wide Financial Statements
Statement of Net Position
April 30, 2020

| | Primary Government | | |
|--|----------------------------|-----------------------------|----------------------|
| | Governmental Activities | Business-Type Activities | Total |
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 2,896,135 | \$ 2,936,087 | \$ 5,832,222 |
| Restricted - Cash and Cash Equivalents | - | 908,650 | 908,650 |
| Receivables (Net of Allowance of \$17,282) | | | |
| Accounts Receivable | - | 355,016 | 355,016 |
| Property Taxes | 1,710,884 | - | 1,710,884 |
| Other Receivables | 40,406 | 13,380 | 53,786 |
| Due from Other Governmental Units | 120,090 | - | 120,090 |
| Due from Other Funds | 124,358 | (124,358) | - |
| Inventories, at Cost | 16,990 | 23,346 | 40,336 |
| Prepaid Expenses | 102,902 | 87,631 | 190,533 |
| Deposits | - | 400 | 400 |
| Capital Assets | | | |
| Land, Construction in Progress, and Other Non-Depreciable Items | 3,921,537 | 3,434,865 | 7,356,402 |
| Other Capital Assets, Net of Depreciation | 4,663,899 | 20,932,819 | 25,596,718 |
| Total Assets | \$ 13,597,201 | \$ 28,567,836 | \$ 42,165,037 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Pension Expense/Revenue - IMRF | \$ 47,143 | \$ 12,473 | \$ 59,616 |
| OPEB Expense/Revenue - IMRF | 11,391 | - | 11,391 |
| Total Deferred Outflows of Resources | \$ 58,534 | \$ 12,473 | \$ 71,007 |
| LIABILITIES | | | |
| Accounts Payable | \$ - | \$ 23,100 | \$ 23,100 |
| Accrued Payroll | 11,070 | 5,893 | 16,963 |
| Sales Tax Payable | - | 54 | 54 |
| Payroll Liabilities | 1,574 | - | 1,574 |
| Due to Developers | 2,373 | - | 2,373 |
| Accrued Interest | - | 144,476 | 144,476 |
| Customer Deposits | - | 36,984 | 36,984 |
| Non-Current Liabilities | | | |
| Due Within One Year | 95,423 | 548,482 | 643,905 |
| Due in More Than One Year | 931,916 | 10,102,660 | 11,034,576 |
| Total Liabilities | \$ 1,042,356 | \$ 10,861,649 | \$ 11,904,005 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unavailable Revenue | \$ 1,710,884 | \$ - | \$ 1,710,884 |
| Pension Expense/Revenue - IMRF | 24,942 | 6,599 | 31,541 |
| Total Deferred Inflows of Resources | \$ 1,735,826 | \$ 6,599 | \$ 1,742,425 |
| NET POSITION | | | |
| Net Investment in Capital Assets | \$ 8,459,028 | \$ 14,649,398 | \$ 23,108,426 |
| Restricted for: | | | |
| Impact Fees | 1,157,988 | - | 1,157,988 |
| Debt Service | - | 908,650 | 908,650 |
| Motor Fuel Tax | 146,778 | - | 146,778 |
| Special Service Areas | 142,472 | - | 142,472 |
| Lake Patrol | 16,206 | - | 16,206 |
| Unrestricted | 955,081 | 2,154,013 | 3,109,094 |
| Total Net Position | \$ 10,877,553 | \$ 17,712,061 | \$ 28,589,614 |

The Notes to Financial Statements are an integral part of this statement.

**Village of Lakewood
Government-Wide Financial Statements
Statement of Activities
For the Year Ended April 30, 2020**

| Functions/Programs | Expenses | Program Revenues | | Net (Expense) Revenue and Changes in Net Position | | |
|---------------------------------------|---------------------|-------------------------|--|--|-----------------------------|-----------------------|
| | | Charges for Services | Operating Grants and Contributions | Governmental Activities | Business-Type Activities | Total |
| Primary Government | | | | | | |
| Governmental Activities | | | | | | |
| General Government | \$ 425,580 | \$ 38,040 | \$ 2,196 | \$ (385,344) | \$ - | \$ (385,344) |
| Public Safety | 1,973,143 | 87,958 | 8,961 | (1,876,224) | - | (1,876,224) |
| Public Works and Transportation | 902,128 | 400 | - | (901,728) | - | (901,728) |
| Economic Development | 89,378 | 56,278 | - | (33,100) | - | (33,100) |
| Interest on Long-Term Debt | 12,402 | - | - | (12,402) | - | (12,402) |
| Total Governmental Activities | <u>\$ 3,402,631</u> | <u>\$ 182,676</u> | <u>\$ 11,157</u> | <u>\$ (3,208,798)</u> | <u>\$ -</u> | <u>\$ (3,208,798)</u> |
| Business-Type Activities | | | | | | |
| Culture and Recreation | \$ 839,645 | \$ 632,349 | \$ - | \$ - | \$ (207,296) | \$ (207,296) |
| Water and Sewer | 2,420,196 | 1,563,018 | 15,569 | - | (841,609) | (841,609) |
| Refuse | 316,131 | 320,570 | - | - | 4,439 | 4,439 |
| Total Business-Type Activities | <u>\$ 3,575,972</u> | <u>\$ 2,515,937</u> | <u>\$ 15,569</u> | <u>\$ -</u> | <u>\$ (1,044,466)</u> | <u>\$ (1,044,466)</u> |
| Total Primary Government | <u>\$ 6,978,603</u> | <u>\$ 2,698,613</u> | <u>\$ 26,726</u> | <u>\$ (3,208,798)</u> | <u>\$ (1,044,466)</u> | <u>\$ (4,253,264)</u> |
| General Revenues | | | | | | |
| Property Taxes | | | | \$ 1,694,294 | \$ - | \$ 1,694,294 |
| Sales Tax | | | | 241,541 | - | 241,541 |
| Utility Tax | | | | 252,785 | - | 252,785 |
| Franchise Tax | | | | 79,624 | - | 79,624 |
| State Income Taxes | | | | 374,845 | - | 374,845 |
| State Replacement Taxes | | | | 2,550 | - | 2,550 |
| Motor Fuel Taxes | | | | 140,633 | - | 140,633 |
| Other Miscellaneous | | | | 29,427 | 15,126 | 44,553 |
| Interest | | | | 48,931 | 36,267 | 85,198 |
| Gain/(Loss) on Sale of Capital Assets | | | | 3,970 | - | 3,970 |
| Transfers In/(Out) | | | | 245,448 | (245,448) | - |
| Total General Revenues and Transfers | | | | <u>\$ 3,114,048</u> | <u>\$ (194,055)</u> | <u>\$ 2,919,993</u> |
| Change in Net Position | | | | \$ (94,750) | \$ (1,238,521) | \$ (1,333,271) |
| Net Position - May 1, 2019 | | | | 10,524,990 | 19,011,176 | 29,536,166 |
| Net Position Adjustment (Note 19) | | | | 447,313 | (60,594) | 386,719 |
| Net Position - April 30, 2020 | | | | <u>\$ 10,877,553</u> | <u>\$ 17,712,061</u> | <u>\$ 28,589,614</u> |

The Notes to Financial Statements are an integral part of this statement.

**Village of Lakewood
Fund Financial Statements
Balance Sheet
Governmental Funds
April 30, 2020**

| | <u>General Fund</u> | <u>Capital Improvements Fund</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---|---------------------|--|---|---|
| ASSETS | | | | |
| Cash and Cash Equivalents | \$ 1,431,206 | \$ 100,000 | \$ 1,364,929 | \$ 2,896,135 |
| Receivables (Net of Allowance of \$17,282) | | | | |
| Property Taxes | 1,661,127 | - | 49,757 | 1,710,884 |
| Other Receivables | 38,701 | - | 1,705 | 40,406 |
| Due from Other Governmental Units | 108,787 | - | 11,303 | 120,090 |
| Due from Other Funds | 59,643 | - | 133,774 | 193,417 |
| Inventories, at Cost | 16,990 | - | - | 16,990 |
| Prepaid Expenses | 101,373 | - | 1,529 | 102,902 |
| Total Assets | <u>\$ 3,417,827</u> | <u>\$ 100,000</u> | <u>\$ 1,562,997</u> | <u>\$ 5,080,824</u> |
| LIABILITIES | | | | |
| Accrued Payroll | \$ 11,070 | \$ - | \$ - | \$ 11,070 |
| Due to Other Funds | 68,703 | - | 356 | 69,059 |
| Payroll Liabilities | 1,507 | - | 67 | 1,574 |
| Due to Developers | 2,373 | - | - | 2,373 |
| Total Liabilities | <u>\$ 83,653</u> | <u>\$ -</u> | <u>\$ 423</u> | <u>\$ 84,076</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable Revenue - Property Taxes | \$ 1,661,127 | \$ - | \$ 49,757 | \$ 1,710,884 |
| Total Deferred Inflows of Resources | <u>\$ 1,661,127</u> | <u>\$ -</u> | <u>\$ 49,757</u> | <u>\$ 1,710,884</u> |
| FUND BALANCES | | | | |
| Nonspendable | | | | |
| Inventories | \$ 16,990 | \$ - | \$ - | \$ 16,990 |
| Prepaid Expenses | 101,373 | - | 1,529 | 102,902 |
| Restricted | | | | |
| Impact Fees | - | - | 1,157,988 | 1,157,988 |
| Motor Fuel Tax | - | - | 146,778 | 146,778 |
| Special Service Areas | - | - | 142,472 | 142,472 |
| Lake Patrol | - | - | 16,206 | 16,206 |
| Assigned | | | | |
| Capital Projects | - | 100,000 | - | 100,000 |
| Impact Fees | - | - | 51,477 | 51,477 |
| Motor Fuel Tax | - | - | 6,639 | 6,639 |
| Lake Patrol | - | - | 125 | 125 |
| Parks and Recreation | 64,258 | - | - | 64,258 |
| Unassigned | 1,490,426 | - | (10,397) | 1,480,029 |
| Total Fund Balance | <u>\$ 1,673,047</u> | <u>\$ 100,000</u> | <u>\$ 1,512,817</u> | <u>\$ 3,285,864</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 3,417,827</u> | <u>\$ 100,000</u> | <u>\$ 1,562,997</u> | <u>\$ 5,080,824</u> |

The Notes to Financial Statements are an integral part of this statement.

**Village of Lakewood
Fund Financial Statements
Reconciliation of the Balance Sheet
To the Statement of Net Position
April 30, 2020**

| | | |
|---|------------------|-----------------------------|
| Total Fund Balances - Governmental Funds | | \$ 3,285,864 |
| 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. | | |
| Capital Assets, net of accumulated depreciation | | 8,585,436 |
| Some liabilities are not due and payable in the current period and therefore are not reported in the funds. | | |
| Loans Payable | \$ (126,408) | |
| Compensated Absences | (62,922) | |
| IMRF Net Pension Liability | (638,835) | |
| OPEB Net Pension Liability | <u>(199,174)</u> | |
| | | (1,027,339) |
| Deferred pension costs/revenues in governmental activities are not financial resources and therefore are not reported in the funds. | | |
| IMRF Pension | \$ 22,201 | |
| IMRF OPEB | <u>11,391</u> | |
| | | <u>33,592</u> |
| Net Position of Governmental Activities | | <u><u>\$ 10,877,553</u></u> |

The Notes to Financial Statements are an integral part of this statement.

