

VILLAGE OF LOMBARD, ILLINOIS

**COMPREHENSIVE ANNUAL FINANCIAL
REPORT**



**FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2019**

VILLAGE OF LOMBARD, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

Prepared by Accounting and Financial Services Division
Finance Department

Timothy K. Sexton
Director of Finance

Jessica Nawracaj
Accounting Coordinator

VILLAGE OF LOMBARD, ILLINOIS

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INTRODUCTORY SECTION

This section includes miscellaneous data regarding the Village of Lombard including: Officers and Officials, Organizational Chart, Letter of Transmittal from Village Manager and Director of Finance, and Certificate of Achievement for Excellence in Financial Reporting.

VILLAGE OF LOMBARD, ILLINOIS

OFFICERS AND OFFICIALS
YEAR ENDED DECEMBER 31, 2019

LEGISLATIVE

Board of Trustees

Keith Giagnorio, Village President

Dan Whittington

Anthony Puccio

Reid Foltyniewicz

Andrew Honig

Daniel Militello

William Ware

Sharon Kuderna, Village Clerk

EXECUTIVE

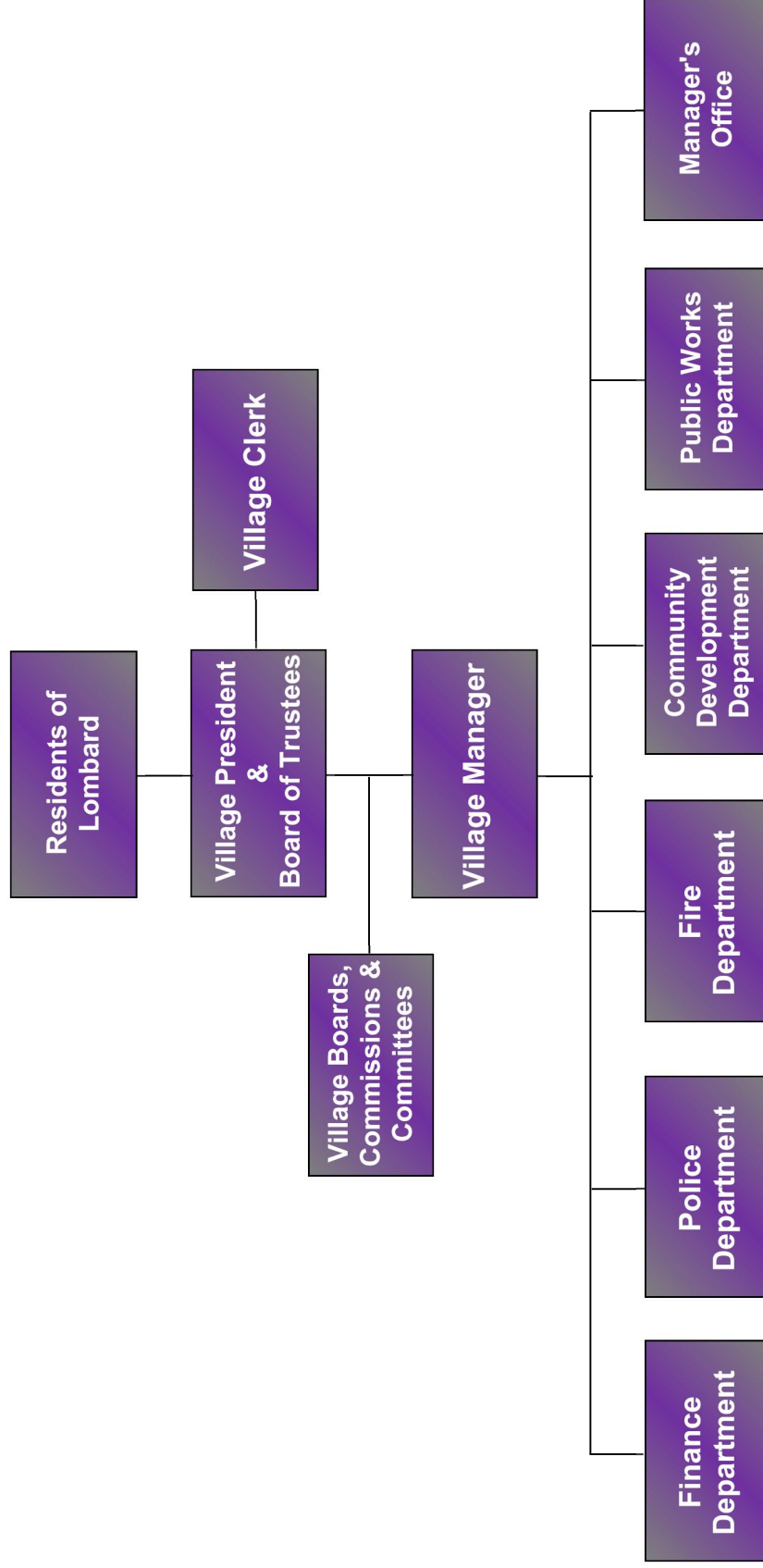
Scott Niehaus, Village Manager

FINANCE

Timothy Sexton, Director of Finance



VILLAGE OF LOMBARD





VILLAGE OF LOMBARD

255 E. Wilson Ave.
Lombard, Illinois 60148-3926
(630) 620-5700 Fax (630) 620-8222
www.villageoflombard.org

Village President
Keith T. Giagnorio

Village Clerk
Sharon Kuderna

Trustees
Dan Whittington, Dist. 1
Anthony Puccio, Dist. 2
Reid Foltyniewicz, Dist. 3
Andrew Honig, Dist. 4
Daniel Militello, Dist. 5
William "Bill" Ware, Dist. 6

Village Manager
Scott R. Niehaus

*"Our shared **Vision** for Lombard is a community of excellence exemplified by its government working together with residents and businesses to create a distinctive sense of spirit and an outstanding quality of life."*

*"The **Mission** of the Village of Lombard is to provide superior and responsive governmental services to the people of Lombard."*

June 2, 2020

To the Citizens of the Village of Lombard:

We submit to you the Comprehensive Annual Financial Report of the Village of Lombard, Illinois for the fiscal year ended December 31, 2019. The responsibility for the accuracy of the data and the completeness and fairness of the presentation, including disclosures, rests with the management of the Village of Lombard. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the Village of Lombard's financial statements in conformity with generally accepted accounting principal (GAAP). Because the cost of internal controls should not outweigh their benefits, the Village of Lombard's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Village of Lombard's financial statements have been audited in accordance with generally accepted auditing standards by Lauterbach & Amen, LLP, a firm of licensed certified public accountants. The independent auditor concluded, based upon the audit that there was a reasonable basis for rendering an unmodified opinion that the Village's financial statements for the fiscal year ended December 31, 2019, are fairly presented in conformity with GAAP. The report of the independent auditor is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and is meant to be read in conjunction with it. The Village's MD&A can be found immediately following the report of the independent auditors.

COMMUNITY PROFILE

The Village of Lombard is a non-home rule community located in the eastern portion of DuPage County. The Village provides a full range of services including general administration, finance administration and services, emergency medical services, police protection, firefighting and fire prevention services, construction and maintenance of roads, streets and infrastructure, community development and planning, water distribution, wastewater treatment and fleet services.

The United States Census Bureau's 2010 census population decreased by 499 or 1.14% to 43,395 as compared to the 2006 special census figure of 43,894. This decrease in population was reflective of the housing market downturn, and the number of homes that went through the foreclosure process and were waiting to be sold.

Lombard covers an area of 10.93 square miles. The actual value of property in the Village increased by 9.16% in 2019. New construction in 2019 resulted in a 1.79% or \$30,272,140 increase in the Village's EAV. In addition, there were no annexations made during the year.

The Village operates under Council/Manager form of government. Policymaking and legislative authority are vested in the Village Board, which is comprised of the Village President and six trustees. Board members are elected to four-year staggered terms with three Board members elected every two years. Board members are elected by district. The Village President is elected at large to a four-year term. The Village Board hires the Village Manager who is responsible for carrying out the policies and ordinances of the Village Board, overseeing the day-to-day operations of the Village, and for appointing the heads of the Village's Police, Fire, Public Works, Finance and Community Development Departments.

The Village is centrally located in the Chicago metropolitan area just 20 miles west of downtown Chicago, 70 miles south of the Wisconsin border, 40 miles northwest of the Indiana border, and 120 miles east of the Iowa border. Lombard has easy access ground transportation that provides convenient access to anywhere in the Chicago metropolitan area. This includes a METRA Union Pacific commuter depot located in the center of downtown as well as service by PACE bus transportation. Additionally, the North-South (I-355) and East-West (I-88) tollways are located along the Village's west and south borders respectively.

In Lombard, location, access, available land, facilities, and a reliable infrastructure, including sewer and water resources, combine to contribute to a climate where businesses flourish. Lombard is an excellent place for retail businesses to grow. Modern commercial centers, a regional shopping mall, strip malls, small privately-owned commercial establishments and two major auto dealerships can be found throughout the community.

MAJOR INITIATIVES

Strategic Plan: The annual budget of the Village of Lombard is prepared in light of the Strategic Plan of the Village. This plan includes both a mission and vision statement for the Village of Lombard as follows:

VISION STATEMENT: "Our shared vision for Lombard is a community of excellence exemplified by its government working together with residents and businesses to create a distinctive sense of spirit and an outstanding quality of life."

MISSION STATEMENT: "The Mission of the Village of Lombard is to provide superior and responsive governmental services to the people of Lombard."

The strategic planning session priorities for 2016-2018 and updates for 2019-2020 are summarized as follows:

I. Financial Stability:

- a. Resolution of LPFC debt issue and increased bond rating
- b. Annual review of revenue policy
- c. CIP refined/updated to reflect major projects

II. Economic Development:

- a. Develop policy targeting reduction of development costs.
- b. Develop business retention initiative aimed at key sites.
- c. Develop incentive policy targeted at specific businesses and key sites.
- d. Develop statistical reporting document for performance measurement.
- e. Sale/development of TIF property.

III. Communication and Community Image:

- a. Village representation at 30% of Village events.
- b. Conduct a citizen survey.
- c. Develop analytic reporting for communication goals.
- d. Implement employee customer service training policy.
- e. Adopt policy on citizen response.

IV. Operational Sustainability:

- a. Establish core service levels.
- b. Develop one internal and one external partnership.
- c. Establish minimum standards for employee training/education.

The Village of Lombard engaged in a team building and strategic planning process over three sessions in 2015 and annually each year. The sessions yielded an improved understanding of effective governance and a finalized strategic plan for 2016-2020.

What follows are several of the capital projects scheduled in fiscal year 2020. Funding information for each project is set forth in detail in the fiscal year 2020 Village Budget and the fiscal year 2020 to fiscal year 2029 Capital Improvement Plan.

Bikeway & Pedestrian Path Improvements

- Sustainable transportation program

Commuter Parking Facilities

- General maintenance of parking lots

Facility Maintenance and Improvements

- Village Hall HVAC Improvements
- Village Hall Lighting Improvements
- General Facility Maintenance

Parking Lot Improvements

- Village complex pavement maintenance
- Parking Lot at 115 West St. Charles

Professional Services

- Consulting engineering services

Right of Way Maintenance and Beautification

- Right-of-way beautification program
- Downtown TIF streetscape improvements program
- Parkside Retaining Wall

Sewer System/Stormwater Improvements

- Large diameter combined sewer rehabilitation (108")
- South Lombard Sanitary Forcemain/Relief Sewer
- Charles Lane Pond Pump Replacement
- Detention Pond Maintenance
- Manhole Inspection and Rehabilitation
- Sewer/Stormwater Maintenance Programs

Sidewalk Improvements

- Sidewalk and Curb Program

Street Construction and Improvements

- Roadway Maintenance Programs
- Lombard Meadows 3: Magnolia Circle
- Main Street Resurfacing

Traffic Signal and Street Lighting Improvements

- Street light & traffic signal pole replacement
- Traffic signal modernization program replacement
- Pole/Arm/Light head replacement

Water System Improvements

- Watermain maintenance & improvements program
- High service pump rehabilitation

- Lead service line replacement program
- Pipe gallery & concrete rehabilitation program
- Finley/Hickory Water Main Replacement
- Civic Center Reservoir Pressure Adjusting Station
- Highland Avenue Water Tank (Painting and Repairs)
- Kelly Court Watermain Replacement
- North Avenue Standpipe Building Rehabilitation

Yorktown is one of Chicagoland’s major regional shopping malls; an enclosed mall located on 120 acres of property and home to some approximately 160 individual retailers and is anchored by Von Maur, and J C Penney. Construction was completed in 2007 at The Shops on Butterfield, the lifestyle center, adjacent to Yorktown Center. This addition includes restaurants (Brio Tuscan Grille, Flat Top Grill, D.O.C. Wine Bar and Ra Sushi Bar) and specialty shops (Marshalls/HomeGoods, Forever 21, Buckle, and H&M to name a few).

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy: The Village of Lombard continues to maintain a stable financial position, with overall revenues exceeding fiscal year 2019 estimates. Revenues were fairly strong during the fiscal year, mainly led by a significant increase in building permits. However, we continue to be cautious as the governor and state legislature continue to threaten cuts to local government revenue sharing. At this point, it is anticipated that there will be a cut to the income tax that is shared with local governments. However, it is uncertain to what level this revenue will be reduced.

The Village has had structural budget issues that it has been addressing since 2016, as addressed more fully below. The Village was able to reduce expenses for 2020 to adopt a balanced budget. However, the COVID-19 pandemic that caused shutdowns of businesses will have a significant financial impact on the Village. The duration and severity of this pandemic will be factors in how significant this impact is, which the Village is still working on determining. Due to the long-term financial planning discussed below, the Village has significant reserves to assist in weathering this pandemic, giving it time to make service level changes that may be needed in coming years if there is a long-term impact, as is currently expected. In addition, the financial condition of the State of Illinois, and its potential impact on the revenues that are shared with municipalities, is of concern and will continue to be monitored.

Long-Term Financial Planning: The Village maintains and updates on an ongoing basis throughout the year a multi-year financial forecast for the major funds of the Village. A complete copy is included in the Village’s annual budget. In addition, a ten-year capital improvement plan is in place and is updated and maintained throughout the year. The use of these financial planning tools allows the Village of Lombard to keep ahead of potential negative impacts that can occur in a declining or flat economic environment. It therefore provides an opportunity for management to advise the Village Board of negative financial trends before they adversely impact operations or the capital improvement program.

In an effort to be proactive, the Village of Lombard developed a Long-Range Plan in fiscal year 2016, with strategies to address the rising costs of non-discretionary (required) expenses. The Long-Range Plan focuses on fiscal responsibility, prudent planning, and the implementation of resident recommendations via Village Committees. The challenges faced by the Village are associated with maintaining excellent core service levels to residents and business owners, while expenses continue to increase faster than revenues, due to State mandates beyond the Village's control. The strategy approved in the Long-Range Plan commits the Village to matching dollar for dollar (50/50) revenue increases and expenditure reductions, in order to maintain a balanced General Fund operating budget. This planning effort continues as the Village begins working on the 2020 budget.

Cash Management Policies and Practices: The Village of Lombard operates under a formal investment policy recommended by the Village Finance Committee and approved by the Village Board of Trustees. This policy is reviewed on an annual basis. The policy provides basic guidelines as to diversification and maturity. The Village's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Cash temporarily idle during the year was invested in investment pools including the Illinois Metropolitan Investment Fund (IMET), the Illinois State Treasurer's pool (Illinois Funds), and in a collateralized account at Wheaton Bank. The maturities of the investments in these pools range from 90 days for Illinois Funds (immediately accessible) and the IMET Convenience Fund (immediately accessible) to 1-3 years for the IMET 1-3 year Fund (accessible with 7 days' notice).

Risk Management: The Village seeks to provide a risk management program that continually analyzes losses, manages claims, and provides ongoing training and education to reduce future risks. The Village has active safety committees in the major operating departments and provides Village wide training for all employees through speakers/trainers and computer-based safety training. Various other risk control techniques are used throughout the year to minimize accident-related losses.

The Village purchases excess insurance coverage from private insurers while self-insuring a portion of its overall risk. Currently we anticipate a 15% increase for 2021 due to worsening marketplace conditions. In order to offset the higher premiums over time, the Village has increased its self-insured retention (SIR) - the amount of losses the Village pays out of pocket before excess coverage takes effect - for both property and casualty, and workers' compensation coverage. The Village's decision to self-insure more of its risk created a need to set aside adequate reserves to pay for losses incurred each year that will be paid out in future years. A bi-annual actuarial assessment is made of the Village's Liability Insurance Program and this data is used to ensure that the program will be able to meet the future demands placed on it.

The Liability Insurance Program remains in a strong financial position. In addition, the Village is in the process of establishing an aggressive and effective loss prevention program that will target areas where accidents or injuries have occurred

with some frequency. Controlling losses and managing exposure to risk will remain a priority in the coming years.

Pension and other postemployment benefits: The Village provides pension benefits for its non-public safety employees through a statewide plan managed by the Illinois Municipal Retirement Fund (IMRF). The Village has no obligations in connection with employee benefits offered through this plan beyond its contractual payments to IMRF.

The Village also sponsors separate single-employer defined benefit pension plans for its police officers and firefighters, as required under state statute. Each year, an independent actuary engaged by the Village calculates the amount of the annual contribution that the Village must make to the pension plan to ensure that the plan will be able to fully meet its obligations to retired employees. As a matter of policy, the Village fully funds each year's annual required contribution to the pension plan as determined by the actuary. The amount required is funded through property taxes.

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

Awards: The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Lombard for its comprehensive annual financial report for the fiscal year ended December 31, 2018. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.


The Village also received GFOA's Award for Distinguished Budget Presentation for its annual operating budget dated January 1, 2019. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document must be judged to be proficient in several categories including policy documentation, financial planning, and organization.

Acknowledgements: The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. Particular recognition goes to Jessica Nawracaj, Accountant Coordinator, Tim Sexton, Finance Director and Jamie Cunningham, Assistant Finance Director for their hard work and dedication in completing this report. In addition, the Village wishes to recognize the staff of the firm of Lauterbach & Amen LLP, the Village auditors, and in particular Don Shaw, Ann Van Vooren, Jamie Wilkey and Ron Amen. The Village of

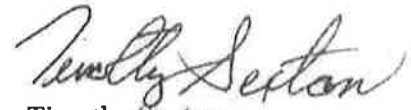
Lombard continues to benefit from the cooperative working relationship between the Finance Department and the staff of Lauterbach & Amen LLP.

In closing we would like to thank the members of the Board of Trustees for their interest and support in planning and conducting the financial operations of the Village in a responsible and progressive manner. Without their leadership and ongoing support, preparation of this report would not have been possible.

Sincerely,

A handwritten signature in cursive script, appearing to read "Scott R. Niehaus".

Scott R. Niehaus
Village Manager

A handwritten signature in cursive script, appearing to read "Timothy Sexton".

Timothy Sexton
Director of Finance



Government Finance Officers Association

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

Presented to

**Village of Lombard
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

This section includes:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Other Supplementary Information

INDEPENDENT AUDITORS' REPORT

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



INDEPENDENT AUDITORS' REPORT

June 2, 2020

The Honorable Village President
Members of the Board of Trustees
Village of Lombard, 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 the Village of Lombard, Illinois, as of and for the year ended December 31, 2019, 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of 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 the Village of Lombard, Illinois, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents and budgetary information reported in the required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not 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 the Village of Lombard, Illinois' basic financial statements. The introductory section, other supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and were derived from and relate 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 other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF LOMBARD, ILLINOIS

Management's Discussion and Analysis December 31, 2019

Our discussion and analysis of the Village of Lombard's financial performance provides an overview of the Village's financial activities for the fiscal year ended December 31, 2019. Please read it in conjunction with the transmittal letter beginning on page 3 and the Village of Lombard's financial statements, which begin on page 29. A comparative analysis of government-wide data has been presented. Please note throughout the MD&A, amounts are rounded to nearest 100,000.

FINANCIAL HIGHLIGHTS

- The Village of Lombard's net position totals \$158.6 million. Net position for governmental activities account for \$61.5 million or 38.8% of the total and business-type activities account for \$97.1 million or 61.3%.
- During the year, expenses were \$73.3 million on a government-wide basis as compared to \$78.4 million in revenue. Governmental activities accounted for \$52.5 million or 71.6% of total expenses with business-type activities accounting for \$20.8 million or 28.4%.
- Before transfers, revenues for governmental activities exceeded expenses by \$1.3 million and business-type activities revenues exceeded expenses by \$3.8 million.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 29-32) provide information about the activities of the Village of Lombard as a whole and present a longer-term view of the Village of Lombard's finances. Fund financial statements begin on page 33. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Village of Lombard's operation in more detail than the government-wide statements by providing information about the Village of Lombard's most significant funds. The remaining statements provide financial information about activities for which the Village of Lombard acts solely as a trustee or agent for the benefit of those outside of the government.

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the Village of Lombard's finances, in a matter similar to a private-sector business. The government-wide financial statements can be found on pages 29-32 of this report.

VILLAGE OF LOMBARD, ILLINOIS

Management's Discussion and Analysis

December 31, 2019

USING THIS ANNUAL REPORT – Continued

Government-Wide Financial Statements – Continued

The Statement of Net Position reports information on all of the Village of Lombard's assets/deferred outflows and liabilities/deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village of Lombard is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the Village of Lombard's property tax base and the condition of the Village of Lombard's roads, is needed to assess the overall health of the Village of Lombard.

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

Both of the government-wide financial statements distinguish functions of the Village of Lombard 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 of Lombard include general government, public safety, highways and streets, sanitation, economic development, and culture and recreation. The business-type activities of the Village of Lombard include waterworks and sewerage and parking operations.

The Village of Lombard includes four separate legal entities in its report, the Village of Lombard, the Village of Lombard Police Pension Employees Retirement System, the Firefighters' Pension Employees Retirement System and the Lombard Public Facilities Corporation. The Village of Lombard Police Pension Employees Retirement System and the Firefighters' Pension Employees Retirement System are considered "blended component units". The Lombard Public Facilities Corporation is considered a "discretely presented component unit". Financial information for the component units is reported separately from the financial information presented for the primary government itself.

The Lombard Public Facilities Corporation, an Illinois not-for-profit corporation, was created to, among other things, issue revenue bonds to finance the cost of acquiring, designing, constructing, equipping, operating and financing a Conference Center, Hotel, Restaurants and related improvements adjacent to the Yorktown Center regional shopping mall. Additional information on the Lombard Public Facilities Corporation can be found in Note 1 on page 44 of this report.

VILLAGE OF LOMBARD, ILLINOIS

Management's Discussion and Analysis December 31, 2019

USING THIS ANNUAL REPORT – Continued

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village of Lombard, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village of Lombard 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, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Village of Lombard's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The Village of Lombard maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund and the Capital Projects Fund, all of which are considered major funds.

The Village of Lombard adopts an annual appropriated budget for all of the governmental funds. A budgetary comparison schedule for these funds has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 33-36 of this report.

Proprietary Funds

The Village of Lombard maintains two different types of proprietary funds, enterprise and internal service. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village of Lombard utilizes enterprise funds to account for its waterworks and sewerage, and parking operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Village of Lombard's various functions.

VILLAGE OF LOMBARD, ILLINOIS

Management's Discussion and Analysis December 31, 2019

USING THIS ANNUAL REPORT – Continued

Fund Financial Statements – Continued

Proprietary Funds – Continued

The Village of Lombard uses internal service funds to account for its fleet of vehicles and equipment. Since this service predominantly benefits governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Waterworks and Sewerage Fund and for the Parking System Fund, both of which are considered to be major funds of the Village of Lombard. The internal service fund is aggregated into the presentation in the proprietary fund financial statements. Individual fund data for the Fleet Services internal service fund is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 37-40 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village of Lombard's own programs. The accounting use for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 41-42 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 43-101 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 of Lombard's Illinois Municipal Retirement Fund (IMRF), police, and firefighters' employee pension obligations and the Village's other postemployment benefit obligation. Required supplementary information can be found on pages 102-114 of this report. Combining and individual fund statements and schedules can be found on pages 115-145 of this report.

VILLAGE OF LOMBARD, ILLINOIS

Management's Discussion and Analysis December 31, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The Village of Lombard retains a positive net position for both governmental and business-type activities. The following table reflects the condensed Statement of Net Position compared to the prior year.

	Net Position (in Millions)					
	Governmental Activities		Business-Type Activities		Total	
	Dec-19	Dec-18	Dec-19	Dec-18	Dec-19	Dec-18
Current and Other Assets	\$ 60.0	55.1	38.5	38.6	98.5	93.7
Capital Assets	87.2	88.8	81.6	79.1	168.8	167.9
Total Assets	147.2	144.0	120.2	117.7	267.3	261.6
Deferred Outflows	7.2	21.2	0.3	1.3	7.6	22.5
Total Assets/Deferred Outflows	154.4	165.2	120.5	118.9	274.9	284.1
Long-Term Debt Outstanding	64.3	80.5	19.6	21.2	83.9	101.7
Other Liabilities	4.5	5.3	3.0	3.7	7.5	9.0
Total Liabilities	68.8	85.7	22.7	24.9	91.4	110.7
Deferred Inflows	24.1	19.8	0.7	0.1	24.8	19.9
Total Liabilities/Deferred Inflows	92.9	105.5	23.4	25.1	116.3	130.6
Net Position						
Net Investment in Capital Assets	87.1	88.2	63.2	60.0	150.3	148.1
Restricted	13.3	11.2	-	-	13.3	11.2
Unrestricted	(38.9)	(39.7)	33.9	33.9	(5.0)	(5.8)
Total Net Position	\$ 61.5	59.6	97.1	93.9	158.6	153.5

Current Year Impacts on Net Position. The Village's total net position increase from \$153.5 million to \$158.6 million was the result of the net position of the governmental and business-type activities increasing by \$1.8 million and \$3.2 million, respectively. The increase in governmental activities is primarily due to the decrease of construction in progress by \$1.6 million and is attributed to the completion of the Finley Road Intersection Project. The increase in business-related activities is attributed to the completion of several projects in Water Works and Sewerage which include the Cambrial Lift Station Rehabilitation, Water Meter Replacement Program, Central Station Reservoir, and Water Distribution/Public Works Security Improvements.

In governmental activities, the total assets/deferred outflows decreased by \$10.8 million while the total liabilities/deferred inflows decreased by \$12.5 million. The primary sources of the change are attributed to the Police and Fire deferred outflows and inflows. The first change was due to the fund's investment return in Police and Fire Pensions. During the calendar year, the pensions assume a 7% investment return and at the calendar year end, the actual return on investment was

VILLAGE OF LOMBARD, ILLINOIS

Management's Discussion and Analysis December 31, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Current Year Impacts on Net Position – continued.

significantly higher at 17% resulting in significant investments gains flowing through deferred inflows and outflows. A second change is due to the adoption of the newest mortality rate assumptions used in actuarial reporting for both Police and Fire pensions. The third change is due to demographic changes related to a number of retirements within both the Police and Fire departments.

Of the Village's \$158.6 net position at December 31, 2019, the unrestricted net position showed a slight improvement from the prior year. In business-type activities, the Village's investment in the Glenbard Wastewater Authority, a joint action agency with the Village of Glen Ellyn, Illinois to provide wastewater treatment to the two communities, represents \$24.3 million. Net investment in capital assets totals \$150.3 million which includes land, buildings, machinery, equipment and infrastructure. The Village of Lombard uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village of Lombard'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. The remaining \$13.3 million of the Village of Lombard's net position represents resources that are subject to external restrictions on how they may be used.

VILLAGE OF LOMBARD, ILLINOIS

Management's Discussion and Analysis December 31, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

The following table provides a summary of the Statement of Activities.

**Village of Lombard
Changes in Net Position (In Millions)**

	Governmental Activities		Business-Type Activities		Total	
	Dec-19	Dec-18	Dec-19	Dec-18	Dec-19	Dec-18
Revenues						
Program Revenues						
Charges for Services	\$ 6.6	6.7	18.2	17.7	24.8	24.4
Operating Grants/Contributions	0.3	0.6	0.0	0.0	0.3	0.6
Capital Grants/Contributions	4.0	3.4	0.9	1.9	4.9	5.4
General Revenues						
Taxes	41.7	41.7	4.9	5.2	46.6	46.9
Interest Income	0.8	0.7	0.3	0.2	0.8	0.9
Miscellaneous	0.5	0.4	0.3	0.6	0.7	1.0
Total Revenues	<u>53.8</u>	<u>53.5</u>	<u>24.6</u>	<u>25.6</u>	<u>78.4</u>	<u>79.1</u>
Expenses						
General Government	7.6	7.8	-	-	7.6	7.8
Public Safety	33.0	29.8	-	-	33.0	29.8
Physical Environment	1.7	1.7	-	-	1.7	1.7
Public Works	10.2	10.8	-	-	10.2	10.8
Interest on Long-Term Debt	0.0	0.0	-	-	0.0	0.0
Waterworks and Sewerage	-	-	20.7	22.0	20.7	22.0
Parking	-	-	0.2	0.2	0.2	0.2
Total Expenses	<u>52.5</u>	<u>50.1</u>	<u>20.8</u>	<u>22.2</u>	<u>73.3</u>	<u>72.3</u>
Increase (Decrease) in Net Position Before Transfers	1.3	3.4	3.8	3.5	5.1	6.8
Transfers	0.5	0.5	(0.5)	(0.5)	-	-
Change in Net Position	1.8	3.9	3.2	2.9	5.1	6.8
Net Position - Beginning	59.6	55.7	93.9	90.9	153.5	146.6
Net Position - Ending	<u>\$ 61.5</u>	<u>59.6</u>	<u>97.1</u>	<u>93.9</u>	<u>158.6</u>	<u>153.5</u>

VILLAGE OF LOMBARD, ILLINOIS

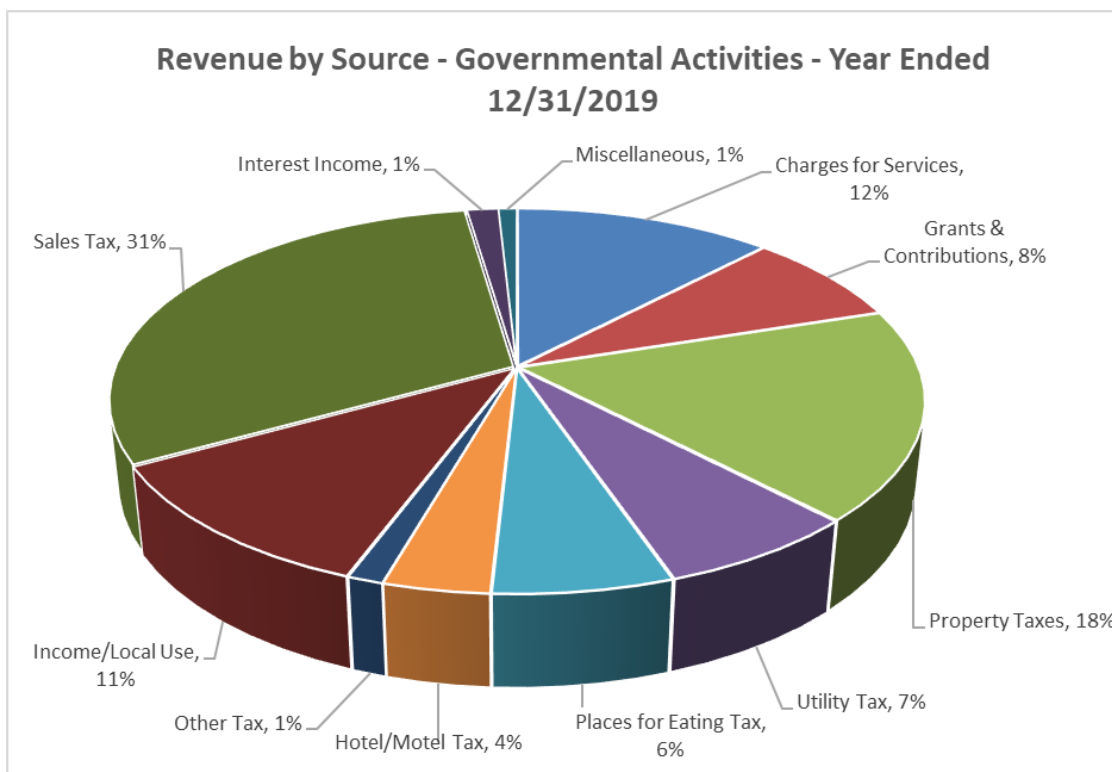
Management's Discussion and Analysis December 31, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Governmental Activities

As shown in the Changes in Net Position table on the previous page, revenues for governmental activities in the fiscal year ended December 31, 2019 totaled \$53.8 million or 68.7% of the total revenues received. In the fiscal year ended December 31, 2018, revenues for governmental activities totaled \$53.5 million or 67.6% of the total revenues received during that period. The result is a slight increase in total revenues from the prior year.

The following pie chart graphically depicts the major revenue sources of the Village of Lombard. It illustrates very clearly the reliance on sales and property taxes to fund governmental activities.

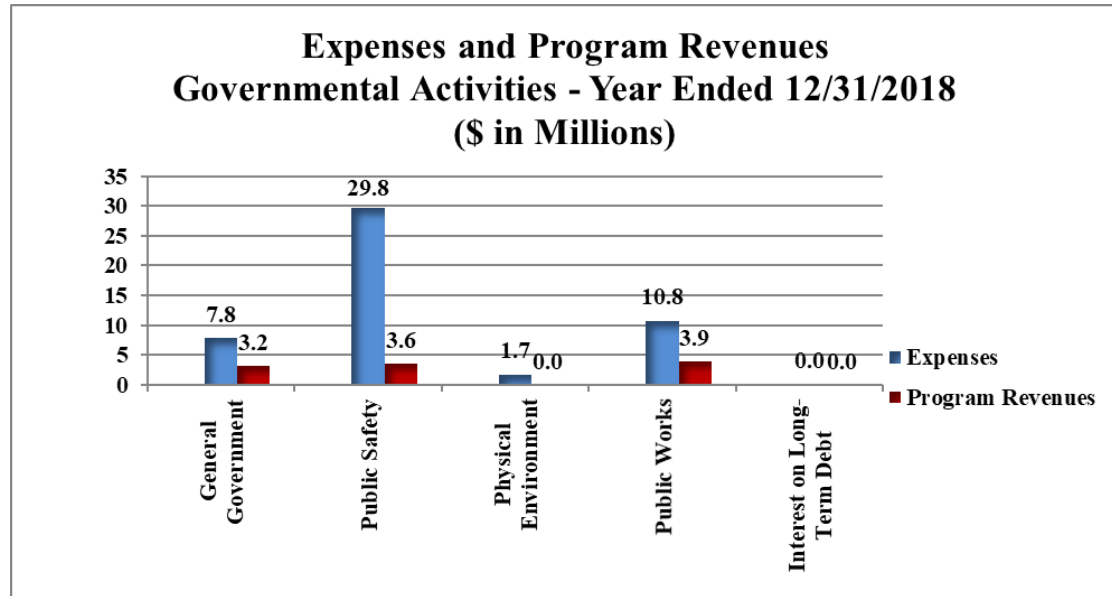
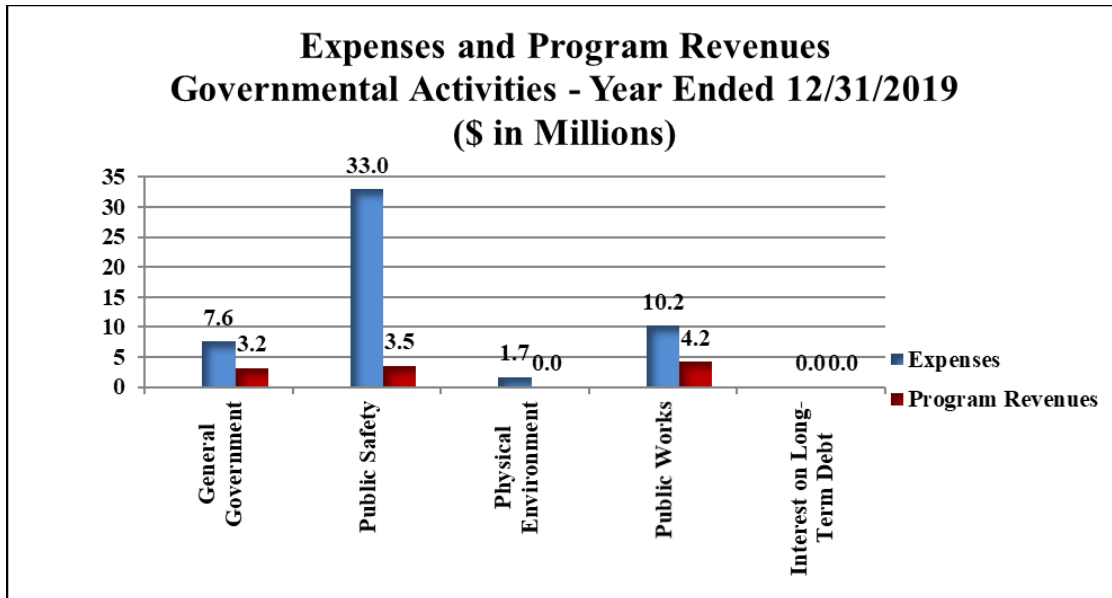


VILLAGE OF LOMBARD, ILLINOIS

Management’s Discussion and Analysis
December 31, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Governmental Activities – Continued



The Expenses and Program Revenues table identifies those governmental functions where program expenses greatly exceed revenues. Most program expenses are supported by general revenues of the Village and are not specifically allocated to a particular program. Fees for licenses, permits and other expenses for which there is a direct relationship between the cost of providing service and amount charged is reviewed on an annual basis as part of the annual budget process. The addition of the recording of the change in net position liability for pension funds resulted in most of the increase in public safety expenses for the year.