Village of Lakewood
Fund Financial Statements
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended April 30, 2020

| | <u>General Fund</u> | <u>Capital Improvements Fund</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---|---------------------|--|---|---|
| REVENUES | | | | |
| Property Taxes | \$ 1,644,372 | \$ - | \$ 49,922 | \$ 1,694,294 |
| Sales Tax | 241,541 | - | - | 241,541 |
| Utility Tax | 252,785 | - | - | 252,785 |
| Franchise Tax | 79,624 | - | - | 79,624 |
| State Income Taxes | 374,845 | - | - | 374,845 |
| State Replacement Taxes | 2,550 | - | - | 2,550 |
| Adult Use Cannabis Tax | 624 | - | - | 624 |
| Grants | 8,961 | - | - | 8,961 |
| Motor Fuel Taxes | - | - | 140,633 | 140,633 |
| Other Licenses and Permits | 72,121 | - | - | 72,121 |
| Fines and Forfeitures | 55,064 | - | - | 55,064 |
| Charges for Services | 6,272 | - | 31,570 | 37,842 |
| Rental Income | 17,025 | - | - | 17,025 |
| Interest Income | 42,055 | - | 6,876 | 48,931 |
| Donations | 2,196 | - | - | 2,196 |
| Other Miscellaneous | 24,552 | - | 420 | 24,972 |
| TOTAL REVENUES | <u>\$ 2,824,587</u> | <u>\$ -</u> | <u>\$ 229,421</u> | <u>\$ 3,054,008</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General Government | \$ 363,123 | \$ - | \$ 41,623 | \$ 404,746 |
| Public Safety | 1,835,057 | - | 23,191 | 1,858,248 |
| Public Works and Transportation | 477,568 | - | - | 477,568 |
| Economic Development | 89,378 | - | - | 89,378 |
| Total Current | <u>\$ 2,765,126</u> | <u>\$ -</u> | <u>\$ 64,814</u> | <u>\$ 2,829,940</u> |
| Capital Outlay | | | | |
| Public Works and Transportation | \$ - | \$ 341,907 | \$ 79,039 | \$ 420,946 |
| Total Capital Outlay | <u>\$ -</u> | <u>\$ 341,907</u> | <u>\$ 79,039</u> | <u>\$ 420,946</u> |
| Debt Service | | | | |
| Principal | \$ 199,903 | \$ 22,302 | \$ 7,213 | \$ 229,418 |
| Interest | 7,931 | 3,589 | 882 | 12,402 |
| Total Debt Service | <u>\$ 207,834</u> | <u>\$ 25,891</u> | <u>\$ 8,095</u> | <u>\$ 241,820</u> |
| TOTAL EXPENDITURES | <u>\$ 2,972,960</u> | <u>\$ 367,798</u> | <u>\$ 151,948</u> | <u>\$ 3,492,706</u> |
| EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>\$ (148,373)</u> | <u>\$ (367,798)</u> | <u>\$ 77,473</u> | <u>\$ (438,698)</u> |
| OTHER FINANCING SOURCES/(USES) | | | | |
| Transfers In/(Out) | \$ 1,420 | \$ 367,798 | \$ (123,770) | \$ 245,448 |
| Proceeds from Sale of Fixed Assets | 610,009 | - | - | 610,009 |
| TOTAL OTHER FINANCING SOURCES/(USES) | <u>\$ 611,429</u> | <u>\$ 367,798</u> | <u>\$ (123,770)</u> | <u>\$ 855,457</u> |
| NET CHANGE IN FUND BALANCES | <u>\$ 463,056</u> | <u>\$ -</u> | <u>\$ (46,297)</u> | <u>\$ 416,759</u> |
| FUND BALANCES - MAY 1, 2019 | <u>1,209,991</u> | <u>100,000</u> | <u>1,559,114</u> | <u>2,869,105</u> |
| FUND BALANCES - APRIL 30, 2020 | <u>\$ 1,673,047</u> | <u>\$ 100,000</u> | <u>\$ 1,512,817</u> | <u>\$ 3,285,864</u> |

The Notes to Financial Statements are an integral part of this statement.

Village of Lakewood
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances to the Statement of Activities
Year Ended April 30, 2020

Net Change in Fund Balances - Total Governmental Funds \$ 416,759

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. This is the amount by which capital outlay and the transfer of proprietary assets exceeds depreciation expense in the current period.

| | | |
|----------------------|----------------|----------|
| Depreciation Expense | \$ (369,195) | |
| Capital Outlays | <u>287,013</u> | (82,182) |

In the Statement of Activities, only the gain or loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the undepreciated balance of the capital assets sold.

| | | |
|---------------------------------------|--------------|-----------|
| Proceeds from Sale of Capital Assets | \$ (605,554) | |
| Gain/(Loss) on Sale of Capital Assets | <u>3,970</u> | (601,584) |

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

| | | |
|----------------------|------------------|-----------|
| Compensated Absences | \$ 2,569 | |
| OPEB Expense | (9,588) | |
| IMRF Pension Expense | <u>(207,166)</u> | (214,185) |

Repayment of long-term debt requires the use of current financial resources of governmental funds and is therefore shown as an expenditure in the Statement of Revenues, Expenditures, and Changes in Fund Balances, but the repayment reduces long-term liabilities in the Statement of Net Position and is therefore not reported in the Statement of Activities.

| | | |
|-----------------------------|--|---------|
| Repayment of Long-Term Debt | | 229,418 |
|-----------------------------|--|---------|

Employer pension and OPEB contributions are expensed in the fund financial statements but treated as a reduction in the Net Pension Liability on the government-wide financial statements.

| | | |
|----------------------------|---------------|----------------|
| IMRF Pension Contributions | \$ 121,686 | |
| IMRF OPEB Contributions | <u>35,338</u> | <u>157,024</u> |

| | | |
|---|--|--------------------|
| Change in Net Position of Governmental Activities | | <u>\$ (94,750)</u> |
|---|--|--------------------|

The Notes to Financial Statements are an integral part of this statement.

**Village of Lakewood
Fund Financial Statements
Statement of Net Position
Proprietary Funds
April 30, 2020**

| | Business-Type Activities - Enterprise Funds | | | | |
|---|--|------------------------------------|----------------------------|------------------|----------------------|
| | Golf Course | Water and Sewer | | Refuse | Total |
| | | Lakewood Utilities Fund | East Sewer Fund | | |
| ASSETS | | | | | |
| Current Assets | | | | | |
| Cash and Cash Equivalents | \$ - | \$ 3,134,101 | \$ - | \$ - | \$ 3,134,101 |
| Restricted - Cash and Cash Equivalents | - | 908,650 | - | - | 908,650 |
| Receivables (Net of Allowance of \$0) | | | | | |
| Accounts Receivable | - | 297,656 | - | 57,360 | 355,016 |
| Other Receivables | - | 13,380 | - | - | 13,380 |
| Inventories, at Cost | 23,346 | - | - | - | 23,346 |
| Prepaid Items | 71,039 | 16,513 | - | 79 | 87,631 |
| Deposits | 400 | - | - | - | 400 |
| Total Current Assets | \$ 94,785 | \$ 4,370,300 | \$ - | \$ 57,439 | \$ 4,522,524 |
| Non-Current Assets | | | | | |
| Land | \$ 3,424,865 | \$ 10,000 | \$ - | \$ - | \$ 3,434,865 |
| Buildings | 550,092 | - | - | - | 550,092 |
| Improvements | 698,932 | - | - | - | 698,932 |
| Water Systems | - | 6,960,901 | - | - | 6,960,901 |
| Sewer Systems | - | 18,601,210 | 3,893,267 | - | 22,494,477 |
| Equipment | 1,049,407 | 233,769 | 2,945 | - | 1,286,121 |
| Less: Accumulated Depreciation | (1,576,707) | (8,833,161) | (647,836) | - | (11,057,704) |
| Total Non-Current Assets | \$ 4,146,589 | \$ 16,972,719 | \$ 3,248,376 | \$ - | \$ 24,367,684 |
| Total Assets | \$ 4,241,374 | \$ 21,343,019 | \$ 3,248,376 | \$ 57,439 | \$ 28,890,208 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Pension Expense/Revenue - IMRF | \$ 4,815 | \$ 7,658 | \$ - | \$ - | \$ 12,473 |
| Total Deferred Outflows of Resources | \$ 4,815 | \$ 7,658 | \$ - | \$ - | \$ 12,473 |
| LIABILITIES | | | | | |
| Current Liabilities | | | | | |
| Cash Overdraft | \$ 163,191 | \$ - | \$ 18,032 | \$ 16,791 | \$ 198,014 |
| Accounts Payable | - | 23,100 | - | - | 23,100 |
| Accrued Payroll | 1,541 | 4,318 | - | 34 | 5,893 |
| Due to Other Funds | 89,122 | 34,259 | 615 | 362 | 124,358 |
| Sales Tax Payable | 54 | - | - | - | 54 |
| Accrued Interest | 1,706 | 142,770 | - | - | 144,476 |
| Customer Deposits | 36,984 | - | - | - | 36,984 |
| Bonds Payable Current | - | 391,941 | - | - | 391,941 |
| Loans Payable Current | - | - | 115,731 | - | 115,731 |
| Lease/Purchase Agreements Current | 40,810 | - | - | - | 40,810 |
| Total Current Liabilities | \$ 333,408 | \$ 596,388 | \$ 134,378 | \$ 17,187 | \$ 1,081,361 |
| Non-Current Liabilities | | | | | |
| Compensated Absences | \$ 120 | \$ 15,466 | \$ - | \$ 170 | \$ 15,756 |
| Bonds Payable (Net of Amortized Bond Premium) | - | 7,963,143 | - | - | 7,963,143 |
| Loans Payable | - | - | 2,051,710 | - | 2,051,710 |
| Lease/Purchase Agreements | 54,951 | - | - | - | 54,951 |
| Net Pension Liability - IMRF | 6,296 | 10,804 | - | - | 17,100 |
| Total Non-Current Liabilities | \$ 61,367 | \$ 7,989,413 | \$ 2,051,710 | \$ 170 | \$ 10,102,660 |
| Total Liabilities | \$ 394,775 | \$ 8,585,801 | \$ 2,186,088 | \$ 17,357 | \$ 11,184,021 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Pension Expense/Revenue - IMRF | \$ 2,547 | \$ 4,052 | \$ - | \$ - | \$ 6,599 |
| Total Deferred Outflows of Resources | \$ 2,547 | \$ 4,052 | \$ - | \$ - | \$ 6,599 |
| NET POSITION | | | | | |
| Net Investment in Capital Assets | \$ 4,050,828 | \$ 9,517,635 | \$ 1,080,935 | \$ - | \$ 14,649,398 |
| Restricted for Debt Service | - | 908,650 | - | - | 908,650 |
| Unrestricted | (201,961) | 2,334,539 | (18,647) | 40,082 | 2,154,013 |
| Total Net Position | \$ 3,848,867 | \$ 12,760,824 | \$ 1,062,288 | \$ 40,082 | \$ 17,712,061 |

The Notes to Financial Statements are an integral part of this statement.

Village of Lakewood
Fund Financial Statements
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
Year Ended April 30, 2020

| | Business-Type Activities - Enterprise Funds | | | | |
|---|--|------------------------------------|----------------------------|-------------------|-----------------------|
| | Water and Sewer | | | | |
| | Golf Course | Lakewood Utilities Fund | East Sewer Fund | Refuse | Total |
| OPERATING REVENUES | | | | | |
| Charges for Services | | | | | |
| Sewer Charges | \$ - | \$ 1,033,157 | \$ - | \$ - | \$ 1,033,157 |
| Water Charges | - | 516,823 | - | - | 516,823 |
| Connection Fees | - | 150 | - | - | 150 |
| Meter Fees | - | 625 | - | - | 625 |
| Penalties | - | 12,263 | - | - | 12,263 |
| Refuse Charges | - | - | - | 320,570 | 320,570 |
| Golf Course Revenue | 566,673 | - | - | - | 566,673 |
| Golf Merchandise Sales | 65,676 | - | - | - | 65,676 |
| Other Miscellaneous | 2,493 | 12,865 | - | - | 15,358 |
| TOTAL OPERATING REVENUES | \$ 634,842 | \$ 1,575,883 | \$ - | \$ 320,570 | \$ 2,531,295 |
| OPERATING EXPENSES | | | | | |
| Culture and Recreation | | | | | |
| Personal Services | \$ 367,176 | \$ - | \$ - | \$ - | \$ 367,176 |
| Supplies/Commodities | 242,634 | - | - | - | 242,634 |
| Contractual Services | 148,496 | - | - | - | 148,496 |
| Depreciation Expense | 81,339 | - | - | - | 81,339 |
| Water and Sewer | | | | | |
| Personal Services | - | 380,449 | - | - | 380,449 |
| Supplies/Commodities | - | 250,000 | - | - | 250,000 |
| Contractual Services | - | 360,131 | - | - | 360,131 |
| Depreciation Expense | - | 644,193 | - | - | 644,193 |
| Amortization | - | 63,148 | - | - | 63,148 |
| Refuse | | | | | |
| Personal Services | - | - | - | 6,559 | 6,559 |
| Contractual Services | - | - | - | 309,572 | 309,572 |
| TOTAL OPERATING EXPENSES | \$ 839,645 | \$ 1,697,921 | \$ - | \$ 316,131 | \$ 2,853,697 |
| OPERATING INCOME/(LOSS) | \$ (204,803) | \$ (122,038) | \$ - | \$ 4,439 | \$ (322,402) |
| NON-OPERATING REVENUE/(EXPENSE) | | | | | |
| Interest Income | \$ 213 | \$ 36,054 | \$ - | \$ - | \$ 36,267 |
| Build America Bonds - Interest Rebate | - | 15,569 | - | - | 15,569 |
| Bond Yield Reduction Payment | - | (187,619) | - | - | (187,619) |
| Bond Issuance Costs | - | (138,435) | - | - | (138,435) |
| Interest Expense | - | (354,012) | (40,784) | - | (394,796) |
| Paying Agent Fees | - | (1,425) | - | - | (1,425) |
| Other Miscellaneous Income | (232) | - | - | - | (232) |
| TOTAL NON-OPERATING REVENUE/(EXPENSE) | \$ (19) | \$ (629,868) | \$ (40,784) | \$ - | \$ (670,671) |
| INCOME/(LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS | \$ (204,822) | \$ (751,906) | \$ (40,784) | \$ 4,439 | \$ (993,073) |
| TRANSFERS IN/(OUT) | - | (245,448) | - | - | (245,448) |
| CHANGE IN NET POSITION | \$ (204,822) | \$ (997,354) | \$ (40,784) | \$ 4,439 | \$ (1,238,521) |
| NET POSITION - MAY 1, 2019 | 4,053,689 | 13,826,916 | 1,103,072 | 27,499 | 19,011,176 |
| NET POSITION ADJUSTMENT (Note 19) | - | (68,738) | - | 8,144 | (60,594) |
| NET POSITION - APRIL 30, 2020 | \$ 3,848,867 | \$ 12,760,824 | \$ 1,062,288 | \$ 40,082 | \$ 17,712,061 |

The Notes to Financial Statements are an integral part of this statement.