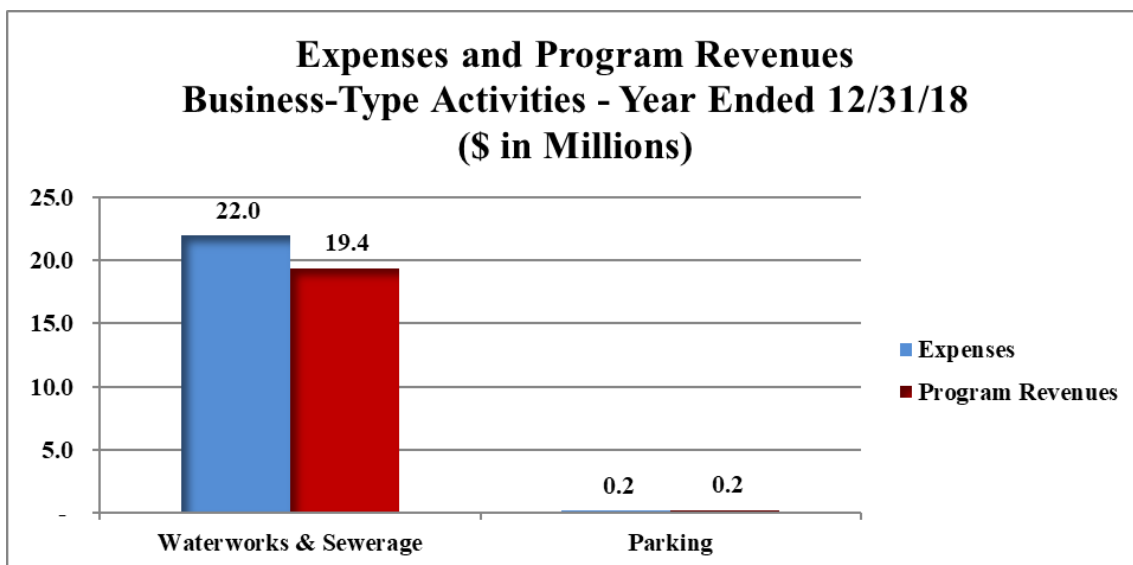
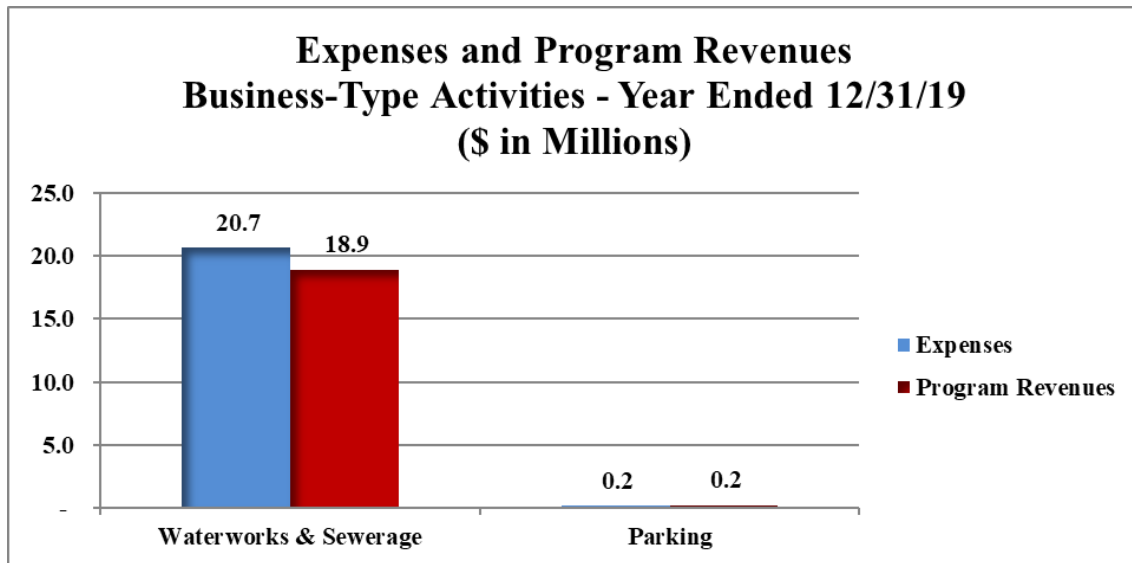
VILLAGE OF LOMBARD, ILLINOIS

**Management’s Discussion and Analysis
December 31, 2019**

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Business-Type Activities

The next graphs compare program revenues to expenses for waterworks and sewerage operations, and parking operations for the fiscal year ended December 31, 2019 and the fiscal year ended December 31, 2018. Program revenues of the Village’s business-type activities in the fiscal year ended December 31, 2019 totaled \$19.1 million, with a slight decrease from prior year, while expenses totaled \$20.9 million, decreasing by \$1.4 million. This decrease in expenses is attributed to personnel changes in the Water and Sewer Administration.



VILLAGE OF LOMBARD, ILLINOIS

Management's Discussion and Analysis December 31, 2019

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Village of Lombard 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. As of the end of the current fiscal year, the major governmental funds reported combined ending fund balances of \$37.2 million. The following table provides information on the major funds: General, Capital Projects and Debt Service. Additional information is provided on page 76 of this report.

Major Governmental Funds				
Fund Balance Analysis				
Major Governmental Funds	Current Year	Prior Year	Change	% Chg
Nonspendable Fund Balance:				
General Fund	\$ 1,833,795	1,851,003	(17,208)	-0.9%
Restricted Fund Balance:				
General Fund	\$ 5,062,201	4,610,742	451,459	9.8%
Capital Projects Fund	7,811,352	5,820,177	1,991,175	34.2%
Debt Service Fund	424,315	750,809	(326,494)	-43.5%
Committed Fund Balance:				
General Fund	\$ 8,165,600	7,853,817	311,783	4.0%
Capital Projects Fund	3,931,014	2,641,651	1,289,363	NA
Assigned Fund Balance:				
Capital Projects Fund	\$ 1,680,003	2,553,979	(873,976)	-34.2%
Unassigned Fund Balance:				
General Fund	\$ 8,299,339	7,589,075	710,264	9.4%
Total	\$ 37,207,619	33,671,253	3,536,366	10.5%

- The Village maintains General Fund Balance restrictions for special revenues totaling \$5.1 million. The largest restriction maintained in the General Fund is for Liability Insurance and totaled \$2.4 million at year-end which increased slightly compared to FYE 2018. The Village also maintains restrictions for Illinois Municipal Retirement Fund, Public Safety, Recycling and Hotel/Motel tax funds and other smaller accounts.
- The Village maintains a committed portion of General Fund balance for the future replacement of computer hardware and software and other technology in the Village.

VILLAGE OF LOMBARD, ILLINOIS

Management's Discussion and Analysis December 31, 2019

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS – Continued

Governmental Funds – Continued

- The Village Board approved a year-end General Fund Reserve Maintenance Policy in 2016. This policy created four new committed accounts (Emergency Reserve, Revenue Stabilization Reserve, Pension Reserve, and Building Reserve). Note the Building account is in the Capital Projects Fund.
- The Debt Service Fund is also reported as a major fund and is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest for the Village's governmental funds. For the fiscal year ended December 31, 2019, the Village reported a decrease in the Debt Service fund balance of \$326,494, resulting in ending fund balance of \$424,315 which is restricted for future debt service costs.
- The Capital Projects Fund, also a major fund of the Village, is used to account for resources used for the acquisition of capital assets by the Village, except those financed by proprietary funds, including general and infrastructure capital assets. For the year ended December 31, 2019, the Capital Projects Fund reported an increase in fund balance of \$2.4 million due to a transfer of \$1.3 million to the building fund per the year-end General Fund Reserve Maintenance Policy.

Proprietary Funds

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

The Village reports the Waterworks and Sewerage Fund as a major proprietary fund. This fund accounts for all of the operations of the municipal water and sewer system. Water is purchased from the City of Chicago (through the DuPage Water Commission) at a rate of \$4.94 per thousand gallons. Water is sold to all municipal customers at a rate of \$7.84 per thousand gallons. The spread between purchase and sale rates is intended to finance the operations of the waterworks and sewerage system, including labor costs, supplies, and infrastructure maintenance.

The Village intends to run the water and sewage fund and parking fund at breakeven rates. Periodically, there will be an annual surplus or draw down due to timing of capital projects. The change in net position in the Proprietary Funds during the current fiscal year was an increase of \$3.2 million. This money has been designated by the Village for future rate stabilization or capital improvements.

VILLAGE OF LOMBARD, ILLINOIS

Management's Discussion and Analysis December 31, 2019

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Village of Lombard's investment in capital assets for its governmental and business-type activities as of December 31, 2019, was \$168.8 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, land improvements, vehicles, machinery and equipment, roads, sidewalks, bridges and utility infrastructure. The total increase in the Village of Lombard net investment in capital assets for the current fiscal year was \$2.2 million over the prior fiscal year.

Capital Assets - Net of Depreciation (in Millions)

	Governmental Activities		Business-Type Activities		Total	
	Dec-19	Dec-18	Dec-19	Dec-18	Dec-19	Dec-18
Land	\$ 31.3	31.3	2.3	2.3	33.6	33.6
Construction in Progress	0.3	2.0	0.2	3.8	0.5	5.8
Land Improvements	1.1	1.1	0.9	0.9	1.9	2.0
Buildings	4.2	4.0	0.7	0.8	5.0	4.8
Vehicles and Equipment	4.2	4.4	-	-	4.2	4.4
Water and Sewerage Infrastructure	-	-	77.6	71.2	77.6	71.2
Other Infrastructure	46.0	46.2	-	-	46.0	46.2
Total	87.2	88.8	81.6	79.1	168.8	167.9

The December 31, 2019 fiscal capital budget included \$16.6 million for capital projects, maintenance of infrastructure, and debt payments on prior year projects. Many of the 2018 projects were capitalized in 2019, which is reflected in the significant decrease to construction in progress in business type activities. Additional information on the Village of Lombard's capital assets can be found in Note 3 on pages 67-68 of this report.

Debt Administration

At December 31, 2019, the Village of Lombard had total outstanding debt of \$18.6 million, as compared to \$19.8 million the previous year, a decrease of 6.2%. At the end of fiscal year December 31, 2019, the Village's governmental activities had \$88,375 in outstanding debt certificates as compared to \$652,800 at the end of fiscal year December 31, 2018. The business-type activities outstanding debt certificates decreased from \$1.5 million at the end of fiscal year ended December 31, 2018 to \$416,625 at the end of fiscal year ended December 31, 2019. The Village's \$13.7 million in IEPA Loans at December 31, 2018 increased to \$14.2 million at December 31, 2019.

VILLAGE OF LOMBARD, ILLINOIS

Management's Discussion and Analysis December 31, 2019

APITAL ASSETS AND DEBT ADMINISTRATION – Continued

Debt Administration – Continued

As a non-home rule community, the Village of Lombard is required by state statute to seek voter approval to issue general obligation bonds. The Village has chosen to use alternative financing methods to fund the capital needs of the Village. Capital needs of the Village's water and sewer system are funded mainly through rates, non-home rule sales tax and water and sewer connection fees.

The Village's legal debt limit is \$143.6 million. The amount currently applicable to this limit is \$505,000, leaving a legal debt margin available of \$143.1 million. Specifics on the Village of Lombard long-term debt can be found in Note 3 on pages 70-74 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Village has adhered to prudent financial management practices that have enabled it to maintain and strengthen the Village's overall financial position while staying committed to funding the Village's long-term liabilities and achieving the goals and objectives of the Village Board.

The Village is subject to the property tax extension limitation law which limits the increase in the Village property tax extension to the increase in the consumer price index. For the 2018 levy collected in 2019, the applicable CPI factor is 2.1%. For both 2018 and 2019, the Village has also seen an increase in new construction within the Village.

The Village of Lombard continues to maintain a stable financial position, with overall revenues exceeding fiscal year 2019 estimates. Revenues were fairly strong during the fiscal year, mainly led by a significant increase in building permits.

However, we continue to be cautious as the governor and state legislature continue to threaten cuts to local government revenue sharing. At this point, it is anticipated that there will be a cut to the income tax that is shared with local governments. However, it is uncertain to what level this revenue will be reduced. The Village continues to face substantial increases in liability and pension costs. In addition, five former police officers and firefighters receive free health insurance from the Village under the Public Safety Employee Benefits Act (PSEBA), as mandated by the State of Illinois.

The indicators discussed above were considered when adopting the General Fund budget for 2020. The 2020 budget focused on fiscal responsibility, prudent planning, and the implementation of resident recommendations via Village Committees. During the planning for the 2020 budget, the Village was looking to eliminate a \$305,546 deficit. The Village Board approved the Finance and Administration Committee's recommended reductions that totaled \$184,510. Year over year department budget changes include reductions to printing costs, front desk services, ammunition stock, lobbyist and IT service contracts and reserve equipment, curbside brush collection program, and restructuring some Village positions. Expenditures in the 2020 General Fund budget increased 1.9% or 814,472 above the 2019 amended budget.

VILLAGE OF LOMBARD, ILLINOIS

Management's Discussion and Analysis December 31, 2019

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES – Continued

The Village continues to invest in the replacement of its roads and related infrastructure using assigned and restricted funds as well as applying for grants and IEPA loans where possible. The Village also replaces when necessary aging watermain in conjunction with the road program. The overall financial health of the Water and Sewer Fund continues to be strong.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Village of Lombard's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to Director of Finance, Village of Lombard, 255 E. Wilson Ave., Lombard, IL 60148.

BASIC FINANCIAL STATEMENTS

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

- Government-Wide Financial Statements
- Fund Financial Statements

Governmental Funds

Proprietary Funds

Fiduciary Funds

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

VILLAGE OF LOMBARD, ILLINOIS

**Statement of Net Position
December 31, 2019**

See Following Page

VILLAGE OF LOMBARD, ILLINOIS

**Statement of Net Position
December 31, 2019**

	Primary Government			Component Unit
	Governmental Activities	Business- Type Activities	Totals	Lombard Public Facilities Corporation
ASSETS				
Current Assets				
Cash and Investments	\$ 42,734,890	8,977,020	51,711,910	10,578,113
Receivables - Net of Allowances	15,418,905	4,675,636	20,094,541	1,459,630
Prepaid/Deposits	1,833,795	424,539	2,258,334	541,653
Total Current Assets	59,987,590	14,077,195	74,064,785	12,579,396
Noncurrent Assets				
Capital Assets				
Nondepreciable Capital Assets	31,625,855	2,435,456	34,061,311	7,903,588
Depreciable Capital Assets	137,304,072	127,898,428	265,202,500	136,777,677
Accumulated Depreciation	(81,748,382)	(48,685,229)	(130,433,611)	(42,863,603)
	87,181,545	81,648,655	168,830,200	101,817,662
Equity Interest in Joint Venture	-	24,315,405	24,315,405	-
Total Noncurrent Assets	87,181,545	105,964,060	193,145,605	101,817,662
Total Assets	147,169,135	120,041,255	267,210,390	114,397,058
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Items - IMRF	598,566	139,267	737,833	-
Deferred Items - Police Pension	2,821,102	-	2,821,102	-
Deferred Items - Firefighters' Pension	2,532,833	-	2,532,833	-
Deferred Items - RBP	1,283,007	182,858	1,465,865	-
Total Deferred Outflows of Resources	7,235,508	322,125	7,557,633	-
Total Assets and Deferred Outflows of Resources	154,404,643	120,363,380	274,768,023	114,397,058

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

	Primary Government			Component
	Governmental Activities	Business- Type Activities	Totals	Unit
				Lombard Public Facilities Corporation
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 2,412,432	1,142,994	3,555,426	11,747,677
Accrued Payroll	871,458	125,229	996,687	-
Deposits Payable	569,389	340,949	910,338	-
Claims Payable	168,461	-	168,461	-
Interest Payable	546	158,432	158,978	9,060,471
Current Portion of Long-Term Debt	537,776	1,129,855	1,667,631	181,447,401
Total Current Liabilities	<u>4,560,062</u>	<u>2,897,459</u>	<u>7,457,521</u>	<u>202,255,549</u>
Noncurrent Liabilities				
Compensated Absences Payable	1,797,604	231,577	2,029,181	-
Net Pension Liability - IMRF	4,086,810	950,865	5,037,675	-
Net Pension Liability - Police	32,843,114	-	32,843,114	-
Net Pension Liability - Fire	18,225,490	-	18,225,490	-
Total OPEB Liability - RBP	7,332,375	1,045,031	8,377,406	-
General Obligation Bonds Payable	-	3,900,000	3,900,000	-
IEPA Loan Payable	-	13,500,711	13,500,711	-
Bonds Payable	-	-	-	35,827,237
Total Noncurrent Liabilities	<u>64,285,393</u>	<u>19,628,184</u>	<u>83,913,577</u>	<u>35,827,237</u>
Total Liabilities	<u>68,845,455</u>	<u>22,525,643</u>	<u>91,371,098</u>	<u>238,082,786</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Items - IMRF	2,969,542	690,914	3,660,456	-
Deferred Items - Police Pension	5,590,525	-	5,590,525	-
Deferred Items - Firefighters' Pension	5,194,015	-	5,194,015	-
Deferred Items - RBP	274,069	39,061	313,130	-
Property Taxes	10,070,791	-	10,070,791	-
Total Deferred Inflows of Resources	<u>24,098,942</u>	<u>729,975</u>	<u>24,828,917</u>	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>92,944,397</u>	<u>23,255,618</u>	<u>116,200,015</u>	<u>238,082,786</u>
NET POSITION				
Net Investment in Capital Assets	87,093,170	63,175,984	150,269,154	(87,616,079)
Restricted - Liability Insurance	2,392,135	-	2,392,135	-
Restricted - IMRF/Social Security	995,869	-	995,869	-
Restricted - Special Service Area	10,450	-	10,450	-
Restricted - Tourism and Conventions Taxes	985,071	-	985,071	-
Restricted - Grants/Donations	38,818	-	38,818	-
Restricted - Cable Equipment	71,041	-	71,041	-
Restricted - Recycling	88,516	-	88,516	-
Restricted - Public Safety	480,301	-	480,301	-
Restricted - Debt Service	423,769	-	423,769	-
Restricted - Capital Projects	7,811,352	-	7,811,352	-
Unrestricted (Deficit)	(38,930,246)	33,931,778	(4,998,468)	(36,069,649)
Total Net Position	<u>61,460,246</u>	<u>97,107,762</u>	<u>158,568,008</u>	<u>(123,685,728)</u>

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

VILLAGE OF LOMBARD, ILLINOIS

Statement of Activities

For the Fiscal Year Ended December 31, 2019

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/Contributions	Capital Grants/Contributions
Governmental Activities				
General Government	\$ 7,633,490	3,158,243	-	-
Public Safety	33,030,431	3,449,272	86,206	-
Physical Environment	1,697,548	-	-	-
Public Works	10,182,668	-	166,543	4,003,624
Interest on Long-Term Debt	8,014	-	-	-
Total Governmental Activities	52,552,151	6,607,515	252,749	4,003,624
Business-Type Activities				
Waterworks and Sewerage	20,664,873	17,979,876	18,300	907,210
Parking	161,289	235,570	-	-
Total Business-Type Activities	20,826,162	18,215,446	18,300	907,210
Total Primary Government	73,378,313	24,822,961	271,049	4,910,834
Component Unit - Lombard Public Facilities Corporation	48,448,270	30,720,081	-	-

- General Revenues
 - Taxes
 - Property Taxes
 - Utility Taxes
 - Places for Eating Taxes
 - Tourism and Conventions Taxes
 - Other Taxes
 - Intergovernmental - Unrestricted
 - Sales Taxes
 - State Income and Use Taxes
 - Interest Income
 - Miscellaneous
 - Transfers - Internal Activity