**Village of Lakewood
Fund Financial Statements
Statement of Cash Flows
Proprietary Funds
Year Ended April 30, 2020**

| | Business-Type Activities - Enterprise Funds | | | | |
|--|--|------------------------------------|----------------------------|---------------------------|----------------------------|
| | Water and Sewer | | | | |
| | Golf Course | Lakewood Utilities Fund | East Sewer Fund | Refuse | Total |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Receipts from Customers | \$ 637,092 | \$ 1,549,578 | \$ - | \$ 325,612 | \$ 2,512,282 |
| Payments to Suppliers for Goods and Services | (358,817) | (587,031) | - | (309,572) | (1,255,420) |
| Payments to Employees for Services | (371,474) | (370,739) | - | (6,607) | (748,820) |
| Other Receipts/(Payments) | 2,494 | 16,343 | - | - | 18,837 |
| Net Cash Provided/(Used) by Operating Activities | <u>\$ (90,705)</u> | <u>\$ 608,151</u> | <u>\$ -</u> | <u>\$ 9,433</u> | <u>\$ 526,879</u> |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES | | | | | |
| Transfers (to)/from Other Funds | \$ - | \$ (245,448) | \$ - | \$ - | \$ (245,448) |
| Net Cash Provided/(Used) by Non-Capital Financing Activities | <u>\$ -</u> | <u>\$ (245,448)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (245,448)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | |
| Donations | \$ (232) | \$ - | \$ - | \$ - | \$ (232) |
| Proceeds on Sale of Bonds | - | 7,550,000 | - | - | 7,550,000 |
| Premium on Sale of Bonds | - | 831,054 | - | - | 831,054 |
| Bond Refunding Payment | - | (7,490,000) | - | - | (7,490,000) |
| Bond Issuance Costs | - | (326,054) | - | - | (326,054) |
| Interest Paid on Capital Debt | - | (338,443) | (40,784) | - | (379,227) |
| Principal Paid on Capital Debt | - | - | (113,255) | - | (113,255) |
| Proceeds from Capital Lease | 45,288 | - | - | - | 45,288 |
| Principal Paid on Lease/Purchase Agreements | (3,899) | - | - | - | (3,899) |
| Purchase of Capital Assets | (108,559) | (5,119) | - | - | (113,678) |
| Other Receipts/(Payments) | - | (1,425) | - | - | (1,425) |
| Net Cash Provided/(Used) by Capital and Related Financing Activities | <u>\$ (67,402)</u> | <u>\$ 220,013</u> | <u>\$ (154,039)</u> | <u>\$ -</u> | <u>\$ (1,428)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Interest on Cash and Cash Equivalents and Investments | \$ 213 | \$ 36,055 | \$ - | \$ - | \$ 36,268 |
| Net Cash Provided/(Used) by Investing Activities | <u>\$ 213</u> | <u>\$ 36,055</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 36,268</u> |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | <u>\$ (157,894)</u> | <u>\$ 618,771</u> | <u>\$ (154,039)</u> | <u>\$ 9,433</u> | <u>\$ 316,271</u> |
| CASH AND CASH EQUIVALENTS BALANCE - MAY 1, 2019 (INCLUDING RESTRICTED CASH) | <u>(5,297)</u> | <u>3,423,980</u> | <u>136,007</u> | <u>(26,224)</u> | <u>3,528,466</u> |
| CASH AND CASH EQUIVALENTS BALANCE - APRIL 30, 2020 (INCLUDING RESTRICTED CASH) | <u><u>\$ (163,191)</u></u> | <u><u>\$ 4,042,751</u></u> | <u><u>\$ (18,032)</u></u> | <u><u>\$ (16,791)</u></u> | <u><u>\$ 3,844,737</u></u> |
| RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES | | | | | |
| Operating Income/(Loss) | \$ (204,803) | \$ (122,038) | \$ - | \$ 4,439 | \$ (322,402) |
| Adjustments to reconcile operating income to net cash provided by operating activities | | | | | |
| Depreciation Expense | 81,340 | 644,193 | - | - | 725,533 |
| Amortization Expense | - | 63,148 | - | - | 63,148 |
| Change in assets and liabilities | | | | | |
| Receivables, net | - | (13,440) | - | 5,042 | (8,398) |
| Prepaid Expenses | 5,940 | - | - | - | 5,940 |
| Inventories | 29,113 | - | - | - | 29,113 |
| Accounts and Other Payables | (2,740) | 26,578 | - | - | 23,838 |
| Accrued Payroll | (11,757) | (7,178) | - | (147) | (19,082) |
| Compensated Absences | (4,279) | 803 | - | 99 | (3,377) |
| Pension Liabilities | 11,738 | 16,085 | - | - | 27,823 |
| Customer Deposits | 4,743 | - | - | - | 4,743 |
| Net Cash Provided/(Used) by Operating Activities | <u><u>\$ (90,705)</u></u> | <u><u>\$ 608,151</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 9,433</u></u> | <u><u>\$ 526,879</u></u> |

The Notes to Financial Statements are an integral part of this statement.

**Village of Lakewood
Fund Financial Statements
Statement of Fiduciary Net Position
Fiduciary Funds
April 30, 2020**

| | <u>Agency Fund</u> |
|---------------------------|---------------------------|
| ASSETS | |
| Cash and Cash Equivalents | <u>\$ 198,622</u> |
| Total Assets | <u><u>\$ 198,622</u></u> |
| LIABILITIES | |
| Due to Developers | <u>\$ 198,622</u> |
| Total Liabilities | <u><u>\$ 198,622</u></u> |

The Notes to Financial Statements are an integral part of this statement.

VILLAGE OF LAKEWOOD
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Lakewood's (Village) financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant accounting policies used by the Village are discussed below.

A. Reporting Entity

The accompanying financial statements comply with the provisions of GASB statements in that the financial statements include all organizations, activities, and functions that comprise the Village. Component units are legally separate entities for which the Village (the primary entity) is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization's governing body and either (1) the Village's ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the Village. Using these criteria, the Village has no component units. In addition, the Village is not included as a component unit in any other governmental reporting entity as defined by GASB pronouncements.

B. Basic Financial Statements – Government-Wide Statements

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund (reporting the Village's major funds) financial statements. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Village's general government, public safety, public works and transportation, culture and recreation, and economic development functions are classified as governmental activities. The Village's culture and recreation activities, water and sewer services, and refuse and recycling services are classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Village's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. 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. The functions are also supported by general government revenues (property taxes, sales taxes, interest income, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating, and capital grants. Program revenues must be directly associated with the function (public safety, public works and transportation, economic development, etc.) or a business-type activity. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

NOTES TO FINANCIAL STATEMENTS (Continued)

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, sales taxes, interest income, etc.).

The Village does not allocate indirect costs.

This government-wide focus is more 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.

C. *Basic Financial Statements – 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 comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

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, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund 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 activities reported in these funds are reported as governmental activities in the government-wide financial statements. The Village reports these governmental funds and fund types:

General Fund – The 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.

Special Revenue Funds – The Special Revenue Funds (Impact Fee, Motor Fuel Tax, seven Special Service Areas, and Lake Patrol) are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Capital Projects Funds – The Capital Improvements Fund is used to account for financial resources that are restricted, committed, or assigned to expenditures for the acquisition or construction of major capital projects and improvements.

Proprietary Fund Types

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 Village reports the following proprietary fund types:

Enterprise Funds – Enterprise funds are used 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 primarily 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.

NOTES TO FINANCIAL STATEMENTS (Continued)

Fiduciary Fund Types

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.

The Village's fiduciary funds are presented in the fiduciary fund financial statements by type (agency). Since by definition these assets are being held for the benefit of a third party (developers) and cannot be used to address activities or obligations of the Village, these funds are not incorporated into the government-wide statements.

D. *Basis of Accounting*

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual

The governmental and business-type activities in the government-wide financial statements and the proprietary fund financial statements are presented on the accrual basis of accounting. Property tax revenues are recognized in the period for which levied. Other nonexchange revenues, including intergovernmental revenues and grants, are reported when all eligibility requirements are met. Fees and charges and other exchange revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year-end. An exception was made to the 60 day recognition period for income tax revenues due to delayed payments from the State of Illinois. The exception was made to preserve the consistency of revenue recognition between years. Property tax revenues are recognized in the period for which levied provided they are also available. Intergovernmental revenues and grants are recognized when all eligibility requirements are met and the revenues are available. Expenditures are recognized when the related liability is incurred. Exceptions to this general rule include principal and interest on general obligation long-term debt and employee vacation and sick leave, which are recognized when due and payable.

E. *Cash and Cash Equivalents and Investments*

Separate bank accounts are not maintained for all Village funds. Instead, the funds maintain their cash balances in a common money market account, with accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund.

Occasionally certain of the funds participating in the common bank account will incur overdrafts (deficits) in the account. Such overdrafts in effect constitute cash borrowed from other Village funds and are, therefore, interfund loans that have not been authorized by Village Board action.

The Golf Course, East Sewer Fund, and Refuse Fund had cash overdrafts of \$163,191, \$18,032, and \$16,791, respectively at April 30, 2020.

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with an original maturity of three months or less from the date of acquisition.

NOTES TO FINANCIAL STATEMENTS (Continued)

Investments are stated at fair value. Fair value is determined by quoted market prices. Gains or losses on the sale of investments are recognized as they are incurred.

F. *Receivables*

All receivables are reported net of estimated uncollectible amounts.

G. *Prepaid Expenses*

Prepaid expenses are for payments made by the Village in the current year for goods and services received in the subsequent fiscal year.

H. *Inventories*

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method.

I. *Interfund Activity*

Interfund activity is reported either 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 are 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 between proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

J. *Capital Assets*

Capital assets purchased or acquired with an original cost of \$5,000 or more (prior to May 1, 2005 the threshold was \$2,500) are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date of donation. 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. Depreciation on all assets is provided on the straight-line half-year basis over the following estimated useful lives:

| | |
|-------------------------|---------------|
| Buildings | 10 - 50 years |
| Improvements | 10 - 50 years |
| Infrastructure | 20 - 50 years |
| Water and Sewer Systems | 20 - 50 years |
| Equipment | 4 - 40 years |

GASB Statement No. 34 requires the Village to report and depreciate new infrastructure assets effective as of May 1, 2004. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Village. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The Village is not required to retroactively report infrastructure.

K. *Deferred Outflows and Inflows of Resources*

In addition to assets and liabilities, the Balance Sheets and Statements of Net Position will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resource until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resource until that time.

NOTES TO FINANCIAL STATEMENTS (Continued)

L. *Compensated Absences*

Vacation benefits are granted to employees in varying amounts to specified maximums depending on tenure with the Village. A liability for the accrued but unused vacation time is recorded on the government-wide financial statements as well as the proprietary fund financial statements. Sick leave is accumulated from year to year up to specified maximums but is not paid upon termination.

M. *Long-Term Obligations*

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities and proprietary fund Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds on a straight-line basis. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as debt service expenditures in the year of issuance.

In the fund financial statements, governmental funds 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.

N. *Government-Wide and Proprietary Fund Net Position*

Government-wide net position is divided into three components:

1. Net investment in capital assets – consists of capital assets (net of accumulated depreciation) reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted net position – consists of net position that is restricted by the Village's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
3. Unrestricted net position – all other net position is reported in this category.

O. *Governmental Fund Balances*

Governmental fund balances are divided between nonspendable and spendable.

Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact.

The spendable fund balances are arranged in a hierarchy based on spending constraints.

1. Restricted – Restricted fund balances are restricted when constraints are placed on the use by either (a) external creditors, grantors, contributors, or laws or regulations of other governments or (b) law through constitutional provisions or enabling legislation.
2. Committed – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints of the Board of Trustees. Committed amounts cannot be used for any other purpose unless the Board of Trustees removes those constraints by taking the same type of action (e.g. legislation, resolution, ordinance). Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

NOTES TO FINANCIAL STATEMENTS (Continued)

3. Assigned – Assigned fund balances are amounts that are constrained by the Village's intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by an appointed body (e.g. a budget or finance committee) or official to which the Board of Trustees has delegated the authority to assign, modify or rescind amounts to be used for specific purposes. Pursuant to a resolution by the Board of Trustees, the Treasurer has been delegated this authority.

Assigned fund balances also include (a) all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as nonspendable, restricted or committed, and (b) amounts in the General Fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue fund are assigned for purposes in accordance with the nature of their fund type. Assignment within the General Fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purpose of the Village itself. All other assigned fund balances are the residual amounts of the fund.

4. Unassigned – Unassigned fund balance is the residual classification for the General Fund. This classification represents the General Fund balance that has not been assigned to other funds, and that has not been restricted, committed, or assigned to specific purposes within the General Fund. This classification is also used to represent negative fund balances in other funds.

The Village permits funds to be expended in the following order: Restricted, Committed, Assigned and Unassigned.

P. *Property Tax Calendar and Revenues*

The Village's property tax is levied each calendar year on all taxable real property located in the Village's district on or before the last Tuesday in December. The 2019 levy was passed by the Board on December 10, 2019. Property taxes attach as an enforceable lien on property as of January 1 of the calendar year they are for and are payable in two installments early in June and early in September of the following calendar year. The Village receives significant distributions of tax receipts approximately one month after these dates.