Change in Net Position

Net Position - Beginning

Net Position - Ending

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

Net (Expenses)/Revenues			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Totals	Lombard Public Facilities Corporation
(4,475,247)	-	(4,475,247)	-
(29,494,953)	-	(29,494,953)	-
(1,697,548)	-	(1,697,548)	-
(6,012,501)	-	(6,012,501)	-
(8,014)	-	(8,014)	-
(41,688,263)	-	(41,688,263)	-
-	(1,759,487)	(1,759,487)	-
-	74,281	74,281	-
-	(1,685,206)	(1,685,206)	-
(41,688,263)	(1,685,206)	(43,373,469)	-
-	-	-	(17,728,189)
9,670,086	-	9,670,086	-
3,759,230	-	3,759,230	-
3,322,889	-	3,322,889	-
1,967,358	-	1,967,358	-
663,085	-	663,085	-
16,263,676	4,865,737	21,129,413	-
6,097,787	-	6,097,787	-
799,894	297,191	1,097,085	395
465,153	277,222	742,375	1,051,623
509,880	(509,880)	-	-
43,519,038	4,930,270	48,449,308	1,052,018
1,830,775	3,245,064	5,075,839	(16,676,171)
59,629,471	93,862,698	153,492,169	(107,009,557)
61,460,246	97,107,762	158,568,008	(123,685,728)

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

VILLAGE OF LOMBARD, ILLINOIS

**Balance Sheet - Governmental Funds
December 31, 2019**

	General	Debt Service	Capital Projects	Totals
ASSETS				
Cash and Investments	\$ 20,609,720	421,714	13,029,253	34,060,687
Receivables - Net of Allowances				
Property Taxes	10,056,424	4,995	-	10,061,419
Other Taxes	3,656,786	-	944,967	4,601,753
Accounts	515,708	-	90,129	605,837
Accrued Interest	56,626	2,601	47,127	106,354
Due from Other Funds	23,526	-	-	23,526
Prepays/Deposits	1,833,795	-	-	1,833,795
Total Assets	<u>36,752,585</u>	<u>429,310</u>	<u>14,111,476</u>	<u>51,293,371</u>
LIABILITIES				
Accounts Payable	1,738,515	-	662,251	2,400,766
Accrued Payroll	849,489	-	3,330	852,819
Deposits Payable	569,389	-	-	569,389
Claims Payable	168,461	-	-	168,461
Due to Other Funds	-	-	23,526	23,526
Total Liabilities	<u>3,325,854</u>	<u>-</u>	<u>689,107</u>	<u>4,014,961</u>
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	10,065,796	4,995	-	10,070,791
Total Liabilities and Deferred Inflows of Resources	<u>13,391,650</u>	<u>4,995</u>	<u>689,107</u>	<u>14,085,752</u>
FUND BALANCE				
Nonspendable	1,833,795	-	-	1,833,795
Restricted	5,062,201	424,315	7,811,352	13,297,868
Committed	8,165,600	-	3,931,014	12,096,614
Assigned	-	-	1,680,003	1,680,003
Unassigned	8,299,339	-	-	8,299,339
Total Fund Balances	<u>23,360,935</u>	<u>424,315</u>	<u>13,422,369</u>	<u>37,207,619</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>36,752,585</u>	<u>429,310</u>	<u>14,111,476</u>	<u>51,293,371</u>

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

VILLAGE OF LOMBARD, ILLINOIS

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

December 31, 2019

Total Governmental Fund Balances	\$ 37,207,619
 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.	83,194,617
Net deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Deferred Items - IMRF	(2,298,197)
Deferred Items - Police Pension	(2,769,423)
Deferred Items - Firefighters' Pension	(2,661,182)
Deferred Items - RBP	982,444
Internal service funds are used by the Village to charge the costs of vehicle and equipment management to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position	12,233,038
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(2,169,949)
Net Pension Liability - IMRF	(3,961,363)
Net Pension Liability - Police	(32,843,114)
Net Pension Liability - Firefighters' Pension	(18,225,490)
Total OPEB Liability - RBP	(7,139,833)
Debt Certificates Payable	(88,375)
Accrued Interest Payable	(546)
Net Position of Governmental Activities	<u>61,460,246</u>

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

VILLAGE OF LOMBARD, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended December 31, 2019**

	General	Debt Service	Capital Projects	Totals
Revenues				
Taxes	\$ 19,189,636	4,998	188,014	19,382,648
Licenses and Permits	1,150,651	-	-	1,150,651
Intergovernmental	18,365,225	-	8,252,611	26,617,836
Charges for Services	4,459,687	-	-	4,459,687
Fines and Forfeits	997,177	-	-	997,177
Interest	306,354	13,608	254,005	573,967
Miscellaneous	387,778	-	77,375	465,153
Total Revenues	44,856,508	18,606	8,772,005	53,647,119
Expenditures				
Current				
General Government	7,767,276	-	-	7,767,276
Public Safety	29,136,905	-	-	29,136,905
Physical Environment	1,697,548	-	-	1,697,548
Public Works	4,030,471	-	-	4,030,471
Capital Outlay	-	-	7,407,976	7,407,976
Debt Service				
Principal Retirement	-	335,000	229,425	564,425
Interest and Fiscal Charges	-	10,100	5,932	16,032
Total Expenditures	42,632,200	345,100	7,643,333	50,620,633
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,224,308	(326,494)	1,128,672	3,026,486
Other Financing Sources (Uses)				
Transfers In	556,970	-	1,324,980	1,881,950
Transfers (Out)	(1,324,980)	-	(47,090)	(1,372,070)
	(768,010)	-	1,277,890	509,880
Net Change in Fund Balances	1,456,298	(326,494)	2,406,562	3,536,366
Fund Balances - Beginning	21,904,637	750,809	11,015,807	33,671,253
Fund Balances - Ending	23,360,935	424,315	13,422,369	37,207,619

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

VILLAGE OF LOMBARD, ILLINOIS

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

For the Fiscal Year Ended December 31, 2019

Net Change in Fund Balances - Total Governmental Funds	\$ 3,536,366
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Amounts reported for governmental activities in the Statement of Activities
are different because:

Governmental funds report capital outlays as expenditures. However, in the
Statement of Activities the cost of those assets is allocated over their estimated
useful lives and reported as depreciation expense.

Capital Outlays	1,339,079
Depreciation Expense	(2,991,168)

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

Change in Deferred Items - IMRF	(7,121,706)
Change in Deferred Items - Police Pension	(4,500,318)
Change in Deferred Items - Firefighters' Pension	(6,885,334)
Change in Deferred Items - RBP	1,024,377

The issuance of long-term debt provides current financial resources to
governmental funds, While the repayment of the principal on long-term
debt consumes the current financial resources of the governmental funds.

Decrease to Compensated Absences Payable	59,520
Decrease to Net Pension Liability - IMRF	6,940,478
Decrease to Net Pension Liability - Police Pension	4,057,172
Decrease to Net Pension Liability - Firefighters' Pension	6,048,135
(Increase) to Total OPEB Liability - RBP	(1,165,406)
Retirement of Debt	564,425

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

8,018

Internal service funds are used by the Village to charge the costs of liability
insurance and vehicle and equipment management to individual funds.

The net revenue of certain activities of internal service funds is
reported with governmental activities.

917,137

Changes in Net Position of Governmental Activities

1,830,775

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

VILLAGE OF LOMBARD, ILLINOIS

Statement of Net Position - Proprietary Funds

December 31, 2019

	Business-Type Activities - Enterprise			Governmental
	Waterworks and Sewerage	Nonmajor	Totals	Internal
		Parking System		Service Fleet Services
ASSETS				
Current Assets				
Cash and Investments	\$ 8,113,243	863,777	8,977,020	8,674,203
Receivables - Net of Allowances				
Accounts	3,781,263	-	3,781,263	1,654
Other Taxes	839,230	-	839,230	-
Accrued Interest	51,133	4,010	55,143	41,888
Prepays	424,539	-	424,539	-
Total Current Assets	<u>13,209,408</u>	<u>867,787</u>	<u>14,077,195</u>	<u>8,717,745</u>
Noncurrent Assets				
Capital Assets				
Nondepreciable Capital Assets	1,871,413	564,043	2,435,456	602,691
Depreciable Capital Assets	126,378,310	1,520,118	127,898,428	9,722,231
Accumulated Depreciation	(48,022,318)	(662,911)	(48,685,229)	(6,337,994)
	<u>80,227,405</u>	<u>1,421,250</u>	<u>81,648,655</u>	<u>3,986,928</u>
Equity Interest in Joint Venture	24,315,405	-	24,315,405	-
Total Noncurrent Assets	<u>104,542,810</u>	<u>1,421,250</u>	<u>105,964,060</u>	<u>3,986,928</u>
Total Assets	<u>117,752,218</u>	<u>2,289,037</u>	<u>120,041,255</u>	<u>12,704,673</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Items - IMRF	139,267	-	139,267	18,373
Deferred Items - RBP	182,858	-	182,858	33,691
Total Deferred Outflows of Resources	<u>322,125</u>	<u>-</u>	<u>322,125</u>	<u>52,064</u>
Total Assets and Deferred Outflows of Resources	<u>118,074,343</u>	<u>2,289,037</u>	<u>120,363,380</u>	<u>12,756,737</u>

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

	Business-Type Activities - Enterprise			Governmental
	Waterworks and Sewerage	Nonmajor	Totals	Internal
		Parking System		Service Fleet Services
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 1,142,005	989	1,142,994	11,666
Accrued Payroll	125,129	100	125,229	18,639
Deposits Payable	340,459	490	340,949	-
Interest Payable	158,432	-	158,432	-
Compensated Absences	57,313	582	57,895	15,411
Debt Certificates	416,625	-	416,625	-
IEPA Loan Payable	655,335	-	655,335	-
Total Current Liabilities	2,895,298	2,161	2,897,459	45,716
Noncurrent Liabilities				
Compensated Absences	229,250	2,327	231,577	61,645
Net Pension Liability - IMRF	950,865	-	950,865	125,447
Total OPEB Liability - RBP	1,045,031	-	1,045,031	192,542
General Obligation Bonds Payable	3,900,000	-	3,900,000	-
IEPA Loan Payable	13,500,711	-	13,500,711	-
Total Noncurrent Liabilities	19,625,857	2,327	19,628,184	379,634
Total Liabilities	22,521,155	4,488	22,525,643	425,350
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Items - IMRF	690,914	-	690,914	91,152
Deferred Items - RBP	39,061	-	39,061	7,197
Total Deferred Inflows of Resources	729,975	-	729,975	98,349
Total Liabilities and Deferred Inflows of Resources	23,251,130	4,488	23,255,618	523,699
NET POSITION				
Net Investment in Capital Assets	61,754,734	1,421,250	63,175,984	3,986,928
Unrestricted	33,068,479	863,299	33,931,778	8,246,110
Total Net Position	94,823,213	2,284,549	97,107,762	12,233,038

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

VILLAGE OF LOMBARD, ILLINOIS

**Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds
For the Fiscal Year Ended December 31, 2019**

	Business-Type Activities - Enterprise			Governmental Activities
	Waterworks and Sewerage	Nonmajor	Totals	Internal Service Fleet Services
		Parking System		
Operating Revenues				
Charges for Services	\$ 17,979,876	235,570	18,215,446	2,328,422
Operating Expenses				
Administration	1,502,414	-	1,502,414	-
Operations	11,444,588	89,855	11,534,443	1,187,280
Sewerage Treatment	4,640,742	-	4,640,742	-
Depreciation	3,077,129	71,434	3,148,563	671,462
Total Operating Expenses	20,664,873	161,289	20,826,162	1,858,742
Operating Income (Loss)	(2,684,997)	74,281	(2,610,716)	469,680
Nonoperating Revenues				
Sales Tax	4,865,737	-	4,865,737	-
Interest Income	275,646	21,545	297,191	225,927
Connection Fees	277,222	-	277,222	-
Grant	18,300	-	18,300	-
Other Income	-	-	-	62,018
Disposal of Capital Assets	-	-	-	159,512
	5,436,905	21,545	5,458,450	447,457
Income Before Contributions and Transfers	2,751,908	95,826	2,847,734	917,137
Capital Contributions	907,210	-	907,210	-
Transfers Out	(506,160)	(3,720)	(509,880)	-
	401,050	(3,720)	397,330	-
Change in Net Position	3,152,958	92,106	3,245,064	917,137
Net Position - Beginning	91,670,255	2,192,443	93,862,698	11,315,901
Net Position - Ending	94,823,213	2,284,549	97,107,762	12,233,038

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

VILLAGE OF LOMBARD, ILLINOIS

**Statement of Cash Flows - Proprietary Funds
For the Fiscal Year Ended December 31, 2019**

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Waterworks and Sewerage	Nonmajor Parking System	Totals	Internal Service Fleet Services
	Cash Flows from Operating Activities			
Interfund Services Provided	\$ -	-	-	2,405,609
Receipts from Customers and Users	17,034,802	236,913	17,271,715	-
Payments to Employees	(3,467,128)	(27,486)	(3,494,614)	(472,172)
Payments to Suppliers	(14,308,689)	(69,224)	(14,377,913)	(687,390)
	(741,015)	140,203	(600,812)	1,246,047
Cash Flows from Noncapital Financing Activities				
Transfers Out	(506,160)	(3,720)	(509,880)	-
Sales Tax	4,865,737	-	4,865,737	-
Connection Fees	277,222	-	277,222	-
	4,636,799	(3,720)	4,633,079	-
Cash Flows from Capital and Related Financing Activities				
Purchase of Capital Assets	(4,780,129)	-	(4,780,129)	(687,226)
Principal Payments	(1,634,069)	-	(1,634,069)	-
Debt Issuance	962,901	-	962,901	-
Disposal of Capital Assets	-	-	-	159,512
	(5,451,297)	-	(5,451,297)	(527,714)
Cash Flows from Investing Activities				
Interest Received	275,646	21,545	297,191	225,927
Net Change in Cash and Cash Equivalents	(1,279,867)	158,028	(1,121,839)	944,260
Cash and Cash Equivalents - Beginning of Year	9,393,110	705,749	10,098,859	7,729,943
Cash and Cash Equivalents - End of Year	8,113,243	863,777	8,977,020	8,674,203
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	(2,684,997)	74,281	(2,610,716)	469,680
Adjustments to Reconcile Operating Income to Net Income to Net Cash				
Provided by (Used in) Operating Activities:				
Depreciation Expense	3,077,129	71,434	3,148,563	671,462
Other Income (Loss)	18,300	-	18,300	62,018
Other Expense - IMRF/OPEB	82,624	-	82,624	16,982
(Increase) Decrease in Current Assets	(963,374)	1,343	(962,031)	15,169
Increase (Decrease) in Current Liabilities	(270,697)	(6,855)	(277,552)	10,736
Net Cash Provided by Operating Activities	(741,015)	140,203	(600,812)	1,246,047
Noncash Investing and Financing Activities				
Capital Contributions	907,210	-	907,210	-

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

VILLAGE OF LOMBARD, ILLINOIS

**Statement of Fiduciary Net Position
December 31, 2019**

	Pension Trust	<u>Custodial Special Assessments</u>
ASSETS		
Cash and Cash Equivalents	\$ 2,630,790	894,129
Investments		
U.S. Treasuries	4,802,739	-
U.S. Agencies	32,532,982	-
Local Government Obligations	6,213,138	-
Corporate Bonds	18,409,774	-
Mutual Funds	70,785,271	-
Stock Equities	5,092,145	-
Illinois Funds	82,399	-
Illinois Metropolitan Investment Funds	1,144,257	-
Receivables		
Accounts	-	42,098
Accrued Interest	460,000	4,271
Prepays	795	-
Total Assets	<u>142,154,290</u>	<u>940,498</u>
LIABILITIES		
Accounts Payable	<u>72,979</u>	-
NET POSITION		
Net Position Restricted	<u>142,081,311</u>	<u>940,498</u>

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

VILLAGE OF LOMBARD, ILLINOIS

**Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended December 31, 2019**

	Pension Trust	Custodial Special Assessments
Additions		
Contributions - Employer	\$ 6,046,593	-
Contributions - Plan Members	1,365,142	-
Rebates	-	13,692
Total Contributions	7,411,735	13,692
Other Income	150	-
Investment Income		
Interest Earned	4,544,375	29,356
Net Change in Fair Value	16,421,283	-
	20,965,658	29,356
Less Investment Expenses	(246,440)	-
Net Investment Income	20,719,218	29,356
Total Additions	28,131,103	43,048
Deductions		
Administration	108,029	315
Benefits and Refunds	9,250,873	-
Total Deductions	9,358,902	315
Change in Fiduciary Net Position	18,772,201	42,733
Net Position Restricted		
Beginning	123,309,110	897,765
Ending	142,081,311	940,498

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements December 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Lombard (Village), Illinois, incorporated in 1869, is a municipal corporation governed by an elected president and six-member Board of Trustees. The Village’s major operations include police and fire safety, highway and street maintenance and reconstruction, forestry, building, code enforcement, public improvements, economic development, planning and zoning, waterworks and sewerage services, parking system services, and general administrative services.

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

REPORTING ENTITY

The Village’s financial reporting entity comprises the following:

Primary Government:	Village of Lombard
Discretely Presented Component Unit:	Lombard Public Facilities Corporation

In determining the financial reporting entity, the Village complies with the provisions of GASB Statement No. 61, “The Financial Reporting Omnibus – an Amendment of GASB Statements No. 14 and No. 34,” and includes all component units that have a significant operational or financial relationship with the Village.

Police Pension Employees Retirement System

The Village’s sworn police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village’s President, one elected pension beneficiary and two elected police employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the Village, the PPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the Village’s police employees. The PPERS is reported as a fiduciary fund, and specifically a pension trust fund, due to the fiduciary responsibility exercised over the PPERS.

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements December 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

REPORTING ENTITY – Continued

Firefighters' Pension Employees Retirement System

The Village's sworn firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of these employees and is governed by a five-member pension board, with two members appointed by the Village President, two elected from active participants of the Fund, and one elected from the retired members of the Fund. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining FPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the Village, the FPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the Village's sworn firefighters. The FPERS is reported as a fiduciary fund, and specifically a pension trust fund, due to the fiduciary responsibility exercised over the FPERS.

Discretely Presented Component Unit

Discretely presented component units are separate legal entities that meet the component unit criteria described in GASB Statement No. 61 but do not meet the criteria for blending.

Lombard Public Facilities Corporation

The Lombard Public Facilities Corporation (the "LPFC") is an Illinois not-for-profit corporation, created to, among other things, issue revenue bonds to finance the cost of acquiring, designing, constructing, equipping, operating and financing a Conference Center, Hotel, Restaurants and related improvements (the "Conference Center") adjacent to the Yorktown Center regional shopping mall. The Village appointed a majority of LPFC's governing body in previous years but had no responsibility for the operations of the LPFC. The Village Board approved debt issuances by the LPFC, but the repayment of debt was not made with Village resources nor did the Village guarantee repayment of any such debt. The Village was a party to a Restructuring Support Agreement for the LPFC's debt, dated July 25, 2017. The LPFC filed for restructuring of debt in the U.S. Bankruptcy Court on July 28, 2017. The Judge ruled in December 2017 that the LPFC is eligible to file Chapter 11 Restructuring and ruled that the LPFC is not an instrumentality of the Village. The Judge confirmed the LPFC's restructuring plan on March 6, 2018 and the restructuring plan was made effective on March 15, 2018. For the year ended December 31, 2018 the Village paid the Lombard Public Facilities Corporation \$3 million per terms of the agreement. In addition, each year the Village and will remit 40% of taxes generated by TIF IV through fiscal year 2027 for an additional maximum reimbursement of \$3.7 million. Separate audited financial statements for the LPFC as of December 31, 2015, are available from the Village of Lombard's finance department at 255 E. Wilson Ave., Lombard, Illinois 60148. As of the date of this report, the December 31, 2015 audit for the LPFC is the most recent audited financial statements on file with the Village.

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements December 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION

Government-Wide Statements

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

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

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

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

The Village does not allocate indirect costs. An administrative service fee is charged by the General Fund to the other operating funds that is eliminated like a reimbursement (reducing the revenue and expense in the General Fund) to recover the direct costs of General Fund services provided (finance, personnel, purchasing, legal, technology management, etc.).

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.

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements December 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories.

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The Village electively added funds, as major funds, which either have debt outstanding or a specific or community focus. The nonmajor funds are combined in a column in the fund financial statements. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

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

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

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

Governmental Funds

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

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

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Village does not currently utilize special revenue funds.

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Governmental Funds – Continued

Debt Service Funds are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The Debt Service Fund is treated as a major fund and records all of the Village's general obligation debt activity.

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The Capital Projects Fund is a major fund and accounts for revenues and expenditures relative to the construction of capital improvements.

Proprietary Funds

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

Enterprise Funds are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The Waterworks and Sewerage Fund, a major fund, accounts for the provision of water and sewer services to the residents and businesses of the Village. The Parking System Fund, a nonmajor fund, accounts for revenues and expenses related to public parking.

Internal Service Funds are used to account for the financing of goods or services provided by an activity to other departments, funds or component units of the Village on a cost-reimbursement basis. The Village maintains one internal service fund. The Fleet Services Fund accounts for the costs of operating a maintenance facility for vehicular equipment used by other Village departments as well as accounts for the accumulation of resources to finance projects associated with the replacement of the vehicular equipment. The Village's internal service funds are presented in the proprietary fund financial statements. Because the principal users of the internal services are the Village's governmental activities, the financial statements of the internal service funds are consolidated into the governmental column when presented in the government-wide financial statements. To the extent possible, the cost of these services is reported in the appropriate functional activity (general government, public safety, public works, etc.).

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements December 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Fiduciary Funds

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

Pension Trust Funds are used to account for assets held in a trustee capacity for pension benefit payments. The Police Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the Village's police force. The Firefighters' Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the Village's Fire Department.

Custodial Funds are used to account for assets held by the Village in a purely custodial capacity. The Special Assessments Fund accounts for the collection of special assessments from property owners and payments of related special assessment debt.

The Village's fiduciary funds are presented in the fiduciary fund financial statements by type (pension trust and custodial). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the Village, these funds are not incorporated into the government-wide statements.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements December 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Measurement Focus – Continued

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

All proprietary and pension trust funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows and liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary and pension trust fund equity is classified as net position.

Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

Basis of Accounting

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

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

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements December 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting – Continued

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

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

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

Cash and Investments

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

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements December 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Internal service fund services provided and used are not eliminated in the process of consolidation. 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 proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Receivables

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

Prepays/Deposits

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

Capital Assets

Capital assets purchased or acquired with an original cost of \$50,000 to \$200,000 or more, depending on asset class, are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Village as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. Infrastructure such as streets and traffic signals are capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, acquisition value based on entry price.

VILLAGE OF LOMBARD, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Capital Assets – Continued

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

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

Land Improvement	10 - 20 Years
Buildings	30 - 50 Years
Vehicles and Equipment	3 - 15 Years
Water and Sewerage Infrastructure	20 - 50 Years
Other Infrastructure	20 - 50 Years

Deferred Outflows/Inflows of Resources

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

Compensated Absences

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

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements December 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Long-Term Obligations

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

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

Net Position

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

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

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

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements December 31, 2019

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

Budgets are adopted on a basis consistent with generally accepted accounting principles. All departments of the Village submit requests for budgets to the Village Manager so that a budget may be prepared. The budget is prepared by fund, function, and activity, and includes information on the past year, current year estimates, and requested budgets for the next fiscal year.

The proposed budget is presented to the Village Board for review. The Village Board holds public hearings and may add to, subtract from, or change budgeted amounts, but may not change the form of the budget.

Prior to January 1, the budget, which by State law also serves as the appropriation ordinance, is adopted by the Board of Trustees and constitutes the legal budget of the Village. The Village Manager is authorized to transfer budgeted amounts within any fund; however, the Board of Trustees must approve any revisions that alter the total expenditures of any fund. State statutes establish that expenditures may not legally exceed budgeted appropriations at the fund level. Appropriations lapse at the end of the fiscal year. During the year, several supplementary appropriations were necessary.

DEFICIT FUND EQUITY

The Lombard Public Facilities Corporation, a discretely presented component unit, has deficit fund equity of \$123,685,728.

NOTE 3 – DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements December 31, 2019

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

The Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office which allows governments within the State to pool their funds for investment purposes. The Illinois Funds is not registered with the SEC as an investment company. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

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

The deposits and investments of the Pension Funds are held separately from those of other Village funds. Statutes authorize the Pension Fund to make deposits/invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; credit unions, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois bonds; pooled accounts managed by the Illinois Funds Market Fund (Formerly known as IPTIP, Illinois Public Treasurer's Investment Pool), or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois; direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the Federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies; and separate accounts of life insurance companies and mutual funds, the mutual funds must meet specific restrictions, provided the investment in separate accounts and mutual funds does not exceed ten percent of the Pension Fund's plan net position; and corporate bonds managed through an investment advisor, rated as investment grade by one of the two largest rating services at the time of purchase. Pension Funds with plan net position of \$2.5 million or more may invest up to forty-five percent of plan net position in separate accounts of life insurance companies and mutual funds. Pension Funds with plan net position of at least \$5 million that have appointed an investment advisor, may through that investment advisor invest up to forty-five percent of the plan net position in common and preferred stocks that meet specific restrictions. In addition, Pension Funds with plan net position of at least \$10 million that have appointed an investment advisor, may invest up to fifty percent of its net position in common and preferred stocks and mutual funds that meet specific restrictions effective July 1, 2011 and up to fifty-five percent effective July 1, 2012.

VILLAGE OF LOMBARD, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Village Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of the Village’s deposits for governmental and business-type activities totaled \$13,664,613 and the bank balances totaled \$12,558,263.

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

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
Illinois Funds	\$ 18,955,845	18,955,845	-	-	-
Illinois Metropolitan Investment Fund	18,589,407	18,589,407	-	-	-
Municipal Bonds	502,045	502,045	-	-	-
	<u>38,047,297</u>	<u>38,047,297</u>	<u>-</u>	<u>-</u>	<u>-</u>

The Village has the following recurring fair value measurements as of December 31, 2019:

Investments by Fair Value Level	Totals	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
Municipal Bonds	\$ 502,045	-	502,045	-
Investments Measured at the Net Asset Value (NAV)				
Illinois Funds	18,955,845			
IMET	18,589,407			
Total Investments at the (NAV)	<u>37,545,252</u>			
Total Investments Measured at Fair Value	<u>38,047,297</u>			

Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities’ relationship to benchmark quoted prices.

VILLAGE OF LOMBARD, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Village Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village’s investment policy states that the investment portfolio shall remain sufficiently liquid to enable the Village to meet all operating requirements which may be reasonably anticipated in any Village fund. Investment maturities in all funds shall be limited to a maximum maturity of sixty (60) months from the date of purchase. Investments in other funds may be purchased with maturities to match future project or liability requirements. However, any investment purchased with a maturity longer than sixty (60) months must be supported by written documentation explaining the reason for the purchase and must be specifically pre-authorized by the Finance Committee.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Besides investing in security instruments authorized under State Statute, the Village’s investment policy further states that safety of principal is the foremost objective of the Village. At year-end, the Village’s investments in Municipal Bonds are all rated BBB+ to A by Fitch, and the Village’s investment in the Illinois Funds was rated AAAM by Standard & Poor’s. The Illinois Metropolitan Investment Trust Convenience Fund is not rated and the Illinois Metropolitan Investment Trust 1-3 Year Fund is rated Aaa by Moody’s.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Village’s deposits may not be returned to it. The Village’s investment policy requires that funds on deposit in excess of FDIC or FSLIC limits be secured by some form of collateral. The Village will accept any of the following assets as collateral:

U.S. Government Securities	Obligations of the State of Illinois
Obligations of Federal Agencies	Obligations of the Village of Lombard
Obligations of Federal Instrumentalities	General Obligation Municipal Bonds Rated “A” or better

The amount of collateral provided will not be less than one-hundred-ten percent (110%) of the fair market value of the net amount of public funds secured. Pledged collateral will be held by the Village or in safekeeping and evidenced by a safekeeping agreement. If collateral is held in safekeeping, it may be held by a third party or by an escrow agent of the pledging institution. At year-end \$171,700 of the bank balance of the deposits was not covered by federal depository or equivalent insurance and represents cash at paying agent for debt service payments.

For an investment, this is the risk that in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Village’s investment policy does not mitigate custodial credit risk for investments. At year-end, the Village’s investment in the Illinois Fund is noncategorizable. The IMET Convenience Fund is a depository vehicle that is 110 percent collateralized with obligations of the United States Treasury and its agencies. All collateral securities are held in the name of IMET at the Federal Reserve Bank of New York.

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements December 31, 2019

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Village Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

Concentration Risk. This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village's investment policy states that the Village shall diversify its investments to avoid incurring unreasonable risks regarding specific security types and/or individual institutions. Furthermore, no financial institution shall hold more than twenty percent (20%) of the Village's investment portfolio, exclusive of U.S. Treasury securities and collateralized investments held in safekeeping. Commercial paper shall not exceed ten percent (10%) of the Village's investment portfolio and the Illinois Public Treasurer's Investment Pool shall not exceed twenty-five percent (25%) of the investment portfolio. At year-end, the Village does not have any investments over 5 percent of cash and investments (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

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

Deposits. At year-end, the carrying amount of the Fund's deposits totaled \$558,051 and the bank balances totaled \$564,248.

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

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Treasuries	\$ 3,398,843	955,578	2,013,203	430,062	-
U.S. Agencies	22,464,097	100,411	4,581,816	17,585,513	196,357
Local Government Obligations	4,340,863	601,827	2,005,850	1,323,567	409,619
Corporate Bonds	4,702,075	-	764,455	3,937,620	-
Illinois Funds	79,117	79,117	-	-	-
Illinois Metropolitan Investment Fund	318,796	318,796	-	-	-
	<u>35,303,791</u>	<u>2,055,729</u>	<u>9,365,324</u>	<u>23,276,762</u>	<u>605,976</u>

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements December 31, 2019

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

The Fund has the following recurring fair value measurements as of December 31, 2019:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level	Totals			
Debt Securities				
U.S. Treasuries	\$ 3,398,843	3,398,843	-	-
U.S. Agencies	22,464,097	-	22,464,097	-
Local Government Obligations	4,340,863	-	4,340,863	-
Corporate Bonds	4,702,075	-	4,702,075	-
Equity Securities				
Mutual Funds	37,809,326	37,809,326	-	-
Total Investments by Fair Value Level	72,715,204	41,208,169	31,507,035	-
Investments Measured at the Net Asset Value (NAV)				
Illinois Funds	79,117			
IMET	318,796			
Total Investments at the (NAV)	397,913			
Total Investments Measured at Fair Value	73,113,117			

Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Interest Rate Risk. The Fund's investment policy states assets shall be sufficiently liquid to meet the Fund's disbursement requirements for the payment of operating expenses and benefits. Under most circumstances, the maturity of the portfolio will be maintained at approximately 5 years and will range from 2 to 7 years.

Credit Risk. The Fund's investment policy helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. Furthermore, the Fund's investment policy states that safety of principal is the foremost objective of the Fund. Each investment transaction shall seek to first ensure that large capital losses are avoided whether they be from securities defaults or erosion of market value.

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements December 31, 2019

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

Credit Risk – Continued. At year-end, the Fund’s investments in U.S. Agencies as well as local government obligations were rated Aaa to AA+ by Moody’s or Standard and Poor’s or not rated. The Fund’s investment in corporate bonds were rated A3 to Aaa by Moody’s. The Fund’s investment in the Illinois Funds was rated AAAM by Standard & Poor’s. The Illinois Metropolitan Investment Trust Convenience Fund is not rated and the Illinois Metropolitan Investment Trust 1-3 Year Fund is rated Aaa by Moody’s.

Custodial Credit Risk. The Fund’s investment policy states that assets may be invested in savings accounts or certificates of deposit of a national or state bank, even if fund assets on deposit in such institution will exceed federal deposit insurance or guarantee limits for invested principal and accrued interest, but only if the amount by which the fund’s investment exceeds such insurance or guarantee limits is collateralized by the fund which shall be maintained and credited to the fund on the records of the custodial bank. The Pension Fund shall have a perfected security interest in such securities which shall be free of any claims to the rights to these securities other than any claims by the custodian which are subordinate to the Pension Fund’s claims to rights to these securities.

Third party safekeeping is required for all securities owned by the Pension Fund. Custody arrangements shall be documented by an approved written agreement. The agreement may be in the form of a safekeeping agreement, trust agreement, escrow agreement or custody agreement.

At year-end, the entire carrying amount of the bank balance of deposits is covered by federal depository or equivalent insurance. Furthermore, the Fund’s investment in U.S. Treasury and Agency securities as well as local government obligations are categorized as insured, registered, or held by the Fund or its agent in the Fund’s name. The Fund’s investment in the Illinois Funds and the Illinois Metropolitan Investment Funds are not subject to custodial credit risk.

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

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	50%	1.0%
Equity	50%	6.0% - 7.8%
Cash and Cash Equivalents	0%	0.0%

Illinois Compiled Statutes (ILCS) limit the Fund’s investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements December 31, 2019

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

The Fund's investment policy states that the allocation guidelines, by asset class, for the fixed income investments are as follows:

<u>Fixed Income Allocation</u>	<u>Target</u>
Bank Certificates of Deposit	0% - 20%
U.S. Treasury Securities	0% - 100%
U.S. Government Agency Securities - non-MBS	0% - 70%
U.S. Government Agency Securities - Callable	0% - 30%
U.S. Government Agency Securities - MBS	0% - 10%
Taxable Municipal Securities	0% - 20%
Investment Grade Corporate Bonds	0% - 30%

Once the Fund reaches the equity allocation approved by the Board and permitted by law, normal asset allocation range for equity portfolio allocation weightings should be as follows:

<u>Equity Diversification</u>	<u>Target</u>
US Large Cap Stocks	40% - 100%
US Small Cap Stocks	0% - 40%
Foreign Securities	0% - 20%

At year-end, the Fund is in compliance with the guideline outlined above. In addition to the securities and fair values previously listed, the Fund also has \$37,809,326 invested in mutual funds. At year-end, the Pension Plan does not have any investments over 5 percent of net plan position available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements December 31, 2019

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in January 2020 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2019 are listed in the table above.

Rate of Return

For the year ended December 31, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 16.79%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Firefighters' Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of the Fund's deposits totaled \$2,072,739 and the bank balances totaled \$2,074,299.

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

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Treasuries	\$ 1,403,896	1,403,896	-	-	-
U.S. Agencies	10,068,885	1,563,508	4,734,362	3,771,015	-
Local Government Obligations	1,872,275	132,228	1,084,958	447,491	207,598
Corporate Bonds	13,707,699	1,862,116	9,328,120	2,517,463	-
Illinois Funds	3,282	3,282	-	-	-
Illinois Metropolitan Investment Fund	825,461	825,461	-	-	-
	27,881,498	5,790,491	15,147,440	6,735,969	207,598

VILLAGE OF LOMBARD, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

The Fund has the following recurring fair value measurements as of December 31, 2019:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level	Totals			
Debt Securities				
U.S. Treasuries	\$ 1,403,896	1,403,896	-	-
U.S. Agencies	10,068,885	-	10,068,885	-
Local Government Obligations	1,872,275	-	1,872,275	-
Corporate Bonds	13,707,699	-	13,707,699	-
Equity Securities				
Mutual Funds	32,975,945	32,975,945	-	-
Stock	5,092,145	5,092,145	-	-
Total Investments by Fair Value Level	65,120,845	39,471,986	25,648,859	-
Investments Measured at the Net Asset Value (NAV)				
Illinois Funds	3,282			
IMET	825,461			
Total Investments at the (NAV)	828,743			
Total Investments Measured at Fair Value	65,949,588			

Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities’ relationship to benchmark quoted prices.

Interest Rate Risk. The Fund’s investment policy states assets shall be sufficiently liquid to meet the Fund’s disbursement requirements for the payment of operating expenses and benefits. Under most circumstances, the maturity of the portfolio will be maintained at approximately 5 years and will range from 2 to 7 years.

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

Credit Risk. The Fund's investment policy helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. Furthermore, the Fund's investment policy states that safety of principal is the foremost objective of the Fund. Each investment transaction shall seek to first ensure that large capital losses are avoided whether they be from securities defaults or erosion of market value. At year-end, the Fund's investments in U.S. Agencies as well as local government obligations were rated A2 to AA+ by Moody's or Standard and Poor's or not rated. The Fund's investment in corporate bonds were rated Baa2 to Aa2 by Moody's or Standard and Poor's or not rated. The Fund's investment in the Illinois Funds was rated AAAM by Standard & Poor's. The Illinois Metropolitan Investment Trust Convenience Fund is not rated and the Illinois Metropolitan Investment Trust 1-3 Year Fund is rated Aaa by Moody's.

Custodial Credit Risk. The Fund's investment policy states that all deposits in excess of FDIC insurable limits (applies to bank Certificates of Deposit) be secured by collateral in order to protect deposits from default. Eligible collateral instruments and collateral ratios (market value divided by deposit) are as follows:

U.S. Government Securities	110%
Obligations of Federal Agencies	115%
Obligations of the State of Illinois	115%
Local and Municipal Bonds rated "A" or better by Moody's	115%

Third party safekeeping is required for all collateral. To accomplish this, the securities can be held at the following locations:

A Federal Reserve Bank or branch office

At another custodial facility – generally in a trust department through book-entry at the Federal Reserve, unless physical securities are involved. If physical securities are involved, at a third-party depository in a suitable vault and insured against loss by fire, theft and similar causes.

At year-end, the entire carrying amount of the bank balance of deposits is covered by federal depository or equivalent insurance. Furthermore, the Fund's investment in U.S. Treasury and Agency securities as well as local government obligations are categorized as insured, registered, or held by the Fund or its agent in the Fund's name. The Fund's investments in the Illinois Funds and the Illinois Metropolitan Investment Funds are not subject to custodial credit risk.

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements December 31, 2019

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

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

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	7.5% - 40%	4.3% - 10.2%
Domestic Equities	10% - 55%	7.5% - 12.3%
International Equities	15%	6.6% - 8.6%
Cash and Cash Equivalents	0%	0%

Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in January 2020 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2019 are listed in the table above.