Q. *Defining Operating Revenues and Expenses*

The Village's proprietary funds distinguish between operating and non-operating revenues and expenses. Operating revenues and expenses of the Village's Water and Sewer Funds consist of charges for services (including tap fees for the Water Fund and systems development charges for the Sewer Fund) and the costs of providing those services, including depreciation and excluding interest cost. All other revenue and expenses are reported as non-operating.

R. *Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

The Village is allowed to invest in securities as authorized by the Illinois Compiled Statutes, Chapter 30, Act 235/Articles 2 and 6.

A. *Deposits*

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village's policy is all deposits and investments in excess of any

NOTES TO FINANCIAL STATEMENTS (Continued)

insurance shall be collateralized by pledged securities and the market value of the pledged securities shall equal or exceed the portion of deposit requiring collateralization. As of April 30, 2020, \$256,700 of the Village's bank balance of \$2,157,183 at one financial institution was exposed to custodial credit risk due to being uninsured and uncollateralized. Balances at the Village's remaining four financial institutions were fully insured and collateralized.

B. Investments

The following table categorizes the investments according to levels of risk:

| Investment | Fair Value | Investment Maturities |
|-----------------------|--------------|---------------------------|
| | | (in Years) Less Than 1 |
| State Investment Pool | \$ 2,691,249 | \$ 2,691,249 |

The fair value of investments in the State Investment Pool is the same as the value of pool shares. The State Investment Pool is not SEC-registered but has regulatory oversight through the State of Illinois.

Credit Risk. State law limits investments based on credit risk. The Village's investment policy further limits its investment choices to ensure that capital loss, whether from credit or market risk, is avoided. As of April 30, 2020, the Village's investments were rated as follows:

| Investment | Credit Rating | Rating Source |
|-----------------------|---------------|---------------------|
| State Investment Pool | AAAm | Standard and Poor's |

NOTE 3 - FAIR VALUE MEASUREMENT

The Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Village has no assets that meet the requirements for reporting at fair value.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2020 was as follows:

| | Balance May 1, 2019 | Increases | Decreases | Transfers * | Adjustment ** | Balance April 30, 2020 |
|---|------------------------|-------------|------------|-------------|---------------|---------------------------|
| Governmental Activities | | | | | | |
| Capital Assets not being depreciated | | | | | | |
| Land | \$ 4,523,121 | \$ - | \$ 601,584 | \$ - | \$ - | \$ 3,921,537 |
| Total Capital Assets not being depreciated | \$ 4,523,121 | \$ - | \$ 601,584 | \$ - | \$ - | \$ 3,921,537 |
| Other Capital Assets | | | | | | |
| Buildings | \$ 703,302 | \$ - | \$ - | \$ - | \$ - | \$ 703,302 |
| Improvements | 339,757 | - | - | - | - | 339,757 |
| Infrastructure | 5,403,892 | 233,263 | - | - | - | 5,637,155 |
| Equipment | 1,827,676 | 53,750 | 22,402 | (25,000) | - | 1,834,024 |
| Total Other Capital Assets at Historical Cost | \$ 8,274,627 | \$ 287,013 | \$ 22,402 | \$ (25,000) | \$ - | \$ 8,514,238 |
| Less Accumulated Depreciation for: | | | | | | |
| Buildings | \$ 411,382 | \$ 12,341 | \$ - | \$ - | \$ - | \$ 423,723 |
| Improvements | 173,494 | 17,988 | - | - | - | 191,482 |
| Infrastructure | 2,043,384 | 207,591 | - | - | (311,823) | 1,939,152 |
| Equipment | 1,347,599 | 131,275 | 22,402 | (25,000) | (135,490) | 1,295,982 |
| Total Accumulated Depreciation | \$ 3,975,859 | \$ 369,195 | \$ 22,402 | \$ (25,000) | \$ (447,313) | \$ 3,850,339 |
| Other Capital Assets, Net | \$ 4,298,768 | \$ (82,182) | \$ - | \$ - | \$ 447,313 | \$ 4,663,899 |
| Governmental Activities Capital Assets, Net | \$ 8,821,889 | \$ (82,182) | \$ 601,584 | \$ - | \$ 447,313 | \$ 8,585,436 |

NOTES TO FINANCIAL STATEMENTS (Continued)

| | Balance May 1, 2019 | Increases | Decreases | Transfers * | Adjustment ** | Balance April 30, 2020 |
|---|------------------------|--------------|-----------|-------------|---------------|---------------------------|
| Business-Type Activities | | | | | | |
| Capital Assets not being depreciated | | | | | | |
| Land | \$ 3,434,865 | \$ - | \$ - | \$ - | \$ - | \$ 3,434,865 |
| Construction in Progress | 5,810 | 23,719 | 29,529 | - | - | - |
| Total Capital Assets not being depreciated | \$ 3,440,675 | \$ 23,719 | \$ 29,529 | \$ - | \$ - | \$ 3,434,865 |
| Other Capital Assets | | | | | | |
| Buildings | \$ 550,092 | \$ - | \$ - | \$ - | \$ - | \$ 550,092 |
| Improvements | 669,403 | 29,529 | - | - | - | 698,932 |
| Water Systems | 6,955,783 | 5,118 | - | - | - | 6,960,901 |
| Sewer Systems | 22,494,477 | - | - | - | - | 22,494,477 |
| Equipment | 1,180,001 | 85,120 | 4,000 | 25,000 | - | 1,286,121 |
| Total Other Capital Assets at Historical Cost | \$ 31,849,756 | \$ 119,767 | \$ 4,000 | \$ 25,000 | \$ - | \$ 31,990,523 |
| Less Accumulated Depreciation for: | | | | | | |
| Buildings | \$ 192,582 | \$ 26,549 | \$ - | \$ - | \$ - | \$ 219,131 |
| Improvements | 440,383 | 20,013 | - | - | - | 460,396 |
| Water Systems | 3,226,755 | 166,564 | - | - | (1,678) | 3,391,641 |
| Sewer Systems | 5,427,285 | 470,868 | - | - | 5,524 | 5,903,677 |
| Equipment | 1,020,409 | 41,538 | 4,000 | 25,000 | (88) | 1,082,859 |
| Total Accumulated Depreciation | \$ 10,307,414 | \$ 725,532 | \$ 4,000 | \$ 25,000 | \$ 3,758 | \$ 11,057,704 |
| Other Capital Assets, Net | \$ 21,542,342 | \$ (605,765) | \$ - | \$ - | \$ (3,758) | \$ 20,932,819 |
| Business-Type Activities Capital Assets, Net | \$ 24,983,017 | \$ (582,046) | \$ 29,529 | \$ - | \$ (3,758) | \$ 24,367,684 |

* Transfer of asset from governmental activities to business-type activities

** Adjustments were made to correct prior years' depreciation calculations

Depreciation expense was charged to functions as follows:

| | |
|---|------------|
| Governmental Activities | |
| General Government | \$ 6,261 |
| Public Safety | 83,843 |
| Public Works and Transportation | 279,091 |
| Total Governmental Activities Depreciation Expense | \$ 369,195 |
| Business-Type Activities | |
| Culture and Recreation | \$ 81,339 |
| Water and Sewer | 644,193 |
| Total Business-Type Activities Depreciation Expense | \$ 725,532 |

NOTE 5 - LONG-TERM LIABILITY ACTIVITY

Long-term liability activity for the year ended April 30, 2020 was as follows:

| | Balance May 1, 2019 | Additions | Retirements | Balance April 30, 2020 | Amounts Due Within One Year |
|---|------------------------|-----------|-------------|---------------------------|-----------------------------------|
| Governmental Activities | | | | | |
| Long-Term Debt | | | | | |
| Bonds and Notes Payable | | | | | |
| Swanson Property Loan | | | | | |
| Dated: 6/21/12 | \$ 199,903 | \$ - | \$ 199,903 | \$ - | \$ - |
| Lease/Purchase Agreements | 155,923 | - | 29,515 | 126,408 | 32,501 |
| Total Long-Term Debt | \$ 355,826 | \$ - | \$ 229,418 | \$ 126,408 | \$ 32,501 |
| Other Long-Term Liabilities | | | | | |
| Compensated Absences | \$ 65,491 | \$ - | \$ 2,569 | \$ 62,922 | \$ 62,922 |
| Net Pension Liability - IMRF | 949,754 | - | 310,919 | 638,835 | - |
| Net OPEB Liability | 220,316 | - | 21,142 | 199,174 | - |
| Total Other Long-Term Liabilities | \$ 1,235,561 | \$ - | \$ 334,630 | \$ 900,931 | \$ 62,922 |
| Governmental Activities Long-Term Obligations | \$ 1,591,387 | \$ - | \$ 564,048 | \$ 1,027,339 | \$ 95,423 |

NOTES TO FINANCIAL STATEMENTS (Continued)

| | Balance May 1, 2019 | Additions | Retirements | Balance April 30, 2020 | Amounts Due Within One Year |
|--|------------------------|---------------------|---------------------|---------------------------|-----------------------------------|
| Business-Type Activities | | | | | |
| Long-Term Debt | | | | | |
| Bonds and Notes Payable | | | | | |
| Refunding Bonds | | | | | |
| Dated: 5/19/10 | \$ 5,875,000 | \$ - | \$ 5,875,000 | \$ - | \$ - |
| Unamortized Bond Premium | 28,396 | - | 28,396 | - | - |
| Refunding Bonds | | | | | |
| Dated: 11/15/19 | - | 7,550,000 | - | 7,550,000 | 340,000 |
| Unamortized Bond Premium | - | 831,054 | 25,970 | 805,084 | 51,941 |
| Alternative Revenue Source Bonds | | | | | |
| Dated: 5/19/10 | 1,615,000 | - | 1,615,000 | - | - |
| Unamortized Bond Discount | (5,734) | - | (5,734) | - | - |
| IEPA Loan Payable | 61,024 | - | 5,305 | 55,719 | 5,307 |
| IEPA Loan Payable | 2,219,672 | - | 107,950 | 2,111,722 | 110,424 |
| Lease/Purchase Agreements | 54,372 | 89,516 | 48,127 | 95,761 | 40,810 |
| Total Long-Term Debt | <u>\$ 9,847,730</u> | <u>\$ 8,470,570</u> | <u>\$ 7,700,014</u> | <u>\$ 10,618,286</u> | <u>\$ 548,482</u> |
| Other Long-Term Liabilities | | | | | |
| Compensated Absences | \$ 19,133 | \$ - | \$ 3,377 | \$ 15,756 | \$ 15,756 |
| Net Pension Liability - IMRF | 170,934 | - | 153,834 | 17,100 | - |
| Total Other Long-Term Liabilities | <u>\$ 190,067</u> | <u>\$ -</u> | <u>\$ 157,211</u> | <u>\$ 32,856</u> | <u>\$ 15,756</u> |
| Business-Type Activities Long-Term Obligations | <u>\$ 10,037,797</u> | <u>\$ 8,470,570</u> | <u>\$ 7,857,225</u> | <u>\$ 10,651,142</u> | <u>\$ 564,238</u> |

Bonds and notes payable consisted of the following at April 30, 2020:

| | Fund | Maturity Date | Interest Rate | Face Amount | Carrying Amount |
|----------------------------------|----------------------|------------------|------------------|----------------|--------------------|
| Governmental Activities | | | | | |
| Swanson Property Loan | | | | | |
| Dated: 6/21/12 | General | 6/21/2022 | 4.00% | \$ 540,000 | \$ - |
| Lease/Purchase Agreement | | | | | |
| Dated: 3/5/19 | General | 3/5/2024 | 3.39% | 129,563 | 103,280 |
| Dated: 4/29/19 | Capital Improvements | 4/29/2023 | 3.39% | 30,341 | 23,128 |
| Business-Type Activities | | | | | |
| Refunding Bonds Dated: 5/19/10 | Lakewood Utilities | 12/1/2034 | 2.6% - 5.0% | 6,025,000 | - |
| Refunding Bonds Dated: 11/15/19 | Lakewood Utilities | 12/1/2034 | 3.0% - 5.0% | 7,550,000 | 7,550,000 |
| Alternative Revenue Source Bonds | | | | | |
| Dated: 5/19/10 (1) | Lakewood Utilities | 12/1/2034 | 3.5% - 6.3% | 2,030,000 | - |
| IEPA Loan Payable Dated: 4/1/10 | East Sewer | 6/21/2030 | 0.00% | 141,270 | 55,719 |
| IEPA Loan Payable Dated: 5/26/17 | East Sewer | 9/23/2036 | 1.86% | 2,454,321 | 2,111,722 |
| Lease/Purchase Agreement | | | | | |
| Dated: 7/30/16 | Golf Course | 7/30/2021 | 4.4% | 24,559 | 2,291 |
| Dated: 7/11/17 | Golf Course | 7/11/2020 | 6.2% | 25,361 | 6,526 |
| Dated: 7/11/17 | Golf Course | 6/6/2018 | 6.2% | 45,288 | 24,837 |
| Dated: 7/1/19 | Golf Course | 7/1/2022 | 5.5% | 85,120 | 62,107 |

(1) Build America Bonds include a provision that 31.95% - 35% of the interest paid will be rebated to the Village from the US Treasury.

The Revenue Bond Ordinance in effect requires all money in the Lakewood Utilities Fund be segregated and restricted in separate special reserve accounts, in the priority and for the purposes indicated by the following:

| Nature of Account | Amount | Authorized Expenditures |
|--------------------------------|--|---|
| (a) Operations and Maintenance | Sufficient to fund one month of operating expenses | Expenses of operating, maintaining and repairing the system |

NOTES TO FINANCIAL STATEMENTS (Continued)

| Nature of Account | Amount | Authorized Expenditures |
|-------------------|--|--|
| (b) Depreciation | Cash and investments necessary to provide an adequate depreciation fund for the System | (i) Cost of extraordinary maintenance, necessary repairs and replacements, or contingencies, (ii) acquiring or constructing improvements and extensions to the System, (iii) payment of principal or interest and premium on any IEPA Obligations, Bonds or Additional Bonds |
| (c) Surplus | The amount remaining after payment in the above four accounts | Make up any subsequent deficiencies in any of such accounts and then shall be deposited to a separate and segregated account designated the "Alternate Bond and Interest Subaccount of the Surplus Account" |

At April 30, 2020 the annual debt service requirements to service long-term debt attributable to governmental activities are:

| Year Ending April 30 | Principal | Interest | Total |
|----------------------|------------|-----------|------------|
| 2021 | \$ 32,501 | \$ 8,679 | \$ 41,180 |
| 2022 | 33,621 | 5,040 | 38,661 |
| 2023 | 34,778 | 1,763 | 36,541 |
| 2024 | 25,508 | 748 | 26,256 |
| | \$ 126,408 | \$ 16,230 | \$ 142,638 |

At April 30, 2020 the annual debt service requirements to service long-term debt attributable to business-type activities are:

| Year Ending April 30 | Principal | Interest | Total |
|----------------------|---------------|--------------|---------------|
| 2021 | \$ 548,482 | \$ 352,437 | \$ 900,919 |
| 2022 | 582,871 | 315,634 | 898,505 |
| 2023 | 593,652 | 293,693 | 887,345 |
| 2024 | 593,979 | 271,552 | 865,531 |
| 2025 | 621,160 | 248,371 | 869,531 |
| 2026 | 638,381 | 223,898 | 862,279 |
| 2027 | 660,645 | 198,635 | 859,280 |
| 2028 | 687,951 | 172,329 | 860,280 |
| 2029 | 715,300 | 144,730 | 860,030 |
| 2030 | 737,693 | 126,437 | 864,130 |
| 2031 | 747,476 | 107,500 | 854,976 |
| 2032 | 787,307 | 88,217 | 875,524 |
| 2033 | 814,837 | 67,687 | 882,524 |
| 2034 | 842,414 | 46,360 | 888,774 |
| 2035 | 600,039 | 24,235 | 624,274 |
| 2036 | 371,742 | 9,411 | 381,153 |
| 2037 | 74,357 | 687 | 75,044 |
| | \$ 10,618,286 | \$ 2,691,813 | \$ 13,310,099 |

NOTE 6 - INTERFUND BALANCES AND TRANSFERS

Interfund balances at April 30, 2020 consisted of the following:

| Due To | Due From | Amount |
|--------------------------|--------------------------|-----------|
| Other Governmental Funds | General Fund | \$ 68,703 |
| General Fund | Lakewood Utilities Fund | 34,259 |
| General Fund | Refuse Fund | 362 |
| General Fund | Other Governmental Funds | 356 |
| General Fund | Golf Course Fund | 89,122 |
| General Fund | East Sewer Fund | 615 |

NOTES TO FINANCIAL STATEMENTS (Continued)

The interfund balances due to the General Fund resulted from a time lag between the dates that expenditures were incurred and reimbursed between funds. All other interfund balances are interfund loans made to cover expenditures in other funds, which are being repaid over periods ranging from five to 20 years based on payment schedules set up by the Village.

Transfers made for the year ended April 30, 2020 were as follows:

| Transfer from | Transfer to | Amount | Purpose |
|-------------------------|---------------------------|------------|--|
| Impact Fee Fund | Capital Improvements Fund | \$ 123,770 | Transfer for Hampshire Road Reconstruction |
| General Fund | Capital Improvements Fund | 244,028 | Transfer to cover expenses related to capital projects |
| Lakewood Utilities Fund | General Fund | 245,448 | Transfer of funds from bond refunding |

NOTE 7 - DEFICIT FUND BALANCES/NET POSITON

The following fund had a deficit fund balance/net position as of April 30, 2020:

| Fund | April 30, 2020 Balance |
|-------------------------|---------------------------|
| Special Service Area #8 | \$ (10,397) |

NOTE 8 - PROPERTY TAXES

Property taxes receivable and unavailable revenue recorded in these financial statements, in the amount of \$1,710,884, are from the 2019 tax levy. The unavailable revenue is 100% of the 2019 tax levy. These taxes are unavailable as none of the taxes are collected before the end of the fiscal year and the Village does not consider the amounts to be available and does not budget for their use in fiscal year 2020. The Village has determined that 100% of the amount collected for the 2018 levy is allocable for use in fiscal year 2020. Therefore, 100% of the amounts collected for the 2018 levy and any back taxes are recorded in these financial statements as property taxes revenue (\$1,694,294). A summary of the assessed valuation, rates, and extensions for the years 2019, 2018, and 2017 follows:

| TAX YEAR | 2019 | | 2018 | | 2017 | |
|-------------------------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|
| ASSESSED VALUATION | \$182,312,065 | | \$185,675,361 | | \$177,405,365 | |
| | Rates | Extensions | Rates | Extensions | Rates | Extensions |
| General | 0.1779 | \$ 324,412 | 0.1713 | \$ 318,049 | 0.1643 | \$ 291,511 |
| Fire Protection | 0.4476 | 816,001 | 0.4309 | 800,001 | 0.4509 | 800,001 |
| Police Protection | 0.1961 | 357,583 | 0.1951 | 362,316 | 0.2396 | 425,001 |
| IMRF | 0.0397 | 72,340 | 0.0382 | 70,921 | 0.0366 | 65,001 |
| Audit | 0.0031 | 5,568 | 0.0029 | 5,457 | 0.0028 | 5,001 |
| Street and Bridge | 0.0458 | 83,415 | 0.0475 | 88,255 | 0.0000 | - |
| Unemployment Insurance | 0.0000 | - | 0.0000 | - | 0.0000 | - |
| Social Security | 0.0000 | - | 0.0000 | - | 0.0000 | - |
| | <u>0.9102</u> | <u>\$ 1,659,319</u> | <u>0.8860</u> | <u>\$ 1,644,999</u> | <u>0.8943</u> | <u>\$ 1,586,515</u> |
| Road and Bridge (from Townships) | - | \$ 18,587 | - | \$ 20,850 | - | \$ 21,294 |
| ASSESSED VALUATION | \$15,144,395 | | \$15,925,278 | | \$15,460,464 | |
| Special Service Area #2 | <u>0.0066</u> | <u>\$ 1,000</u> | <u>0.0063</u> | <u>\$ 1,000</u> | <u>0.0065</u> | <u>\$ 1,000</u> |
| ASSESSED VALUATION | \$3,605,062 | | \$3,661,422 | | \$3,561,238 | |
| Special Service Area #3 | <u>0.1803</u> | <u>\$ 6,500</u> | <u>0.1775</u> | <u>\$ 6,500</u> | <u>0.1825</u> | <u>\$ 6,500</u> |
| ASSESSED VALUATION | \$4,903,591 | | \$5,500,031 | | \$5,324,721 | |
| Special Service Area #4 | <u>0.1134</u> | <u>\$ 5,560</u> | <u>0.1011</u> | <u>\$ 5,560</u> | <u>0.1044</u> | <u>\$ 5,560</u> |
| ASSESSED VALUATION | \$2,752,476 | | \$3,309,708 | | \$3,155,570 | |
| Special Service Area #5 | <u>0.0727</u> | <u>\$ 2,000</u> | <u>0.0604</u> | <u>\$ 2,000</u> | <u>0.0634</u> | <u>\$ 2,000</u> |

NOTES TO FINANCIAL STATEMENTS (Continued)

| TAX YEAR | 2019 | | 2018 | | 2017 | |
|-------------------------|--------------|-----------|--------------|-----------|--------------|-----------|
| ASSESSED VALUATION | \$1,928,961 | | \$1,307,354 | | \$750,288 | |
| Special Service Area #6 | 0.0259 | \$ 500 | 0.0382 | \$ 500 | 0.0666 | \$ 500 |
| ASSESSED VALUATION | \$7,219,655 | | \$5,742,799 | | \$5,026,273 | |
| Special Service Area #7 | 0.0069 | \$ 500 | 0.0087 | \$ 500 | 0.0099 | \$ 500 |
| ASSESSED VALUATION | \$41,840,284 | | \$43,482,787 | | \$42,259,215 | |
| Special Service Area #8 | 0.0817 | \$ 34,200 | 0.0787 | \$ 34,200 | 0.0970 | \$ 41,000 |

NOTE 9 - EXCESS OF EXPENDITURES OVER BUDGET

For the year ended April 30, 2020, the expenditures of the following funds exceeded the budget:

| Fund | Budget | Actual | Excess of Actual Over Budget |
|-----------------|------------|---------|---------------------------------|
| Refuse Fund | \$ 310,840 | 316,131 | \$ 5,291 |
| East Sewer Fund | - | 40,784 | 40,784 |

The excess in the Refuse Fund was due to slightly higher than expected refuse service expense. The excess in the East Sewer Fund was due to IEPA loan interest payments that were not budgeted for.

NOTE 10 - OPERATING LEASES

The Village leases golf course equipment under operating leases. Total costs for such leases were \$49,531 for the year ended April 30, 2020.

The Village leases copier equipment under an operating lease. Total costs for such leases were \$2,614 for the year ended April 30, 2020.

Annual requirements to cover outstanding lease agreements at April 30, 2020 are:

| Year Ending April 30 | Amount |
|----------------------|-------------------|
| 2021 | \$ 52,145 |
| 2022 | 52,145 |
| 2023 | 52,145 |
| 2024 | 2,178 |
| | <u>\$ 158,613</u> |

NOTE 11 - ILLINOIS MUNICIPAL RETIREMENT FUND

Plan Description

The Village’s defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The Village’s plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF’s pension benefits is provided in the “Benefits Provided” section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan’s fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

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).

All three IMRF benefit plans have two tiers. 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 ten years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

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

Employees Covered by Benefit Terms

All appointed employees of a participating employer who are employed in a position normally requiring 600 hours (1,000 hours for certain employees hired after 1981) or more of work in a year are required to participate. As of December 31, 2019, the following employees were covered by the benefit terms:

| | |
|---|-----------|
| Retirees and beneficiaries currently receiving benefits | 24 |
| Inactive plan members, non-retired members | 28 |
| Active plan members | 22 |
| Total | <u>74</u> |

Contributions

As set by statute, the Village’s Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village’s annual contribution rate for calendar year 2019 was 9.94%. For the fiscal year ended April 30, 2020, the Village contributed \$148,669 to the plan. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF’s Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The components of the net pension liability of the IMRF actuarial valuation performed as of December 31, 2019, and a measurement date as of December 31, 2019, calculated in accordance with GASB Statement No. 68, were as follows:

NOTES TO FINANCIAL STATEMENTS (Continued)

| | | |
|--|----|-----------|
| Total Pension Liability | \$ | 7,048,051 |
| IMRF Fiduciary Net Position | | 6,392,116 |
| Village's Net Pension Liability | | 655,935 |
| IMRF Fiduciary Net Position as a Percentage of the Total Pension Liability | | 90.69% |

See the Schedule of Changes in the Employer's Net Pension Liability and Related Ratios in the Required Supplementary Information following the notes to the financial statements for additional information related to the funded status of the plan.

Actuarial Assumptions

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

| | | |
|------------------------|-------------------------------------|------------------------|
| Assumptions | | |
| Inflation | | 2.50% |
| Salary Increases | 3.35% to 14.25% including inflation | |
| Interest Rate | | 7.25% |
| Asset Valuation Method | | Market value of assets |

Projected Retirement Age Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from years 2014 to 2016.

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

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2019:

| Asset Class | Target Allocation | Projected Return |
|------------------------|-------------------|------------------|
| Equities | 37.0% | 5.75% |
| International Equities | 18.0% | 6.50% |
| Fixed Income | 28.0% | 3.25% |
| Real Estate | 9.0% | 5.20% |
| Alternatives | 7.0% | |
| Private Equity | | 7.60% |
| Hedge Funds | | N/A |
| Commodities | | 3.60% |
| Cash | 1.0% | 1.85% |
| | <u>100.0%</u> | |

NOTES TO FINANCIAL STATEMENTS (Continued)

Single Discount Rate

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 this discount rate, the expected rate of return on pension plan investments is 7.25%; the municipal bond rate is 2.75%; and resulting single discount rate is 7.25%.