The Fund's investment policy states that the allocation guidelines, by asset class, for the fixed income investments are as follows:

<u>Fixed Income Allocation</u>	<u>Target</u>
Cash, Money Market, IL Funds Accounts	0% - 10%
Bank Certificates of Deposit	0% - 10%
U.S. Treasury Securities	0% - 40%
U.S. Government Agency Securities - non-MBS	0% - 75%
U.S. Government Agency Securities - MBS	0% - 20%
Taxable Municipal Securities	0% - 30%
Corporate Bonds	0% - 50%
High-Yield Fixed Income Funds	0% - 10%
International Fixed Income Funds	0% - 10%

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements December 31, 2019

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

Once the Fund reaches the equity allocation approved by the Board and permitted by law, normal asset allocation range for equity portfolio allocation weightings should be as follows:

Equity Diversification	Target
US Large Cap Stocks	15% - 75%
US Mid-Sized Company Stocks	0% - 20%
US Small Cap Stocks	0% - 20%
International Stock Funds	0% - 40%
Alternative Investment Funds	0% - 20%

At year-end, the Fund is in compliance with the guideline outlined above. In addition to the securities and fair values previously listed, the Fund also has \$32,975,945 invested in mutual funds and \$5,092,145 invested in stock equities. At year-end, the Pension Plan does not have any investments over 5 percent of net plan position available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

Rate of Return

For the year ended December 31, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 2.48%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

PROPERTY TAXES

Property taxes for 2018 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by DuPage County and are payable in two installments, on or about June 1 and September 1. The County collects such taxes and remits them periodically.

VILLAGE OF LOMBARD, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets - Not Being Depreciated				
Land	\$ 31,310,306	-	-	31,310,306
Construction in Progress	1,976,099	316,365	1,976,915	315,549
	<u>33,286,405</u>	<u>316,365</u>	<u>1,976,915</u>	<u>31,625,855</u>
Other Capital Assets				
Land Improvements	1,476,703	-	-	1,476,703
Buildings	8,805,086	543,200	-	9,348,286
Vehicles and Equipment	12,141,464	749,841	414,367	12,476,938
Other Infrastructure	111,608,331	2,393,814	-	114,002,145
	<u>134,031,584</u>	<u>3,686,855</u>	<u>414,367</u>	<u>137,304,072</u>
Less Accumulated Depreciation				
Land Improvements	417,962	-	-	417,962
Buildings	4,835,145	294,634	-	5,129,779
Vehicles and Equipment	7,790,695	861,235	414,367	8,237,563
Other Infrastructure	65,456,317	2,506,761	-	67,963,078
	<u>78,500,119</u>	<u>3,662,630</u>	<u>414,367</u>	<u>81,748,382</u>
Total Other Capital Assets	<u>55,531,465</u>	<u>24,225</u>	<u>-</u>	<u>55,555,690</u>
Total Capital Assets	<u>88,817,870</u>	<u>340,590</u>	<u>1,976,915</u>	<u>87,181,545</u>
			Governmental Funds	83,194,617
			Internal Service Funds	<u>3,986,928</u>
				<u>87,181,545</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 294,687
Public Safety	83,300
Public Works	<u>2,613,181</u>
	2,991,168
Internal Services	<u>671,462</u>
	<u>3,662,630</u>

Depreciation of capital assets held by the Village's internal service funds are charged to various functions based on their usage of the assets.

VILLAGE OF LOMBARD, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS – Continued

Business-Type Activities

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

	Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets - Not Being Depreciated				
Land	\$ 2,281,009	-	-	2,281,009
Construction in Progress	3,848,451	79,429	3,773,433	154,447
	<u>6,129,460</u>	<u>79,429</u>	<u>3,773,433</u>	<u>2,435,456</u>
Other Capital Assets				
Land Improvements	1,520,118	-	-	1,520,118
Buildings	2,506,025	-	-	2,506,025
Vehicles and Equipment	188,039	-	-	188,039
Water and Sewerage Infrastructure	114,302,903	9,381,343	-	123,684,246
	<u>118,517,085</u>	<u>9,381,343</u>	<u>-</u>	<u>127,898,428</u>
Less Accumulated Depreciation				
Land Improvements	591,477	71,434	-	662,911
Buildings	1,712,382	45,437	-	1,757,819
Vehicles and Equipment	188,039	-	-	188,039
Water and Sewerage Infrastructure	43,044,769	3,031,691	-	46,076,460
	<u>45,536,667</u>	<u>3,148,562</u>	<u>-</u>	<u>48,685,229</u>
Total Other Capital Assets	<u>72,980,418</u>	<u>6,232,781</u>	<u>-</u>	<u>79,213,199</u>
Total Capital Assets	<u>79,109,878</u>	<u>6,312,210</u>	<u>3,773,433</u>	<u>81,648,655</u>

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

Waterworks and Sewerage	\$ 3,077,128
Parking	<u>71,434</u>
	<u>3,148,562</u>

VILLAGE OF LOMBARD, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND TRANSFERS

Interfund transfers for the year consisted of the following:

	Transfers In		
	General	Capital Projects	Totals
Transfers Out			
General	\$ -	1,324,980	1,324,980
Waterworks and Sewerage	506,160	-	506,160
Capital Projects	47,090	-	47,090
Nonmajor Business-Type	3,720	-	3,720
	<u>556,970</u>	<u>1,324,980</u>	<u>1,881,950</u>

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

INTERFUND BALANCES

Interfund balances are advances in anticipation of receipts to cover temporary cash shortages. The composition of interfund balances as of the date of this report, is as follows:

Receivable Fund	Payable Fund	Amount
General	Capital Projects	<u>\$ 23,526</u>

VILLAGE OF LOMBARD, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT

Alternate Revenue Source Bonds

The Village issues bonds to provide funds for the acquisition and construction of major capital facilities. Alternate revenue source bonds provide for the collection, segregation and distribution of certain income taxes received by the Village for the payment of principal and interest on the alternate revenue source bonds. Alternate revenue source bonds outstanding are as follows:

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation (Alternate Revenue Source) Bonds of 2018, due in annual installments of \$910,000 to \$1,040,000 through January 1, 2024, plus interest at 4.00% to 5.00%.	Waterworks and Sewerage	\$ 3,900,000	-	-	3,900,000

Limited Tax Debt Certificates Payable

The government enters into limited tax debt certificates to provide funds for the acquisition of capital assets. Limited tax debt certificates payable have been issued for both general government and proprietary activities. Any proprietary liabilities therefore are reported in the proprietary funds. Limited tax debt certificates currently outstanding are as follows:

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Limited Tax Debt Certificates of 2009, due in annual installments of \$115,000 to \$170,000 through July 1, 2019, plus interest at 3.00% to 4.00%.	Debt Service	\$ 335,000	-	335,000	-
General Obligation Limited Tax Debt Certificates of 2013, due in annual installments of \$505,000 to \$848,000 through April 2, 2020, plus interest at 1.48% to 2.47%.	Waterworks and Sewerage Cap.Projects/ Debt Service	1,498,200	-	1,081,575	416,625
		317,800	-	229,425	88,375
		<u>2,151,000</u>	-	<u>1,646,000</u>	<u>505,000</u>

VILLAGE OF LOMBARD, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

IEPA Loans Payable

The Village has entered into a loan agreement with the IEPA to provide low interest financing for waterworks and sewerage improvements. IEPA loans currently outstanding are as follows:

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
Illinois Environmental Protection Agency (IEPA) Loan Payable of 2016, due in semi-annual installments of \$22,059 to \$123,970 through December 29, 2036, plus interest at 1.86%.	Waterworks and Sewerage	\$ 11,141,680	-	493,858	10,647,822
Illinois Environmental Protection Agency (IEPA) Loan Payable of 2017, due in semi-annual installments through May 23, 2039, plus interest at 1.76%.	Waterworks and Sewerage	2,603,959	962,901	58,636	3,508,224
		<u>13,745,639</u>	<u>962,901</u>	<u>552,494</u>	<u>14,156,046</u>

VILLAGE OF LOMBARD, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Long-Term Liability Activity

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

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences					
General	\$ 2,229,469	59,520	119,040	2,169,949	433,990
Internal Service	69,590	14,932	7,466	77,056	15,411
Net Pension Liability - IMRF					
General	10,901,841	-	6,940,478	3,961,363	-
Internal Service	335,100	-	209,653	125,447	-
Net Pension Liability					
Police Pension	36,900,286	-	4,057,172	32,843,114	-
Firefighters' Pension	24,273,625	-	6,048,135	18,225,490	-
Total OPEB Liability - RBP					
General	5,974,427	1,165,406	-	7,139,833	-
Internal Service	159,338	33,204	-	192,542	-
Debt Certificates	652,800	-	564,425	88,375	88,375
	<u>81,496,476</u>	<u>1,273,062</u>	<u>17,946,369</u>	<u>64,823,169</u>	<u>537,776</u>
Business-Type Activities					
Compensated Absences	250,820	77,304	38,652	289,472	57,894
Net Pension Liability - IMRF	2,595,413	-	1,644,548	950,865	-
Total OPEB Liability - RBP	867,955	177,076	-	1,045,031	-
General Obligation Bonds	3,900,000	-	-	3,900,000	-
Debt Certificates Payable	1,498,200	-	1,081,575	416,625	416,625
IEPA Loan Payable	13,745,639	962,901	552,494	14,156,046	655,335
	<u>22,858,027</u>	<u>1,217,281</u>	<u>3,317,269</u>	<u>20,758,039</u>	<u>1,129,854</u>

VILLAGE OF LOMBARD, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Long-Term Liability Activity – Continued

For the governmental activities payments on the net pension liabilities, the compensated absences, and the total OPEB liability are made by the General Fund. The Debt Service, Capital Projects and Waterworks and Sewerage Funds make payments on the debt certificates. The Waterworks and Sewerage Fund makes payments on the IEPA loans payable and the general obligation alternate revenue source bonds. Additionally, for the business-type activities, the compensated absences, the net pension liabilities, and the total OPEB liability are liquidated by the Waterworks and Sewerage Fund. Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities.

Debt Service Requirements to Maturity

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

Fiscal Year	Governmental Activities		Business-Type Activities						
	Debt Certificates		General Obligation Bonds		Debt Certificates		IEPA Loans		
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2020	\$ 88,375	1,091	-	185,900	416,625	5,145	655,335	256,798	
2021	-	-	910,000	167,700	-	-	667,426	244,707	
2022	-	-	950,000	125,750	-	-	679,742	232,391	
2023	-	-	1,000,000	77,000	-	-	692,286	219,849	
2024	-	-	1,040,000	26,000	-	-	705,060	207,073	
2025	-	-	-	-	-	-	718,070	194,062	
2026	-	-	-	-	-	-	731,319	180,813	
2027	-	-	-	-	-	-	744,817	167,319	
2028	-	-	-	-	-	-	758,560	153,574	
2029	-	-	-	-	-	-	772,558	139,576	
2030	-	-	-	-	-	-	786,815	125,319	
2031	-	-	-	-	-	-	801,335	110,799	
2032	-	-	-	-	-	-	816,121	96,011	
2033	-	-	-	-	-	-	831,183	80,950	
2034	-	-	-	-	-	-	846,522	65,612	
2035	-	-	-	-	-	-	862,145	49,990	
2036	-	-	-	-	-	-	878,055	34,078	
2037	-	-	-	-	-	-	894,259	17,875	
2038	-	-	-	-	-	-	208,706	4,620	
2039	-	-	-	-	-	-	105,732	931	
Totals	88,375	1,091	-	3,900,000	582,350	416,625	5,145	14,156,046	2,582,347

VILLAGE OF LOMBARD, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Non-Commitment Debt

Special Assessment Debt

Special assessment bonds were paid in full as of the date of this report. These bonds are not an obligation of the government and are secured by the levy of special assessments on the real property within the special assessment area. The government is in no way liable for repayment but is only acting as agent for the property owners in levying and collecting the assessments, and forwarding the collections to bondholders.

Industrial Development Revenue Bonds

The Village has issued Industrial Development Revenue Bonds (IDRB) to provide financial assistance to private organizations for the construction and acquisition of industrial and commercial facilities deemed to be in the public interest and to provide financing for low interest mortgages to qualified applicants. The bonds are secured solely by the property or mortgages financed and are payable solely from the payments received on the underlying mortgage loans on the property. The Village is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds outstanding are not recorded as a liability in these financial statements. As of December 31, 2019, there was one IDRB outstanding. The aggregate principal amount payable for the bond series is \$4,666,680.

Legal Debt Margin

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

Assessed Valuation - 2019	<u>\$ 1,664,970,939</u>
Legal Debt Limit - 8.625% of Assessed Value	143,603,743
Amount of Debt Applicable to Limit	
Limited Tax Debt Certificates of 2013	<u>505,000</u>
Legal Debt Margin	<u>143,098,743</u>

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements December 31, 2019

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION CLASSIFICATIONS

Net investment in capital assets was comprised of the following as of December 31, 2019:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 87,181,545
Less Capital Related Debt - Debt Certificates Outstanding	<u>(88,375)</u>
Net Investment in Capital Assets	<u><u>87,093,170</u></u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	81,648,655
Less Capital Related Debt	
General Obligation Bonds	(3,900,000)
IEPA Loans Outstanding	(14,156,046)
Debt Certificates Outstanding	<u>(416,625)</u>
Net Investment in Capital Assets	<u><u>63,175,984</u></u>

FUND BALANCE CLASSIFICATIONS

In the governmental fund financial statements, the Village first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

Restricted Fund Balance. Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Board of Trustees; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned Fund Balance. Consists of amounts that are constrained by the Board of Trustees' intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the Board of Trustees itself or b) a body or official to which the Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. The Village's highest level of decision-making authority is the Board of Trustees, who is authorized to assign amounts to a specific purpose.

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

VILLAGE OF LOMBARD, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE CLASSIFICATIONS – Continued

Minimum Fund Balance Policy. The Village’s policy manual states that the Corporate Fund should maintain a minimum unrestricted fund balance equal to three months of budgeted operating expenditures. Fund balances in excess of said levels may be transferred to other funds or to capital projects at the discretion of the Board.

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

	General	Debt Service	Capital Projects	Totals
Fund Balances				
Nonspendable				
Prepays	\$ 550,171	-	-	550,171
Deposits - IPBC	1,283,624	-	-	1,283,624
	<u>1,833,795</u>	<u>-</u>	<u>-</u>	<u>1,833,795</u>
Restricted				
Liability Insurance	2,392,135	-	-	2,392,135
IMRF/Social Security	995,869	-	-	995,869
Special Service Areas	10,450	-	-	10,450
Tourism and Conventions Taxes	985,071	-	-	985,071
Grants/Donations	38,818	-	-	38,818
Cable Equipment	71,041	-	-	71,041
Recycling	88,516	-	-	88,516
Public Safety	480,301	-	-	480,301
Debt Service	-	424,315	-	424,315
Capital Projects	-	-	7,811,352	7,811,352
	<u>5,062,201</u>	<u>424,315</u>	<u>7,811,352</u>	<u>13,297,868</u>
Committed				
Technology	4,049,431	-	-	4,049,431
Emergency Reserve	1,833,041	-	-	1,833,041
Revenue Stabilization	1,283,128	-	-	1,283,128
Pension Stabilization	1,000,000	-	-	1,000,000
Building Reserve	-	-	3,931,014	3,931,014
	<u>8,165,600</u>	<u>-</u>	<u>3,931,014</u>	<u>12,096,614</u>
Assigned				
Capital Projects	-	-	1,680,003	1,680,003
Unassigned				
	<u>8,299,339</u>	<u>-</u>	<u>-</u>	<u>8,299,339</u>
Total Fund Balances	<u>23,360,935</u>	<u>424,315</u>	<u>13,422,369</u>	<u>37,207,619</u>

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements December 31, 2019

NOTE 4 – OTHER INFORMATION

RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the Village's employees. The Village is self-insured for the first \$500,000 of workers' compensation benefits (\$600,000 for police and fire) and has purchased specific excess coverage for the next \$2,000,000. The Village is also self-insured for the first \$100,000 per occurrence for liability coverage. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

Risks for medical and death benefits for employees and retirees are provided for through the Village's participation in the Intergovernmental Personnel Benefit Cooperative (IPBC). IPBC acts as an administrative agency to receive, process and pay such claims as may come within the benefit program of each member. IPBC maintains specific reinsurance coverage for claims in excess of \$50,000 per individual employee participant. The Village pays premiums to IPBC based upon current employee participation and its prior experience factor with the pool. Current year overages or underages for participation in the pool are adjusted into subsequent years' experience factor for premiums. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount of claims that have been incurred but not reported (IBNR). Claims liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts, and other economic and social factors and are recorded in the General Fund.

Changes in the balances of claims liabilities are as follows:

	<u>Dec. 31, 2019</u>	<u>Dec. 31, 2018</u>
Claims Payable - Beginning	\$ 117,947	158,910
Incurred Claims	(847,309)	(913,334)
Claims Paid	<u>897,823</u>	<u>872,371</u>
Claims Payable - Ending	<u>168,461</u>	<u>117,947</u>

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements December 31, 2019

NOTE 4 – OTHER INFORMATION – Continued

CONTINGENT LIABILITIES

Deferred Compensation Plan

The Village offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Village employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All amounts of compensation deferred under the plan are held in trust on behalf of the employees. Accordingly, the assets are not reported in these financial statements.

DuPage Water Commission

The government is a customer of the DuPage Water Commission, and has executed a Water Supply Contract with the Commission for a term ending in 2024. The Village stopped paying “fixed costs” (debt service and capital costs) portion starting May 1, 2015. All future costs are based on actual gallons.

The Village’s agreement with the DuPage Water Commission provides that each member is liable for its proportionate share of any costs arising from defaults in payment obligations by other members.

Litigation

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

Grants

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements December 31, 2019

NOTE 4 – OTHER INFORMATION – Continued

COMMITMENTS

Tax Abatements

The Village of Lombard has entered into various tax rebate agreements with local corporations under Village code. Under these agreements, the Village rebates a portion of sales, hotel, and places for eating taxes. For the fiscal year ended December 31, 2019, the Village rebated a total of \$995,983 in taxes under these agreements.

During the fiscal year ended December 31, 2019, the Village and Lombard Public Facilities Corporation entered into an agreement to remit 40% of Tax Increment Fund IV property taxes for a maximum of \$3.7 million. For the fiscal year ended December 31, 2019, the Village rebated \$14,835 to be paid in fiscal year 2019 under the agreement.

JOINT VENTURES

Glenbard Wastewater Authority

The Glenbard Wastewater Authority (Authority) was created and established by an agreement dated November 28, 1977 between the Villages of Lombard and Glen Ellyn for the purpose of jointly treating and processing wastewater. The wastewater is treated in two plants, known as the Glenbard Wastewater Plant and the Lombard Treatment Facility. Construction of the facilities was financed by monies appropriated by the Villages and by grants from the U.S. Environmental Protection Agency. The Village accounts for its investment in the Authority on the equity method.

In accordance with the 1977 agreement, the Village of Glen Ellyn is responsible for the operation of the wastewater treatment facilities. The Village purchases the supplies and materials and furnishes personnel necessary for the operations of the wastewater treatment facilities. The Village is reimbursed for such expenses and receives a service charge (overhead fee) pursuant to the agreement.

The two members of the Authority and their percentage shares as of December 31, 2019 are as follows:

Village of Lombard	59.41%
Village of Glen Ellyn	<u>40.59%</u>
	<u><u>100.00%</u></u>

The Authority is governed by the Village President and six trustees from each municipality. The Board of the Authority makes all decisions relevant to the operations of the system.