Changes in the Net Pension Liability

| | Total Pension Liability (A) | Plan Fiduciary Net Position (B) | Net Pension Liability (A)-(B) |
|--|-----------------------------------|---------------------------------------|-------------------------------------|
| Balances at December 31, 2018 | \$ 6,541,673 | \$ 5,420,985 | \$ 1,120,688 |
| Changes for the year: | | | |
| Service Cost | \$ 151,071 | \$ - | \$ 151,071 |
| Interest on the Total Pension Liability | 468,892 | - | 468,892 |
| Differences Between Expected and Actual Experience of the Total Pension Liability | 185,870 | - | 185,870 |
| Contributions - Employer | - | 135,754 | (135,754) |
| Contributions - Employee | - | 88,476 | (88,476) |
| Net Investment Income | - | 1,006,503 | (1,006,503) |
| Benefit Payments, including Refunds of Employee Contributions | (299,455) | (299,455) | - |
| Other (Net Transfer) | - | 39,853 | (39,853) |
| Net Changes | <u>\$ 506,378</u> | <u>\$ 971,131</u> | <u>\$ (464,753)</u> |
| Balances at December 31, 2019 | <u>\$ 7,048,051</u> | <u>\$ 6,392,116</u> | <u>\$ 655,935</u> |

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25%, 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 than the current rate:

| | 1% Decrease 6.25% | Current Discount Rate 7.25% | 1% Increase 8.25% |
|-----------------------|----------------------|-----------------------------------|----------------------|
| Net Pension Liability | \$ 1,608,448 | \$ 655,935 | \$ (117,646) |

Pension Expense/(Income) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended April 30, 2020, the Village recognized pension expense/(income) of \$261,975. At April 30, 2020, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTES TO FINANCIAL STATEMENTS (Continued)

| Expense in Future Periods | Outflows of Resources | Inflows of Resources | Net Outflows of Resources |
|--|--------------------------|-------------------------|------------------------------|
| Differences between expected and actual experience | \$ 183,646 | \$ - | \$ 183,646 |
| Assumption changes | 53,382 | (31,541) | 21,841 |
| Net difference between projected and actual earnings on pension investments | 433,641 | (665,098) | (231,457) |
| Total deferred amounts to be recognized in pension expense in future periods | \$ 670,669 | \$ (696,639) | \$ (25,970) |
| Pension contributions made subsequent to the measurement date | 54,044 | - | 54,044 |
| Total deferred amounts related to pensions | <u>\$ 724,713</u> | <u>\$ (696,639)</u> | <u>\$ 28,074</u> |

The deferred outflows of resources related to pensions resulting from the Village’s contributions in fiscal year 2020 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended April 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending December 31 | Net Deferred Outflows of Resources |
|----------------------------|--|
| 2020 | \$ 93,713 |
| 2021 | (16,569) |
| 2022 | 19,838 |
| 2023 | (122,952) |
| 2024 | - |
| Thereafter | - |
| | <u>\$ (25,970)</u> |

NOTE 12 - POST-EMPLOYMENT BENEFIT COMMITMENTS – RETIREE INSURANCE PLAN

Plan Overview

In addition to the retirement plan described in Note 11, the Village provides post-employment benefits other than pensions (“OPEB”) to employees who meet certain criteria. The Plan, a single-employer defined benefit plan, provides the following coverage:

Medical Coverage

Eligible retirees may continue coverage into retirement on the Village plan on a pay-all basis. Coverage is also available for eligible dependents on a pay-all basis. Coverage can continue when Medicare eligible. Coverage for dependents can continue upon the death of the retiree given that contributions continue.

The Plan does not issue a stand-alone financial report.

Eligibility

Employees of the Village are eligible for retiree health benefits as listed below:

Regular Plan Tier 1 (Enrolled in IMRF Prior to January 1, 2011)

- At least 55 years old and at least 8 years of credited service (reduced pension)
- At least 60 years old and at least 8 years of credited service (full pension)

Regular Plan Tier 2 (Enrolled in IMRF On or After January 1, 2011)

- At least 62 years old and at least 10 years of credited service (reduced pension)
- At least 67 years old and at least 10 years of credited service (full pension)

Membership in the plan consisted of the following at May 1, 2018, the date of the latest actuarial valuation:

NOTES TO FINANCIAL STATEMENTS (Continued)

| | |
|---|----|
| Active Employees | 19 |
| Inactive Employees Entitled to but not yet Receiving Benefits | 0 |
| Inactive Employees Currently Receiving Benefits | 3 |
| Total | 22 |

Contribution

The required contribution is based on projected pay-as-you-go financing requirements. Employees are not required to contribute to the plan.

Total OPEB Liability

The Village’s total OPEB liability was measured as of April 30, 2020, and the total OPEB liability was determined by an actuarial valuation as of May 1, 2018.

Actuarial Assumptions

The total OPEB liability in the May 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

| | |
|--|------------------|
| Actuarial Method | Entry Age Normal |
| Discount rate | 2.85% |
| Salary Rate Increase | 4.00% |
| Expected long-term investment rate of return | N/A |
| Health Care Trend | |

Insurance Year Trends

Fiscal Year Trends

| (1) Known rate | Insurance Year Trends | | Fiscal Year Trends | | | |
|----------------|-----------------------|-----------------------|----------------------|------------|--------|-------|
| | Period | PPO | HMO | Period | PPO | HMO |
| | IY17-IY18 | -6.39% ⁽¹⁾ | 3.86% ⁽¹⁾ | FY17-FY18 | -1.23% | 5.17% |
| | IY18-IY19 | 6.00% | 7.00% | FY18-FY19 | 5.95% | 6.91% |
| | IY19-IY20 | 5.89% | 6.78% | FY19-FY20 | 5.84% | 6.69% |
| | IY20-IY21 | 5.78% | 6.56% | FY20-FY21 | 5.73% | 6.46% |
| | IY21-IY22 | 5.67% | 6.33% | FY21-FY22 | 5.62% | 6.24% |
| | IY22-IY23 | 5.56% | 6.11% | FY22-FY23 | 5.51% | 6.02% |
| | IY23-IY24 | 5.44% | 5.89% | FY23-FY24 | 5.40% | 5.80% |
| | IY24-IY25 | 5.33% | 5.67% | FY24-FY25 | 5.29% | 5.57% |
| | IY25-IY26 | 5.22% | 5.44% | FY25-FY26 | 5.18% | 5.35% |
| | IY26-IY27 | 5.11% | 5.22% | FY26-FY27 | 5.06% | 5.13% |
| | IY27-IY28 | 5.00% | 5.00% | FY27-FY28 | 5.00% | 5.00% |
| | Subsequent | 5.00% | 5.00% | Subsequent | 5.00% | 5.00% |

| Retiree Contribution Trend | Same as Health Care Trend | | | | | | | | | |
|----------------------------|---|-----------|---------|--------|----------|-----------|-----------|----------|--------|--------|
| Mortality | RP-2014 Combined Annuitant Mortality Table for males and females. The Mortality Table reflects recent rates developed by the Society of Actuaries. | | | | | | | | | |
| Disability Rates | None | | | | | | | | | |
| Average Retirement Age | IMRF Tier 1: Age 60 IMRF Tier 2: Age 65 | | | | | | | | | |
| Termination/Turnover Rates | Age-based Turnover Rates developed based on Probability of Remaining Employed until Assumed Retirement Age. | | | | | | | | | |
| Starting Per Capita Costs | <table border="1"> <thead> <tr> <th></th> <th>Retiree</th> <th>Spouse</th> </tr> </thead> <tbody> <tr> <td>PPO Plan</td> <td>\$ 22,402</td> <td>\$ 18,368</td> </tr> <tr> <td>HMO Plan</td> <td>14,890</td> <td>13,020</td> </tr> </tbody> </table> | | Retiree | Spouse | PPO Plan | \$ 22,402 | \$ 18,368 | HMO Plan | 14,890 | 13,020 |
| | Retiree | Spouse | | | | | | | | |
| PPO Plan | \$ 22,402 | \$ 18,368 | | | | | | | | |
| HMO Plan | 14,890 | 13,020 | | | | | | | | |
| Retiree Contributions | <table border="1"> <thead> <tr> <th></th> <th>Retiree</th> <th>Spouse</th> </tr> </thead> <tbody> <tr> <td>PPO Plan</td> <td>\$ 11,058</td> <td>\$ 9,067</td> </tr> <tr> <td>HMO Plan</td> <td>7,350</td> <td>6,427</td> </tr> </tbody> </table> | | Retiree | Spouse | PPO Plan | \$ 11,058 | \$ 9,067 | HMO Plan | 7,350 | 6,427 |
| | Retiree | Spouse | | | | | | | | |
| PPO Plan | \$ 11,058 | \$ 9,067 | | | | | | | | |
| HMO Plan | 7,350 | 6,427 | | | | | | | | |
| Election at Retirement | 20% of active employees are assumed to elect coverage at retirement | | | | | | | | | |
| Marital Status | 40% of active employees are assumed to be married and elect spousal coverage upon retirement. Males are assumed to be three years older than females. | | | | | | | | | |

The actuarial valuation was performed using the alternative measurement method, which is acceptable under GASB 75 due to the size of the plan.

NOTES TO FINANCIAL STATEMENTS (Continued)

There is no long-term expected rate of return on OPEB plan investments because the Village does not have a trust dedicated exclusively to the payment of OPEB benefits.

Discount Rate

The Village does not have a dedicated trust to pay retiree healthcare benefits. Per GASB 75, the discount rate should be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

Changes in the Total OPEB Liability

| | Increase/(Decrease) | | |
|----------------------------------|-------------------------|--------------------------------|-----------------------|
| | Total OPEB Liability | Plan Fiduciary Net Position | Net OPEB Liability |
| | (a) | (b) | (a) - (b) |
| Balances at April 30, 2019 | \$ 220,316 | \$ - | \$ 220,316 |
| Changes for the year: | | | |
| Service Cost | \$ 1,729 | \$ - | \$ 1,729 |
| Interest on Total OPEB Liability | 6,505 | - | 6,505 |
| Assumption Changes | 5,853 | - | 5,853 |
| Benefit Payments | (35,338) | - | (35,338) |
| Other Changes | 109 | - | 109 |
| Net Changes | <u>\$ (21,142)</u> | <u>\$ -</u> | <u>\$ (21,142)</u> |
| Balances at April 30, 2020 | <u>\$ 199,174</u> | <u>\$ -</u> | <u>\$ 199,174</u> |

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

The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current discount rate:

| Plan's Total OPEB Liability/(Asset) | | |
|-------------------------------------|----------------|-------------|
| 1% Increase | Valuation Rate | 1% Decrease |
| 4.21% | 3.21% | 2.21% |
| \$ 191,290 | \$ 199,174 | \$ 207,691 |

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

The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates:

| Plan's Total OPEB Liability/(Asset) | | |
|-------------------------------------|----------------|-------------|
| Healthcare Cost | | |
| 1% Increase | Valuation Rate | 1% Decrease |
| \$ 208,995 | \$ 199,174 | \$ 190,336 |

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

For the fiscal year ended April 30, 2020, the Village recognized OPEB expense of \$9,588. At April 30, 2020, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources | Net Inflows of Resources |
|------------------------|-----------------------------------|----------------------------------|-----------------------------|
| Changes of Assumptions | <u>\$ 11,391</u> | <u>\$ -</u> | <u>\$ 11,391</u> |

NOTES TO FINANCIAL STATEMENTS (Continued)

Changes in total OPEB liability related to the difference in actual and expected experience, or changes in assumptions regarding future events, are recognized in OPEB expense over the expected remaining service life of all employees (9.77 years, active and retired) in the postretirement plan.

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

| Year ending April 30 | Net Inflows of Resources |
|----------------------|--------------------------|
| 2021 | \$ 1,355 |
| 2022 | 1,355 |
| 2023 | 1,355 |
| 2024 | 1,355 |
| 2025 | 1,355 |
| 2026 | 1,355 |
| 2027 | 1,355 |
| 2028 | 1,355 |
| 2029 | 551 |
| | <u>\$ 11,391</u> |

Roll Forward Disclosure

The actuarial valuations were performed as of May 1, 2018. Update procedures were used to roll forward the total OPEB liabilities to April 30, 2020, which is the current year measurement date.

NOTE 13 - RISK MANAGEMENT

The Village is exposed to various risks related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. The Village purchases commercial insurance for all risks of loss, excluding workers' compensation, which is described below. During the year ended April 30, 2020, there were no significant reductions in insurance coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The Village insures its risk of loss for employee injuries under workers' compensation laws by participating in the Illinois Public Risk Fund (IPRF), a public entity risk pool currently operating as a common risk management program for a number of Illinois municipalities. The Village pays premiums to IPRF for this coverage. Annual audits of the Village's payroll, claims, and employee classifications are performed by IPRF.

NOTE 14 - SELF INSURANCE

The Village self-insures a portion of the health care benefit deductible. Lives covered under the plan were 42. The maximum exposure for the self-insured portion of the plan deductible was \$51,000. Claims paid were \$1,500. Liability for claims submitted and not yet paid at the end of the period was \$0. A reconciliation of changes in the aggregate liabilities for claims for the fiscal years ended April 30, 2020, April 30, 2019 and April 30, 2018 is as follows:

| | April 30, 2020 | April 30, 2019 | April 30, 2018 |
|--|----------------|----------------|----------------|
| Claims Liabilities - Beginning of Year | \$ - | \$ - | \$ - |
| Incurred Claims | 1,500 | 5,026 | 4,419 |
| Payments on Claims | (1,500) | (5,026) | (4,419) |
| Claims Liabilities - End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

NOTE 15 - CONTINGENCIES

The Village is not aware of any pending litigation or potential nondisclosed liabilities that management believes would have a material effect on the financial statements.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 16 - CONSTRUCTION COMMITMENTS

The Village has ongoing construction projects for infrastructure improvements. Total estimated cost to complete these projects is \$257,896. Of this amount, \$238,908 was paid in fiscal year 2020 which leaves \$18,988 outstanding to fiscal year 2021. This is due to the South Shore Drive and the Hampshire Lane Road Reconstruction continuing into fiscal year 2021.