The Village's share of the capital assets is \$30,106,363. The Village has allocated its share of operating expenses based upon metered wastewater flows, which approximated 59.41% for the year ended December 31, 2019. Separate financial statements for the Authority may be obtained at 21W551 Bemis Road, Glen Ellyn, Illinois 60137.

VILLAGE OF LOMBARD, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 4 – OTHER INFORMATION – Continued

JOINT VENTURES – Continued

Glenbard Wastewater Authority – Continued

Summary Financial Information of Joint Venture

Summary of Financial Position as of December 31, 2019:

<u>Assets/Deferred Outflows</u>		<u>Liabilities/Deferred Inflows and Net Position</u>	
Current Assets	\$ 909,985	Current Liabilities	\$ 2,322,276
Restricted Assets	8,857,614	Long-Term Liabilities	18,060,570
Capital Assets - Net	50,675,581	Deferred Inflows	<u>424,894</u>
Deferred Outflows	<u>169,825</u>	Total Liabilities and Deferred Inflows	<u>20,807,740</u>
Total Assets and Deferred Outflows	<u><u>60,613,005</u></u>	Net Position	<u>39,805,265</u>
		Total Liabilities, Deferred Inflows and Net Position	<u><u>60,613,005</u></u>

Summary of Results of Operations as of December 31, 2019:

Operating Revenues	
Charges to the Villages	<u>\$ 7,779,218</u>
Operating Expenses	
Personnel Services	1,700,843
IMRF Pension Expense	63,511
Contractual Services	2,143,583
Commodities and Maintenance	1,087,281
Depreciation	<u>2,464,158</u>
Total Operating Expenses	<u>7,459,376</u>
Operating Income	319,842
Nonoperating Revenues (Expenses)	<u>1,246,585</u>
Change in Net Position	1,566,427
Net Position	
Beginning	<u>38,238,838</u>
Ending	<u><u>39,805,265</u></u>

VILLAGE OF LOMBARD, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system; the Police Pension Plan which is a single-employer pension plan; and, the Firefighters’ Pension Plan, which is also a single-employer pension plan. Separate reports are issued for the Police and Firefighters’ Pension Plans and may be obtained by writing to the Village at 255 E. Wilson Avenue, Lombard, Illinois 60148. IMRF does issue a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

The aggregate amount of pension expense recognized for the three pension plans is:

IMRF	\$ 1,528,633
Police Pension	3,811,891
Firefighters' Pension	<u>3,515,047</u>
	<u><u>8,855,571</u></u>

Illinois Municipal Retirement Fund (IMRF)

Plan Descriptions

Plan Administration. All employees (other than those covered by the Police and Firefighters’ Pension Plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Benefits Provided. IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff’s Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

IMRF provides two tiers of pension benefits. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements December 31, 2019

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

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

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

Plan Membership. As of December 31, 2019, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	280
Inactive Plan Members Entitled to but not yet Receiving Benefits	133
Active Plan Members	<u>104</u>
Total	<u><u>517</u></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. For the year-ended December 31, 2019, the Village's contribution was 26.12% of covered payroll.

Net Pension Liability. The Village's net pension liability was measured as of December 31, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements December 31, 2019

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

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

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	3.35% to 14.25%
Cost of Living Adjustments	2.50%
Inflation	2.50%

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

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:

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements December 31, 2019

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Actuarial Assumptions – Continued.

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	28.00%	3.00%
Domestic Equities	37.00%	6.85%
International Equities	18.00%	6.75%
Real Estate	9.00%	5.75%
Blended	7.00%	2.65% - 7.35%
Cash and Cash Equivalents	1.00%	2.25%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, and the discount rate in the prior valuation was 7.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

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

	<u>1% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
Net Pension Liability/(Asset)	\$ 15,189,144	5,037,675	(3,368,092)

VILLAGE OF LOMBARD, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2018	\$ 82,902,031	69,069,677	13,832,354
Changes for the Year:			
Service Cost	814,805	-	814,805
Interest on the Total Pension Liability	5,864,157	-	5,864,157
Changes of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience of the Total Pension Liability	302,268	-	302,268
Changes of Assumptions	-	-	-
Contributions - Employer	-	1,707,893	(1,707,893)
Contributions - Employees	-	372,942	(372,942)
Net Investment Income	-	13,403,257	(13,403,257)
Benefit Payments, including Refunds of Employee Contributions	(4,849,008)	(4,849,008)	-
Other (Net Transfer)	-	291,817	(291,817)
Net Changes	2,132,222	10,926,901	(8,794,679)
Balances at December 31, 2019	85,034,253	79,996,578	5,037,675

VILLAGE OF LOMBARD, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

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

For the year ended December 31, 2019, the Village recognized pension expense of \$1,528,633. At December 31, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 361,739	-	361,739
Change in Assumptions	376,094	-	376,094
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(3,660,456)	(3,660,456)
Total Deferred Amounts Related to IMRF	<u>737,833</u>	<u>(3,660,456)</u>	<u>(2,922,623)</u>

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

Fiscal Year	Net Deferred Outflows/(Inflows) of Resources
2020	\$ (411,437)
2021	(1,112,690)
2022	298,597
2023	(1,697,093)
2024	-
Thereafter	-
Total	<u>(2,922,623)</u>

VILLAGE OF LOMBARD, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan

Plan Descriptions

Plan Administration. The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The Village accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the Village President, one member is elected by pension beneficiaries and two members are elected by active police employees.

Plan Membership. At December 31, 2019, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	75
Inactive Plan Members Entitled to but not yet Receiving Benefits	10
Active Plan Members	<u>63</u>
Total	<u><u>148</u></u>

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

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements December 31, 2019

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Plan Descriptions – Continued

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

Contributions. Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended December 31, 2019, the Village's contribution was 53.60% of covered payroll.

Concentrations. At year end, the Pension Plan does not have any investments over 5 percent of net plan position available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements December 31, 2019

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Actuarial Assumptions

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

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.00%
Salary Increases	3.50% - 11.00%
Cost of Living Adjustments	2.50%
Inflation	2.50%

Mortality rates were based on the RP-2014 Mortality Table with a blue collar adjustment, using generational improvement scale MP-2019 (base year 2013).

Discount Rate

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

VILLAGE OF LOMBARD, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Discount Rate Sensitivity

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability	\$ 47,665,742	32,843,114	20,760,446

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	\$ 101,498,346	64,598,060	36,900,286
Changes for the Year:			
Service Cost	1,261,440	-	1,261,440
Interest on the Total Pension Liability	7,001,898	-	7,001,898
Changes of Benefit Terms	199,333	-	199,333
Difference Between Expected and Actual Experience of the Total Pension Liability	2,489,349	-	2,489,349
Changes of Assumptions	(303,277)	-	(303,277)
Contributions - Employer	-	3,368,745	(3,368,745)
Contributions - Employees	-	723,314	(723,314)
Net Investment Income	-	10,688,295	(10,688,295)
Benefit Payments, including Refunds of Employee Contributions	(5,465,336)	(5,465,336)	-
Administrative Expense	-	(74,439)	74,439
Net Changes	5,183,407	9,240,579	(4,057,172)
Balances at December 31, 2019	106,681,753	73,838,639	32,843,114

VILLAGE OF LOMBARD, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

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

For the year ended December 31, 2019, the Village recognized pension expense of \$3,811,891. At December 31, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 2,105,808	(2,182,427)	(76,619)
Change in Assumptions	715,294	(1,890,650)	(1,175,356)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(1,517,448)	(1,517,448)
Total Deferred Amounts Related to Police Pension	<u>2,821,102</u>	<u>(5,590,525)</u>	<u>(2,769,423)</u>

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

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2020	\$ (1,211,452)
2021	(900,338)
2022	148,576
2023	(806,209)
2024	-
Thereafter	<u>-</u>
Total	<u>(2,769,423)</u>

VILLAGE OF LOMBARD, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters’ Pension Plan

Plan Descriptions

Plan Administration. The Firefighters’ Pension Plan is a single-employer defined benefit pension plan that covers all sworn firefighter personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only by the Illinois legislature. The Village accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the Village President, one member is elected by pension beneficiaries and two members are elected by active fire employees.

Plan Membership. At December 31, 2019, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	53
Inactive Plan Members Entitled to but not yet Receiving Benefits	6
Active Plan Members	<u>66</u>
Total	<u><u>125</u></u>

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

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements December 31, 2019

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters' Pension Plan – Continued

Plan Descriptions – Continued

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

Contributions. Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended December 31, 2019, the Village's contribution was 39.26% of covered payroll.

Significant Investments. At year end, the Pension Plan does not have any investments over 5 percent of net plan position available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

VILLAGE OF LOMBARD, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters’ Pension Plan – Continued

Actuarial Assumptions

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

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.00%
Salary Increases	3.50% - 12.50%
Cost of Living Adjustments	2.50%
Inflation	2.50%

Mortality rates were based on the RP-2014 Mortality Table with a blue collar adjustment, using generational improvement scale MP-2019 (base year 2013).

Discount Rate

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

VILLAGE OF LOMBARD, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters’ Pension Plan – Continued

Discount Rate Sensitivity

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability	\$ 30,431,300	18,225,490	8,261,304

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	\$ 82,984,675	58,711,050	24,273,625
Changes for the Year:			
Service Cost	1,597,161	-	1,597,161
Interest on the Total Pension Liability	5,787,235	-	5,787,235
Changes of Benefit Terms	267,333	-	267,333
Difference Between Expected and Actual			
Experience of the Total Pension Liability	(162,980)	-	(162,980)
Changes of Assumptions	(219,725)	-	(219,725)
Contributions - Employer	-	2,677,848	(2,677,848)
Contributions - Employees	-	641,828	(641,828)
Net Investment Income	-	10,031,073	(10,031,073)
Benefit Payments, including Refunds			
of Employee Contributions	(3,785,537)	(3,785,537)	-
Administrative Expense	-	(33,590)	33,590
Net Changes	3,483,487	9,531,622	(6,048,135)
Balances at December 31, 2019	86,468,162	68,242,672	18,225,490

VILLAGE OF LOMBARD, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters’ Pension Plan – Continued

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

For the year ended December 31, 2019, the Village recognized pension expense of \$3,515,047. At December 31, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 474,168	(1,219,082)	(744,914)
Change in Assumptions	2,058,665	(2,075,366)	(16,701)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(1,899,567)	(1,899,567)
Total Deferred Amounts Related to Firefighters' Pension	<u>2,532,833</u>	<u>(5,194,015)</u>	<u>(2,661,182)</u>

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

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2020	\$ (162,837)
2021	(524,203)
2022	(311,388)
2023	(1,507,155)
2024	(100,926)
Thereafter	<u>(54,673)</u>
Total	<u>(2,661,182)</u>

VILLAGE OF LOMBARD, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plan

Plan Description. The Village’s defined benefit OPEB plan, Retiree Benefits Plan (RBP), provides OPEB for all permanent full-time general and public safety employees of the Village. RBP is a single-employer defined benefit OPEB plan administered by the District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the Village Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided. RBP provides medical benefits for full-time IMRF retirees and their dependent/spouse. Retirees pay the full cost of health insurance continuation at the employer rate until they reach age 65. Dependent/spousal coverage may continue should retiree coverage end due to coverage termination, death, or Medicare eligibility with dependent/spouse using COBRA for up to 18 months after the event., There is no coverage offered to retirees once Medicare eligible, except through COBRA. Retirees are not eligible for vision or life insurance in retirement. There is no dental coverage offered to Retirees once Medicare eligible, except through COBRA.

Plan Membership. As of December 31, 2019, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	65
Inactive Plan Members Entitled to but not yet Receiving Benefits	-
Active Plan Members	<u>204</u>
Total	<u><u>269</u></u>

Total OPEB Liability

The Village’s total OPEB liability was measured as of December 31, 2019, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements December 31, 2019

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Total OPEB Liability – Continued

Inflation	3.00%
Salary Increases	3.00%
Discount Rate	2.75%
Healthcare Cost Trend Rates	7.50% in fiscal year 2019, decreasing to an ultimate rate of 5.00% in 2024 and after.
Retirees' Share of Benefit-Related Costs	100%

Mortality rates were based on the RP-2014 blue collar base rates projected to 2018 using scale MP2018 for Police and Fire. For all others the RP2014 base rates projected to 2018 using scale MP2018 was used.

Change in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at December 31, 2018	<u>\$ 7,001,720</u>
Changes for the Year:	
Service Cost	252,168
Interest on the Total Pension Liability	277,240
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	(69,685)
Changes of Assumptions or Other Inputs	1,395,488
Benefit Payments	<u>(479,525)</u>
Net Changes	<u>1,375,686</u>
Balance at December 31, 2019	<u><u>8,377,406</u></u>

VILLAGE OF LOMBARD, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

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

The following presents the total OPEB liability, calculated using a Single Discount Rate of 2.75%, as well as what the total OPEB liability would be if it were calculated using a Single Discount Rate that is one percentage point lower or one percentage point higher:

	1% Decrease (1.75%)	Current Discount Rate (2.75%)	1% Increase (3.75%)
Total OPEB Liability	\$ 9,037,883	8,377,406	7,767,738

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

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

	(6.50% decreasing to 4.00%)	Healthcare Cost Trend Rates (7.50% decreasing to 5.00%)	(8.50% decreasing to 6.00%)
Total OPEB Liability	\$ 7,556,328	8,377,406	9,332,148

VILLAGE OF LOMBARD, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

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

For the year ended December 31, 2019, the Village recognized OPEB expense of \$648,412. At December 31, 2019, 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	Totals
Difference Between Expected and Actual Experience	\$ -	(63,053)	(63,053)
Change in Assumptions	1,465,865	(250,077)	1,215,788
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	-	-
Total Deferred Amounts Related to OPEB	<u>1,465,865</u>	<u>(313,130)</u>	<u>1,152,735</u>

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

Fiscal Year	Net Deferred Outflows of Resources
2020	\$ 123,924
2021	123,924
2022	123,924
2023	123,924
2024	123,924
Thereafter	<u>533,115</u>
Total	<u>1,152,735</u>

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 4 – OTHER INFORMATION – Continued

SUBSEQUENT EVENT

Subsequent to the date of the financial statements and prior to the audit opinion date, the World Health Organization declared the COVID-19 virus a public health emergency. As of the date of this report, the extent of the impact of COVID-19 on the Village's operations and financial position cannot be determined.

REQUIRED SUPPLEMENTARY INFORMATION

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

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

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

- Schedule of Investment Returns
 - Police Pension Fund
 - Firefighters' Pension Fund

- Schedule of Changes in the Employer's Total OPEB Liability
 - Retiree Benefits Plan

- Budgetary Comparison Schedule
 - General Fund

Notes to the Required Supplementary Information

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

VILLAGE OF LOMBARD, ILLINOIS

Illinois Municipal Retirement Fund

**Required Supplementary Information
Schedule of Employer Contributions
December 31, 2019**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 1,199,444	\$ 1,245,964	\$ 46,520	\$ 7,615,518	16.36%
2016	1,392,045	1,392,045	-	7,577,819	18.37%
2017	1,229,613	1,253,498	23,885	7,718,851	16.24%
2018	1,263,824	2,073,703	809,879	7,938,590	26.12%
2019	1,042,898	1,707,893	664,995	7,948,918	21.49%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	24 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.50%
Salary Increases	3.35% - 14.25%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015)

Note:

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

VILLAGE OF LOMBARD, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Employer Contributions
December 31, 2019**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 2,537,087	\$ 2,537,579	\$ 492	\$ 6,331,082	40.08%
2016	2,940,772	2,936,167	(4,605)	6,589,512	44.56%
2017	3,038,332	3,080,872	42,540	6,423,894	47.96%
2018	2,979,197	3,611,517	632,320	6,388,679	56.53%
2019	2,840,563	3,368,745	528,182	6,285,289	53.60%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	20 Years
Asset Valuation Method	Market Value
Inflation	2.50%
Salary Increases	3.50% - 11.00%
Investment Rate of Return	7.00%
Retirement Age	See the Notes to the Financial Statements
Mortality	RP 2014 mortality table with a blue collar adjustment, with generational improvement scale MP-2018 (base year 2013)

Note:

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

VILLAGE OF LOMBARD, ILLINOIS

Firefighters' Pension Fund

**Required Supplementary Information
Schedule of Employer Contributions
December 31, 2019**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 2,007,514	\$ 2,008,243	\$ 729	\$ 5,725,023	35.08%
2016	2,035,216	2,034,905	(311)	6,357,452	32.01%
2017	2,190,707	2,237,228	46,521	6,449,094	34.69%
2018	2,232,003	2,863,927	631,924	6,592,100	43.44%
2019	2,147,099	2,677,848	530,749	6,821,353	39.26%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	20 Years
Asset Valuation Method	Market Value
Inflation	2.50%
Salary Increases	3.50% - 12.50%
Investment Rate of Return	7.00%
Retirement Age	See the Notes to the Financial Statements
Mortality	RP 2014 mortality table with a blue collar adjustment, with generational improvement scale MP-2018 (base year 2013)

Note:

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

VILLAGE OF LOMBARD, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information

Schedule of Changes in the Employer's Net Pension Liability

December 31, 2019

	<u>12/31/2015</u>
Total Pension Liability	
Service Cost	\$ 791,529
Interest	5,347,448
Differences Between Expected and Actual Experience	1,033,943
Change of Assumptions	89,660
Benefit Payments, Including Refunds of Member Contributions	<u>(4,210,801)</u>
Net Change in Total Pension Liability	3,051,779
Total Pension Liability - Beginning	<u>73,295,286</u>
Total Pension Liability - Ending	<u><u>76,347,065</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 1,245,964
Contributions - Members	347,456
Net Investment Income	309,847
Benefit Payments, Including Refunds of Member Contributions	(4,210,801)
Other (Net Transfer)	<u>2,810,809</u>
Net Change in Plan Fiduciary Net Position	503,275
Plan Net Position - Beginning	<u>63,278,002</u>
Plan Net Position - Ending	<u><u>63,781,277</u></u>
Employer's Net Pension Liability	<u><u>\$ 12,565,788</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.54%
Covered Payroll	\$ 7,615,518
Employer's Net Pension Liability as a Percentage of Covered Payroll	165.00%

Note:

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

12/31/2016	12/31/2017	12/31/2018	12/31/2019
830,041	819,812	763,832	814,805
5,565,299	5,698,024	5,690,435	5,864,157
(237,225)	233,077	1,095,844	302,268
(361,558)	(2,226,914)	2,199,136	-
(4,320,449)	(4,518,863)	(4,675,525)	(4,849,008)
1,476,108	5,136	5,073,722	2,132,222
76,347,065	77,823,173	77,828,309	82,902,031
77,823,173	77,828,309	82,902,031	85,034,253
1,392,045	1,253,498	2,073,703	1,707,893
352,751	369,970	357,237	372,942
4,423,634	12,084,849	(4,450,515)	13,403,257
(4,320,449)	(4,518,863)	(4,675,525)	(4,849,008)
469,833	(1,396,871)	1,873,103	291,817
2,317,814	7,792,583	(4,821,997)	10,926,901
63,781,277	66,099,091	73,891,674	69,069,677
66,099,091	73,891,674	69,069,677	79,996,578
11,724,082	3,936,635	13,832,354	5,037,675
84.93%	94.94%	83.31%	94.08%
7,577,819	7,718,851	7,938,590	7,948,918
154.72%	51.00%	174.24%	63.38%