NOTE 17 - LEGAL DEBT LIMITATION

The Illinois Compiled Statutes limits the amount of indebtedness to 8.625% of the most recent available equalized assessed valuation (EAV) of the Village.

| | |
|-----------------------|----------------------|
| 2019 EAV | \$ 182,312,065 |
| | <u>8.625%</u> |
| Debt Margin | \$ 15,724,416 |
| Applicable Debt | <u>2,389,610</u> |
| Remaining Debt Margin | <u>\$ 13,334,806</u> |

NOTE 18 - TAX ABATEMENT AGREEMENTS

The Village negotiates property and sales tax abatement agreements on an individual basis. The Village has tax abatement agreements with the following entities as of April 30 2020:

| Name of Abatement Agreement | Type of Taxes Abated | Eligibility Criteria | Amount of Taxes Abated during the Fiscal Year |
|-----------------------------|----------------------|--|---|
| Ordinance No. 2014-41 | Real Estate | PIN numbers and titleholders specifically noted in the approved ordinance. | \$ 12,087 |

NOTE 19 - NET POSITION ADJUSTMENT

The Village had the following net position adjustments:

| | |
|--|--------------------|
| Governmental Activities | |
| Adjustment to correct prior period accumulated depreciation | \$ 447,313 |
| | <u>\$ 447,313</u> |
| Business-Type Activities | |
| Adjustment to correct prior period accounts receivable for an over-accrual in the prior year | \$ (60,594) |
| | <u>\$ (60,594)</u> |

NOTE 20 - SUBSEQUENT EVENTS

Prior to the date of this report, the COVID-19 outbreak in the United States has created disruptions in various governments and will continue to impact these organizations. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of time. The extent of the impact on the Village is uncertain and cannot be reasonably estimated at this time.

REQUIRED SUPPLEMENTARY INFORMATION

Village of Lakewood
Illinois Municipal Retirement Fund
Schedule of Changes in the Employer's Net Pension
Liability and Related Ratios
April 30, 2020

| | <u>4/30/2020 *</u> | <u>4/30/2019 *</u> | <u>4/30/2018 *</u> | <u>4/30/2017 *</u> | <u>4/30/2016 *</u> | <u>4/30/2015 *</u> |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| TOTAL PENSION LIABILITY | | | | | | |
| Service Cost | \$ 151,071 | \$ 139,105 | \$ 139,540 | \$ 154,892 | \$ 151,547 | \$ 157,949 |
| Interest on the Total Pension Liability | 468,892 | 442,169 | 414,823 | 399,590 | 382,650 | 327,350 |
| Differences Between Expected and Actual Experience | 185,870 | 83,129 | 242,656 | (149,972) | (154,396) | 243,194 |
| Changes of Assumptions | - | 196,590 | (177,899) | (15,259) | 7,527 | 146,936 |
| Benefit Payments, Including Refunds of Member Contributions | (299,455) | (290,719) | (217,856) | (167,576) | (143,802) | (112,386) |
| Net Change in Total Pension Liability | <u>\$ 506,378</u> | <u>\$ 570,274</u> | <u>\$ 401,264</u> | <u>\$ 221,675</u> | <u>\$ 243,526</u> | <u>\$ 763,043</u> |
| Total Pension Liability - Beginning | <u>6,541,673</u> | <u>5,971,399</u> | <u>5,570,135</u> | <u>5,348,460</u> | <u>5,104,934</u> | <u>4,341,891</u> |
| Total Pension Liability - Ending | <u>\$ 7,048,051</u> | <u>\$ 6,541,673</u> | <u>\$ 5,971,399</u> | <u>\$ 5,570,135</u> | <u>\$ 5,348,460</u> | <u>\$ 5,104,934</u> |
| PLAN FIDUCIARY NET POSITION | | | | | | |
| Contributions - Employer | \$ 135,754 | \$ 152,537 | \$ 133,351 | \$ 150,635 | \$ 154,817 | \$ 150,624 |
| Contributions - Member | 88,476 | 62,578 | 57,150 | 61,289 | 62,426 | 62,298 |
| Net Investment Income | 1,006,503 | (287,322) | 799,969 | 315,622 | 22,854 | 253,121 |
| Benefit Payments, Including Refunds of Member Contributions | (299,455) | (290,719) | (217,856) | (167,576) | (143,802) | (112,386) |
| Other (Net Transfers) | 39,853 | 115,117 | (14,982) | 28,074 | (107,210) | 81,113 |
| Net Change in Plan Fiduciary Net Position | <u>\$ 971,131</u> | <u>\$ (247,809)</u> | <u>\$ 757,632</u> | <u>\$ 388,044</u> | <u>\$ (10,915)</u> | <u>\$ 434,770</u> |
| Plan Net Position - Beginning | <u>5,420,985</u> | <u>5,668,794</u> | <u>4,911,162</u> | <u>4,523,118</u> | <u>4,534,033</u> | <u>4,099,263</u> |
| Plan Net Position - Ending | <u>\$ 6,392,116</u> | <u>\$ 5,420,985</u> | <u>\$ 5,668,794</u> | <u>\$ 4,911,162</u> | <u>\$ 4,523,118</u> | <u>\$ 4,534,033</u> |
| Village's Net Pension Liability | <u>\$ 655,935</u> | <u>\$ 1,120,688</u> | <u>\$ 302,605</u> | <u>\$ 658,973</u> | <u>\$ 825,342</u> | <u>\$ 570,901</u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 90.69% | 82.87% | 94.93% | 88.17% | 84.57% | 88.82% |
| Covered-Valuation Payroll | \$ 1,365,729 | \$ 1,390,628 | \$ 1,270,012 | \$ 1,361,986 | \$ 1,387,251 | \$ 1,384,410 |
| Employer's Net Pension Liability as a Percentage of Covered-Valuation Payroll | 48.03% | 80.59% | 23.83% | 48.38% | 59.49% | 41.24% |

* This information presented is based on the actuarial valuation performed as of the December 31 year end prior to the fiscal year end listed above.

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

See Accompanying Independent Auditor's Report

**Village of Lakewood
Illinois Municipal Retirement Fund
Schedule of Employer Contribution
April 30, 2020**

| | <u>4/30/2020 *</u> | <u>4/30/2019 *</u> | <u>4/30/2018 *</u> | <u>4/30/2017 *</u> | <u>4/30/2016 *</u> | <u>4/30/2015 *</u> |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Actuarially-Determined Contribution | \$ 135,753 | \$ 139,897 | \$ 133,351 | \$ 150,636 | \$ 154,817 | \$ 150,624 |
| Contributions in relation to Actuarially-Determined Contribution | <u>135,754</u> | <u>152,537</u> | <u>133,351</u> | <u>150,635</u> | <u>154,817</u> | <u>150,624</u> |
| Contribution deficiency/(excess) | <u>\$ (1)</u> | <u>\$ (12,640)</u> | <u>\$ -</u> | <u>\$ 1</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered-Employee Payroll | \$ 1,489,179 | \$ 1,365,204 | \$ 1,326,173 | \$ 1,322,542 | \$ 1,403,265 | \$ 1,348,027 |
| Contributions as a percentage of Covered-Employee Payroll | 9.12% | 11.17% | 10.06% | 11.39% | 11.03% | 11.17% |

Notes to Schedule:

Actuarial Method and Assumptions Used on the Calculation of the 2019 Contribution Rate *

Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Actuarial Cost Method: Aggregate entry age = normal

Amortization Method: Level percentage of payroll, closed

Remaining Amortization Period: 24-year closed period

Asset Valuation Method: 5-year smoothed market; 20% corridor

Wage Growth: 3.25%

Price Inflation: 2.50%, approximate; No explicit price inflation assumption is used in this valuation.

Salary Increases: 3.35% to 14.25%, including inflation

Investment Rate of Return: 7.50%

Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2014 valuation pursuant to an experience study of the period 2014 to 2016.

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

*Based on Valuation Assumptions used in the December 31, 2017 actuarial valuation; note two year lag between valuation and rate setting.

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

See Accompanying Independent Auditor's Report

**Village of Lakewood
Other Post-Employment Benefit
Schedule of Changes in the Employer's Net OPEB
Liability and Related Ratios
April 30, 2020**

| | <u>4/30/2020</u> | <u>4/30/2019</u> |
|---|-----------------------|-----------------------|
| TOTAL OPEB LIABILITY | | |
| Service Cost | \$ 1,729 | \$ 1,572 |
| Interest | 6,505 | 7,988 |
| Benefit Payments | (35,338) | (33,669) |
| Changes in Assumptions | 5,853 | 3,776 |
| Other Changes | 109 | 3,751 |
| Net Change in Total OPEB Liability | <u>\$ (21,142)</u> | <u>\$ (16,582)</u> |
| Total OPEB Liability - Beginning | <u>220,316</u> | <u>236,898</u> |
| Total OPEB Liability - Ending | <u>\$ 199,174</u> | <u>\$ 220,316</u> |
| OPEB PLAN FIDUCIARY NET POSITION | | |
| Contributions - Employer | \$ - | \$ - |
| Contributions - Member | - | - |
| Contributions - Other | - | - |
| Net Investment Income | - | - |
| Benefit Payments | - | - |
| Administrative Expense | - | - |
| Net Change in OPEB Plan Net Position | <u>\$ -</u> | <u>\$ -</u> |
| OPEB Plan Net Position - Beginning | <u>-</u> | <u>-</u> |
| OPEB Net Position - Ending | <u>\$ -</u> | <u>\$ -</u> |
| District's Net OPEB Plan Liability | <u>\$ 199,174</u> | <u>\$ 220,316</u> |
| OPEB Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 0.00% | 0.00% |
| Covered-Employee Payroll | \$ 1,365,729 | \$ 1,187,081 |
| Employer's Net OPEB Liability as a Percentage of Covered-Valuation Payroll | 14.58% | 18.56% |

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

**Village of Lakewood
Other Post-Employment Benefit
Schedule of Employer Contribution
April 30, 2020**

| | <u>4/30/2020</u> | <u>4/30/2019</u> |
|--|------------------|------------------|
| Actuarially-Determined Contribution | N/A | N/A |
| Contributions in relation to Actuarially-Determined Contribution | - | - |
| Contribution deficiency/(excess) | <u>N/A</u> | <u>N/A</u> |
| Covered-Employee Payroll | \$ 1,365,729 | \$ 1,187,081 |
| Contributions as a percentage of Covered-Employee Payroll | 0.00% | 0.00% |

Notes to Schedule:

There is no ADC or employer contribution in relation to the ADC, as the total OPEB liabilities are currently an unfunded obligation.

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

Village of Lakewood
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
Year Ended April 30, 2020

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> |
|---|-------------------------|---------------------|---------------------------|
| | <u>Original</u> | <u>Final</u> | |
| REVENUES | | | |
| Property Taxes | \$ 1,687,135 | \$ 1,644,321 | \$ 1,644,372 |
| Sales Tax | 234,126 | 250,741 | 241,541 |
| Utility Tax | 256,830 | 224,653 | 252,785 |
| Franchise Tax | 78,472 | 88,191 | 79,624 |
| State Income Taxes | 361,550 | 414,425 | 374,845 |
| State Replacement Taxes | 1,785 | 2,301 | 2,550 |
| Adult Use Cannabis Tax | - | - | 624 |
| Grants | 6,900 | 6,900 | 8,961 |
| Other Licenses and Permits | 84,904 | 71,745 | 72,121 |
| Fines and Forfeitures | 38,260 | 54,948 | 55,064 |
| Charges for Services | 11,410 | 8,382 | 6,272 |
| Rental Income | 16,150 | 16,150 | 17,025 |
| Interest Income | 40,000 | 47,838 | 42,055 |
| Donations | 5,275 | 1,389 | 2,196 |
| Other Miscellaneous | 2,250 | 19,896 | 24,552 |
| TOTAL REVENUES | <u>\$ 2,825,047</u> | <u>\$ 2,851,880</u> | <u>\$ 2,824,587</u> |
| EXPENDITURES | | | |
| Current | | | |
| General Government | \$ 344,993 | \$ 376,263 | \$ 363,123 |
| Public Safety | 1,773,442 | 1,827,662 | 1,835,057 |
| Public Works and Transportation | 458,397 | 494,440 | 477,568 |
| Economic Development | 136,190 | 126,731 | 89,378 |
| Total Current | <u>\$ 2,713,022</u> | <u>\$ 2,825,096</u> | <u>\$ 2,765,126</u> |
| Debt Service | | | |
| Principal | \$ 199,981 | \$ 199,981 | \$ 199,903 |
| Interest | - | - | 7,931 |
| Total Debt Service | <u>\$ 199,981</u> | <u>\$ 199,981</u> | <u>\$ 207,834</u> |
| TOTAL EXPENDITURES | <u>\$ 2,913,003</u> | <u>\$ 3,025,077</u> | <u>\$ 2,972,960</u> |
| EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>\$ (87,956)</u> | <u>\$ (173,197)</u> | <u>\$ (148,373)</u> |
| OTHER FINANCING SOURCES/(USES) | | | |
| Transfers In/(Out) | \$ - | \$ - | \$ 1,420 |
| Proceeds from Sale of Fixed Assets | 616,500 | 616,955 | 610,009 |
| TOTAL OTHER FINANCING SOURCES/(USES) | <u>\$ 616,500</u> | <u>\$ 616,955</u> | <u>\$ 611,429</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ 528,544</u> | <u>\$ 443,758</u> | \$ 463,056 |
| FUND BALANCE - MAY 1, 2019 | | | <u>1,209,991</u> |
| FUND BALANCE - APRIL 30, 2020 | | | <u>\$ 1,673,047</u> |

See Accompanying Independent Auditor's Report

VILLAGE OF LAKEWOOD
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
APRIL 30, 2020

NOTE 1 - BUDGETS

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual budgets are adopted for the General and Special Revenue Funds. All annual budgets lapse at fiscal year-end.

Budgeted expenditures are controlled at the departmental level. All transfers and any revision that change the total expenditures of any fund must be approved by the Village Board. All budget amendments must be approved by the Village Board.

The budget was approved on April 23, 2019 and amended on February 11, 2020.

NOTE 2 - EXCESS OF EXPENDITURES OVER BUDGET

For the year ended April 30, 2020, no funds presented as Required Supplementary Information exceeded the budget.

OTHER SUPPLEMENTARY INFORMATION

Village of Lakewood
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Capital Improvements Fund
Year Ended April 30, 2020

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> |
|---|-------------------------|--------------------|---------------------------|
| | <u>Original</u> | <u>Final</u> | |
| REVENUES | \$ - | \$ - | \$ - |
| EXPENDITURES | | | |
| Capital Outlay | | | |
| Public Works and Transportation | \$ 311,300 | \$ 425,841 | \$ 341,907 |
| Total Capital Outlay | <u>\$ 311,300</u> | <u>\$ 425,841</u> | <u>\$ 341,907</u> |
| Debt Service | | | |
| Principal | \$ - | \$ - | \$ 22,302 |
| Interest | - | - | 3,589 |
| Total Debt Service | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 25,891</u> |
| TOTAL EXPENDITURES | <u>\$ 311,300</u> | <u>\$ 425,841</u> | <u>\$ 367,798</u> |
| EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES | \$ (311,300) | \$ (425,841) | \$ (367,798) |
| OTHER FINANCING SOURCES/(USES) | | | |
| Transfers In/(Out) | <u>311,300</u> | <u>425,841</u> | <u>367,798</u> |
| NET CHANGE IN FUND BALANCE | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | \$ - |
| FUND BALANCE - MAY 1, 2019 | | | <u>100,000</u> |
| FUND BALANCE - APRIL 30, 2020 | | | <u><u>\$ 100,000</u></u> |

See Accompanying Independent Auditor's Report

Village of Lakewood
Balance Sheet - Nonmajor Governmental Funds
April 30, 2020

| | <u>Impact Fee Fund</u> | <u>Motor Fuel Tax Fund</u> | <u>SSA#2 Fund</u> | <u>SSA#3 Fund</u> | <u>SSA#4 Fund</u> | <u>SSA#5 Fund</u> |
|--|----------------------------|--------------------------------|-------------------|-------------------|-------------------|-------------------|
| ASSETS | | | | | | |
| Cash and Cash Equivalents | \$ 1,073,986 | \$ 142,114 | \$ 2,579 | \$ 90,285 | \$ 43,580 | \$ 2,437 |
| Receivables (Net of Allowance of \$503) | | | | | | |
| Property Taxes | - | - | 990 | 6,435 | 5,504 | 1,980 |
| Other Receivables | 1,705 | - | - | - | - | - |
| Due from Other Governmental Units | - | 11,303 | - | - | - | - |
| Due from Other Funds | 133,774 | - | - | - | - | - |
| Prepaid Expenses | - | - | - | - | - | - |
| Total Assets | \$ 1,209,465 | \$ 153,417 | \$ 3,569 | \$ 96,720 | \$ 49,084 | \$ 4,417 |
| LIABILITIES | | | | | | |
| Due to Other Funds | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Payroll Liabilities | - | - | - | - | - | - |
| Total Liabilities | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Unearned Revenue | \$ - | \$ - | \$ 990 | \$ 6,435 | \$ 5,504 | \$ 1,980 |
| Total Deferred Inflows of Resources | \$ - | \$ - | \$ 990 | \$ 6,435 | \$ 5,504 | \$ 1,980 |
| FUND BALANCES | | | | | | |
| Nonspendable | | | | | | |
| Prepaid Expenses | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Restricted | | | | | | |
| Impact Fees | 1,157,988 | - | - | - | - | - |
| Motor Fuel Tax | - | 146,778 | - | - | - | - |
| Special Service Areas | - | - | 2,579 | 90,285 | 43,580 | 2,437 |
| Lake Patrol | - | - | - | - | - | - |
| Assigned | | | | | | |
| Impact Fees | 51,477 | - | - | - | - | - |
| Motor Fuel Tax | - | 6,639 | - | - | - | - |
| Lake Patrol | - | - | - | - | - | - |
| Unassigned | - | - | - | - | - | - |
| Total Fund Balance | \$ 1,209,465 | \$ 153,417 | \$ 2,579 | \$ 90,285 | \$ 43,580 | \$ 2,437 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 1,209,465 | \$ 153,417 | \$ 3,569 | \$ 96,720 | \$ 49,084 | \$ 4,417 |

See Accompanying Independent Auditor's Report

Village of Lakewood
Balance Sheet - Nonmajor Governmental Funds
April 30, 2020

| | <u>SSA#6 Fund</u> | <u>SSA#7 Fund</u> | <u>SSA#8 Fund</u> | <u>Lake Patrol Fund</u> | <u>Total Governmental Funds</u> |
|--|-------------------|-------------------|--------------------|-------------------------|---------------------------------|
| ASSETS | | | | | |
| Cash and Cash Equivalents | \$ 2,634 | \$ 957 | \$ (10,397) | \$ 16,754 | \$ 1,364,929 |
| Receivables (Net of Allowance of \$503) | | | | | |
| Property Taxes | 495 | 495 | 33,858 | - | 49,757 |
| Other Receivables | - | - | - | - | 1,705 |
| Due from Other Governmental Units | - | - | - | - | 11,303 |
| Due from Other Funds | - | - | - | - | 133,774 |
| Prepaid Expenses | - | - | - | 1,529 | 1,529 |
| Total Assets | <u>\$ 3,129</u> | <u>\$ 1,452</u> | <u>\$ 23,461</u> | <u>\$ 18,283</u> | <u>\$ 1,562,997</u> |
| LIABILITIES | | | | | |
| Due to Other Funds | \$ - | \$ - | \$ - | \$ 356 | \$ 356 |
| Payroll Liabilities | - | - | - | 67 | 67 |
| Total Liabilities | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 423</u> | <u>\$ 423</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unearned Revenue | \$ 495 | \$ 495 | \$ 33,858 | \$ - | \$ 49,757 |
| Total Deferred Inflows of Resources | <u>\$ 495</u> | <u>\$ 495</u> | <u>\$ 33,858</u> | <u>\$ -</u> | <u>\$ 49,757</u> |
| FUND BALANCES | | | | | |
| Nonspendable | | | | | |
| Prepaid Expenses | \$ - | \$ - | \$ - | \$ 1,529 | \$ 1,529 |
| Restricted | | | | | |
| Impact Fees | - | - | - | - | 1,157,988 |
| Motor Fuel Tax | - | - | - | - | 146,778 |
| Special Service Areas | 2,634 | 957 | - | - | 142,472 |
| Lake Patrol | - | - | - | 16,206 | 16,206 |
| Assigned | | | | | |
| Impact Fees | - | - | - | - | 51,477 |
| Motor Fuel Tax | - | - | - | - | 6,639 |
| Lake Patrol | - | - | - | 125 | 125 |
| Unassigned | - | - | (10,397) | - | (10,397) |
| Total Fund Balance | <u>\$ 2,634</u> | <u>\$ 957</u> | <u>\$ (10,397)</u> | <u>\$ 17,860</u> | <u>\$ 1,512,817</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 3,129</u> | <u>\$ 1,452</u> | <u>\$ 23,461</u> | <u>\$ 18,283</u> | <u>\$ 1,562,997</u> |

See Accompanying Independent Auditor's Report

Village of Lakewood
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds
Year Ended April 30, 2020

| | <u>Impact Fee Fund</u> | <u>Motor Fuel Tax Fund</u> | <u>SSA#2 Fund</u> | <u>SSA#3 Fund</u> | <u>SSA#4 Fund</u> | <u>SSA#5 Fund</u> |
|---|----------------------------|--------------------------------|-------------------|-------------------|-------------------|-------------------|
| REVENUES | | | | | | |
| Property Taxes | \$ - | \$ - | \$ 999 | \$ 6,405 | \$ 5,560 | \$ 1,960 |
| Motor Fuel Taxes | - | 140,633 | - | - | - | - |
| Charges for Services | - | - | - | - | - | - |
| Interest Income | 4,588 | 2,269 | - | - | - | - |
| Other Miscellaneous | - | - | - | - | - | - |
| TOTAL REVENUES | \$ 4,588 | \$ 142,902 | \$ 999 | \$ 6,405 | \$ 5,560 | \$ 1,960 |
| EXPENDITURES | | | | | | |
| Current | | | | | | |
| General Government | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 7,352 |
| Public Safety | - | - | - | - | - | - |
| Total Current | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 7,352 |
| Capital Outlay | | | | | | |
| Public Works and Transportation | \$ - | \$ 79,039 | \$ - | \$ - | \$ - | \$ - |
| Total Capital Outlay | \$ - | \$ 79,039 | \$ - | \$ - | \$ - | \$ - |
| Debt Service | | | | | | |
| Principal | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Interest | - | - | - | - | - | - |
| Total Debt Service | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| TOTAL EXPENDITURES | \$ - | \$ 79,039 | \$ - | \$ - | \$ - | \$ 7,352 |
| EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES | \$ 4,588 | \$ 63,863 | \$ 999 | \$ 6,405 | \$ 5,560 | \$ (5,392) |
| OTHER FINANCING SOURCES/(USES) | | | | | | |
| Transfers In/(Out) | (123,770) | - | - | - | - | - |
| NET CHANGE IN FUND BALANCES | \$ (119,182) | \$ 63,863 | \$ 999 | \$ 6,405 | \$ 5,560 | \$ (5,392) |
| FUND BALANCES - MAY 1, 2019 | 1,328,647 | 89,554 | 1,580 | 83,880 | 38,020 | 7,829 |
| FUND BALANCES - APRIL 30, 2020 | \$ 1,209,465 | \$ 153,417 | \$ 2,579 | \$ 90,285 | \$ 43,580 | \$ 2,437 |

See Accompanying Independent Auditor's Report

Village of Lakewood
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds
Year Ended April 30, 2020

| | <u>SSA#6 Fund</u> | <u>SSA#7 Fund</u> | <u>SSA#8 Fund</u> | <u>Lake Patrol Fund</u> | <u>Total Governmental Funds</u> |
|---|-------------------|-------------------|--------------------|-------------------------|---------------------------------|
| REVENUES | | | | | |
| Property Taxes | \$ 500 | \$ 497 | \$ 34,001 | \$ - | \$ 49,922 |
| Motor Fuel Taxes | - | - | - | - | 140,633 |
| Charges for Services | - | - | - | 31,570 | 31,570 |
| Interest Income | - | - | - | 19 | 6,876 |
| Other Miscellaneous | - | - | - | 420 | 420 |
| TOTAL REVENUES | <u>\$ 500</u> | <u>\$ 497</u> | <u>\$ 34,001</u> | <u>\$ 32,009</u> | <u>\$ 229,421</u> |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General Government | \$ - | \$ - | \$ 34,271 | \$ - | \$ 41,623 |
| Public Safety | - | - | - | 23,191 | 23,191 |
| Total Current | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 34,271</u> | <u>\$ 23,191</u> | <u>\$ 64,814</u> |
| Capital Outlay | | | | | |
| Public Works and Transportation | \$ - | \$ - | \$ - | \$ - | \$ 79,039 |
| Total Capital Outlay | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 79,039</u> |
| Debt Service | | | | | |
| Principal | \$ - | \$ - | \$ - | \$ 7,213 | \$ 7,213 |
| Interest | - | - | - | 882 | 882 |
| Total Debt Service | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 8,095</u> | <u>\$ 8,095</u> |
| TOTAL EXPENDITURES | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 34,271</u> | <u>\$ 31,286</u> | <u>\$ 151,948</u> |
| EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES | \$ 500 | \$ 497 | \$ (270) | \$ 723 | \$ 77,473 |
| OTHER FINANCING SOURCES/(USES) | | | | | |
| Transfers In/(Out) | - | - | - | - | (123,770) |
| NET CHANGE IN FUND BALANCES | \$ 500 | \$ 497 | \$ (270) | \$ 723 | \$ (46,297) |
| FUND BALANCES - MAY 1, 2019 | <u>2,134</u> | <u>460</u> | <u>(10,127)</u> | <u>17,137</u> | <u>1,559,114</u> |
| FUND BALANCES - APRIL 30, 2020 | <u>\$ 2,634</u> | <u>\$ 957</u> | <u>\$ (10,397)</u> | <u>\$ 17,860</u> | <u>\$ 1,512,817</u> |

See Accompanying Independent Auditor's Report