VILLAGE OF LOMBARD, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
December 31, 2019**

	<u>12/31/2015</u>
Total Pension Liability	
Service Cost	\$ 1,455,364
Interest	5,957,834
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	(542,772)
Change of Assumptions	7,281,562
Benefit Payments, Including Refunds of Member Contributions	<u>(3,556,531)</u>
Net Change in Total Pension Liability	10,595,457
Total Pension Liability - Beginning	<u>86,890,181</u>
Total Pension Liability - Ending	<u><u>97,485,638</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 2,537,579
Contributions - Members	653,110
Net Investment Income	792,942
Benefit Payments, Including Refunds of Member Contributions	(3,556,531)
Administrative Expense	<u>(44,419)</u>
Net Change in Plan Fiduciary Net Position	382,681
Plan Net Position - Beginning	<u>57,989,465</u>
Plan Net Position - Ending	<u><u>58,372,146</u></u>
Employer's Net Pension Liability	<u><u>\$ 39,113,492</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	59.88%
Covered Payroll	\$ 6,331,082
Employer's Net Pension Liability as a Percentage of Covered Payroll	617.80%

Note:

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

12/31/2016	12/31/2017	12/31/2018	12/31/2019
1,531,546	1,531,174	1,164,524	1,261,440
6,688,180	6,796,831	6,924,280	7,001,898
-	-	-	199,333
622,457	(659,841)	(3,184,547)	2,489,349
(3,244,715)	(2,555,004)	1,192,158	(303,277)
(3,880,431)	(4,210,233)	(4,703,671)	(5,465,336)
1,717,037	902,927	1,392,744	5,183,407
97,485,638	99,202,675	100,105,602	101,498,346
99,202,675	100,105,602	101,498,346	106,681,753
2,936,167	3,080,872	3,611,517	3,368,745
695,084	699,450	663,899	723,314
3,223,224	6,681,876	(2,375,274)	10,688,295
(3,880,431)	(4,210,233)	(4,703,671)	(5,465,336)
(42,302)	(66,007)	(88,257)	(74,439)
2,931,742	6,185,958	(2,891,786)	9,240,579
58,372,146	61,303,888	67,489,846	64,598,060
61,303,888	67,489,846	64,598,060	73,838,639
37,898,787	32,615,756	36,900,286	32,843,114
61.80%	67.42%	63.64%	69.21%
6,589,512	6,423,894	6,388,679	6,285,289
575.14%	507.73%	577.59%	522.54%

VILLAGE OF LOMBARD, ILLINOIS

Firefighters' Pension Fund

**Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
December 31, 2019**

	<u>12/31/2015</u>
Total Pension Liability	
Service Cost	\$ 1,513,082
Interest	4,614,739
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	(596,117)
Change of Assumptions	5,332,533
Benefit Payments, Including Refunds of Member Contributions	<u>(2,822,892)</u>
Net Change in Total Pension Liability	8,041,345
Total Pension Liability - Beginning	<u>67,336,293</u>
Total Pension Liability - Ending	<u><u>75,377,638</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 2,008,243
Contributions - Members	564,175
Net Investment Income	25,474
Benefit Payments, Including Refunds of Member Contributions	(2,822,892)
Administrative Expense	<u>(43,309)</u>
Net Change in Plan Fiduciary Net Position	(268,309)
Plan Net Position - Beginning	<u>52,418,876</u>
Plan Net Position - Ending	<u><u>52,150,567</u></u>
Employer's Net Pension Liability	<u><u>\$ 23,227,071</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.19%
Covered Payroll	\$ 5,725,023
Employer's Net Pension Liability as a Percentage of Covered Payroll	405.71%

Note:

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

12/31/2016	12/31/2017	12/31/2018	12/31/2019
1,562,481	1,643,565	1,363,890	1,597,161
5,171,731	5,329,656	5,566,493	5,787,235
-	-	-	267,333
1,174,979	1,170	(1,297,838)	(162,980)
(2,512,331)	(1,530,549)	974,066	(219,725)
(2,991,521)	(3,290,005)	(3,558,750)	(3,785,537)
2,405,339	2,153,837	3,047,861	3,483,487
75,377,638	77,782,977	79,936,814	82,984,675
77,782,977	79,936,814	82,984,675	86,468,162
2,034,905	2,237,228	2,863,927	2,677,848
583,561	658,618	623,352	641,828
2,827,910	7,095,084	(2,396,242)	10,031,073
(2,991,521)	(3,290,005)	(3,558,750)	(3,785,537)
(50,476)	(42,572)	(34,536)	(33,590)
2,404,379	6,658,353	(2,502,249)	9,531,622
52,150,567	54,554,946	61,213,299	58,711,050
54,554,946	61,213,299	58,711,050	68,242,672
23,228,031	18,723,515	24,273,625	18,225,490
70.14%	76.58%	70.75%	78.92%
6,357,452	6,449,094	6,592,100	6,821,353
365.37%	290.33%	368.22%	267.18%

VILLAGE OF LOMBARD, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Investment Returns
December 31, 2019**

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2015	1.38%
2016	5.66%
2017	10.99%
2018	4.10%
2019	16.79%

Note:

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

VILLAGE OF LOMBARD, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information

Schedule of Investment Returns

December 31, 2019

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2015	0.11%
2016	5.72%
2017	6.85%
2018	3.45%
2019	2.48%

Note:

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

VILLAGE OF LOMBARD, ILLINOIS

Retiree Benefits Plan

**Required Supplementary Information
Schedule of Changes in the Employer's Total OPEB Liability
December 31, 2019**

	2017	2018	2019
Total OPEB Liability			
Service Cost	\$ 250,008	286,476	252,168
Interest	263,184	241,269	277,240
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	-	-	(69,685)
Change of Assumptions or Other Inputs	289,583	(312,173)	1,395,488
Benefit Payments	(429,209)	(454,951)	(479,525)
Net Change in Total OPEB Liability	373,566	(239,379)	1,375,686
Total OPEB Liability - Beginning	6,867,533	7,241,099	7,001,720
Total OPEB Liability - Ending	7,241,099	7,001,720	8,377,406
Covered Payroll	\$ 17,601,304	17,601,304	18,048,586
Total OPEB Liability as a Percentage of Covered Payroll	41.14%	39.78%	46.42%

Notes:

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

Changes of Benefit Terms. There was no change in the retirees' share of health insurance premiums.

Changes of Assumptions. Changes of assumptions and other inputs reflect the effects of changes in the trend rate each period. The following are the trend rates used in each period:

Fiscal Year	Healthcare Trend
2020	7.50%
2021	7.00%
2022	6.50%
2023	6.00%
2024	5.50%
Ultimate	5.00%

In 2019, there was no change in the healthcare trend rates from the prior year.

VILLAGE OF LOMBARD, ILLINOIS

General Fund

**Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2019**

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 19,416,820	19,416,820	19,189,636
Licenses and Permits	1,100,820	1,100,820	1,150,651
Intergovernmental	17,813,960	17,813,960	18,365,225
Charges for Services	4,408,460	4,408,460	4,459,687
Fines and Forfeits	952,940	952,940	997,177
Interest	139,050	139,050	306,354
Miscellaneous	47,350	47,350	387,778
Total Revenues	43,879,400	43,879,400	44,856,508
Expenditures			
General Government	8,196,790	8,282,883	7,767,276
Public Safety	28,421,390	28,421,390	29,136,905
Physical Environment	1,722,380	1,722,380	1,697,548
Public Works	4,263,960	4,263,960	4,030,471
Total Expenditures	42,604,520	42,690,613	42,632,200
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,274,880	1,188,787	2,224,308
Other Financing Sources (Uses)			
Transfers In	556,970	556,970	556,970
Transfers Out	-	-	(1,324,980)
	556,970	556,970	(768,010)
Net Change in Fund Balance	1,831,850	1,745,757	1,456,298
Fund Balance - Beginning			21,904,637
Fund Balance - Ending			23,360,935

OTHER SUPPLEMENTARY INFORMATION

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

Such statements and schedules include:

- Budgetary Comparison Schedules – Major Governmental Funds
- Combining Statements – Enterprise Funds – By Accounts
- Budgetary Comparison Schedules – Enterprise Funds – By Accounts
- Combining Statements – Internal Service Fund – By Accounts
- Budgetary Comparison Schedules – Internal Service Fund – By Accounts
- Combining Statements – Pension Trust Funds
- Budgetary Comparison Schedules – Pension Trust Funds
- Schedule of Changes in Fiduciary Net Position - Custodial Fund

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

GENERAL FUND

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

DEBT SERVICE FUND

The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

CAPITAL PROJECTS FUND

The Capital Projects Fund accounts for all resources used for the acquisition of capital assets by the Village, except those financed by Proprietary and Trust Funds, including general and infrastructure capital assets.

ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where it has been decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose.

Waterworks and Sewerage Fund

The Waterworks and Sewerage Fund is used to account for the provision of potable water and wastewater treatment services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations and maintenance, financing and related debt service, billing and collection.

Parking System Fund

The Parking System Fund is used to account for revenues received from the public for use of public parking and expenses used to maintain and operate the parking system.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

INTERNAL SERVICE FUND

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies other governmental unit, or to other governmental units, on a cost-reimbursement basis.

Fleet Services Fund

The Fleet Services Fund is used to account for the costs of operating a maintenance facility for automotive equipment used by other Village departments. Such costs are billed to other departments at actual cost plus a fixed overhead factor. Where capital replacements are necessary, user charges include an amount necessary to replace capital assets. Substantially all excess funds are committed under the Village's vehicle replacement program.

TRUST AND CUSTODIAL FUNDS

PENSION TRUST FUNDS

Police Pension Fund

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

Firefighters' Pension Fund

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

CUSTODIAL FUND

Special Assessments Fund

The Special Assessments Fund is used to account for payments made by property owners on related special assessments and special service area debt. This Agency Fund is administered, but not backed by the Village. The Village collects the payments and subsequently pays the related debt.

VILLAGE OF LOMBARD, ILLINOIS

General Fund

**Schedule of Revenues - Budget and Actual
For the Fiscal Year Ended December 31, 2019**

	Budget		Actual
	Original	Final	
Taxes			
Property Taxes	\$ 9,578,820	9,578,820	9,591,701
Road and Bridge Taxes	64,800	64,800	73,387
Personal Property Replacement Taxes	153,030	153,030	187,461
Amusement Tax	446,290	446,290	381,347
Places for Eating Tax	3,317,950	3,317,950	3,322,889
Utility Tax	3,627,450	3,627,450	3,571,216
Tourism and Conventions Tax	2,151,680	2,151,680	1,967,358
Foreign Fire Insurance Tax	55,000	55,000	74,797
Auto Rental Tax	18,200	18,200	16,465
Pull Tabs/Jar Games	3,600	3,600	3,015
	<u>19,416,820</u>	<u>19,416,820</u>	<u>19,189,636</u>
Licenses and Permits			
Liquor Licenses	224,500	224,500	223,348
Cigarette Licenses	7,300	7,300	7,875
Restaurant/Food Handler Permits	12,300	12,300	12,400
Coin Operated Device Licenses	21,580	21,580	20,850
Amusement Licenses	6,730	6,730	6,695
Commercial Recyclers Licenses	100	100	200
Alarm User Licenses	38,100	38,100	37,635
Going Out of Business Licenses	80	80	-
Other Business Licenses	16,000	16,000	20,465
Oversized Vehicle Permits	22,000	22,000	14,755
Building Permits	290,000	290,000	374,568
Occupancy Permits	23,000	23,000	46,407
Residential Driveway Permits	19,000	19,000	16,480
Electrical Permits	134,000	134,000	94,676
Plumbing Permits	72,600	72,600	68,714
Water Permits	6,000	6,000	2,625
Sewer Permits	6,800	6,800	2,905
HVAC Permits	44,600	44,600	52,453

VILLAGE OF LOMBARD, ILLINOIS

General Fund

**Schedule of Revenues - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2019**

	Budget		Actual
	Original	Final	
Licenses and Permits (Cont.)			
Hazardous Materials Permits	\$ 3,100	3,100	4,275
Sign Permits	11,900	11,900	10,040
Fire Suppression System Permits	24,000	24,000	12,629
Fire Alarm System Permits	18,000	18,000	14,321
Wrecking Permits	7,000	7,000	2,834
Contractor Registration	89,200	89,200	83,136
Renewal Permits	2,200	2,200	19,406
Community Development Permits	600	600	300
P.E.S. Fill and Grading Permits	130	130	659
	<u>1,100,820</u>	<u>1,100,820</u>	<u>1,150,651</u>
Intergovernmental			
Sales Tax	11,272,520	11,272,520	11,240,054
Business District #1 Tax	789,450	789,450	774,635
Local Use Tax	1,230,700	1,230,700	1,441,784
State Income Tax	4,252,590	4,252,590	4,656,003
District 87 Reimbursements	52,500	52,500	52,576
DUMEG Reimbursements	24,900	24,900	28,125
Miscellaneous Grants	182,000	182,000	166,543
Police Training	1,100	1,100	-
Fire Training	8,200	8,200	5,505
	<u>17,813,960</u>	<u>17,813,960</u>	<u>18,365,225</u>
Charges for Services			
Tree Planting Fees	7,800	7,800	14,050
Weed Cutting/Debris Fees	3,500	3,500	2,655
Sale of Plans, Specs, Maps	1,800	1,800	-
Miscellaneous Public Works Fees	2,000	2,000	1,300
Administrative Fees	84,000	84,000	10,390
Community Development Plan Review	8,000	8,000	4,664
P.E.S. Site Plan Review	86,000	86,000	110,859
After Hours Site Inspection Fees	1,300	1,300	1,875
Public Hearing Fees	26,000	26,000	31,695

VILLAGE OF LOMBARD, ILLINOIS

General Fund

**Schedule of Revenues - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2019**

	Budget		Actual
	Original	Final	
Charges for Services (Cont.)			
Public Hearing Sign Fees	\$ 2,000	2,000	3,410
Fingerprinting	3,950	3,950	2,835
Child Safety Seat Class	1,450	1,450	595
Police Records Copy	7,250	7,250	11,820
Impounding Fees	1,260	1,260	1,720
False Alarm Fees	18,900	18,900	43,250
Fire Tollway Repsonse	14,000	14,000	12,050
Emergency Medical Services	1,850,000	1,850,000	1,941,592
Glenbard Fire Protection	337,000	337,000	354,017
Elevator Inspections	82,500	82,500	84,216
Building Plan Review	78,000	78,000	74,546
Franchise Fees/Cable TV	740,000	740,000	754,712
Telecommunications/IMF	282,940	282,940	249,467
Refuse Surcharge	124,000	124,000	127,344
COBRA Reimbursements	644,810	644,810	620,625
	<u>4,408,460</u>	<u>4,408,460</u>	<u>4,459,687</u>
Fines and Forfeits			
Circuit Court Fines	460,000	460,000	563,511
E-Ticket Fines	3,990	3,990	4,892
Administrative Towing	204,000	204,000	186,600
Overweight/Overdimension Vehicles	15,000	15,000	1,473
Pre-Trial Diversion	15,000	15,000	5,200
Liquor Violations	100	100	10,500
Tobacco Violations	600	600	1,950
Parking Fines	108,000	108,000	131,505
Community Development Violations	1,000	1,000	(625)
DUI User Fees	35,000	35,000	51,962
Narcotic Fines	250	250	154
State Forfeits	10,000	10,000	6,687
Federal Forfeits	100,000	100,000	33,368
	<u>952,940</u>	<u>952,940</u>	<u>997,177</u>

VILLAGE OF LOMBARD, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued For the Fiscal Year Ended December 31, 2019

	Budget		Actual
	Original	Final	
Interest			
Investment Income	\$ 139,050	139,050	306,354
Miscellaneous			
NSF Charges	200	200	75
Police Donations	300	300	3,814
Fire Donations	200	200	-
Damage to Village Property	15,000	15,000	50,420
Reimbursements for Scrap Metal	1,100	1,100	14,926
Change in Terminal Reserve	-	-	128,349
Discounts Available	50	50	20
Miscellaneous Fire Donation	-	-	6,000
Miscellaneous Tourism and Conventions	1,500	1,500	13,117
Miscellaneous Liability Insurance	2,000	2,000	-
Miscellaneous Technology Reserve	5,000	5,000	8,265
Miscellaneous Community Recycling	-	-	48
Miscellaneous Foreign Fire Insurance	-	-	378
Other	22,000	22,000	162,366
	47,350	47,350	387,778
Total Revenues	43,879,400	43,879,400	44,856,508

VILLAGE OF LOMBARD, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended December 31, 2019**

	Budget		Actual
	Original	Final	
General Government			
Legislative Department			
Personnel	\$ 1,482,980	1,569,073	1,208,042
Commodities	194,210	194,210	198,018
Contractual	1,804,790	1,804,790	1,670,926
	<u>3,481,980</u>	<u>3,568,073</u>	<u>3,076,986</u>
Executive Department			
Personnel	1,265,300	1,265,300	1,295,428
Commodities	145,820	145,820	148,975
Contractual	1,257,860	1,257,860	1,232,779
Miscellaneous	43,930	43,930	7,047
	<u>2,712,910</u>	<u>2,712,910</u>	<u>2,684,229</u>
Finance Department			
Personnel	952,130	952,130	966,393
Commodities	78,450	78,450	31,983
Contractual	668,820	668,820	680,993
Miscellaneous	302,500	302,500	326,692
	<u>2,001,900</u>	<u>2,001,900</u>	<u>2,006,061</u>
Total General Government	<u>8,196,790</u>	<u>8,282,883</u>	<u>7,767,276</u>
Public Safety			
Police Department			
Personnel	9,049,570	9,049,570	9,165,755
Commodities	244,840	244,840	232,998
Contractual	2,722,960	2,722,960	2,417,449
Police Pension Contributions	2,840,570	2,840,570	3,368,746
Miscellaneous	445,360	445,360	422,101
	<u>15,303,300</u>	<u>15,303,300</u>	<u>15,607,049</u>

VILLAGE OF LOMBARD, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2019**

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Fire Department			
Personnel	\$ 8,624,510	8,624,510	8,755,977
Commodities	262,070	262,070	221,375
Contractual	1,478,720	1,478,720	998,525
Firefighters' Pension Contributions	2,147,100	2,147,100	2,677,848
Miscellaneous	605,690	605,690	876,131
	<u>13,118,090</u>	<u>13,118,090</u>	<u>13,529,856</u>
Total Public Safety	<u>28,421,390</u>	<u>28,421,390</u>	<u>29,136,905</u>
Physical Environment			
Community Development Department			
Personnel	1,419,640	1,419,640	1,429,702
Commodities	27,020	27,020	13,071
Contractual	245,160	245,160	222,763
Miscellaneous	30,560	30,560	32,012
	<u>1,722,380</u>	<u>1,722,380</u>	<u>1,697,548</u>
Total Physical Environment	<u>1,722,380</u>	<u>1,722,380</u>	<u>1,697,548</u>
Public Works			
Public Works Department	2,245,360	2,245,360	2,200,749
Personnel	410,560	410,560	321,636
Commodities	782,330	782,330	690,605
Contractual	825,710	825,710	817,481
	<u>4,263,960</u>	<u>4,263,960</u>	<u>4,030,471</u>
Total Public Works	<u>4,263,960</u>	<u>4,263,960</u>	<u>4,030,471</u>
Total Expenditures	<u><u>42,604,520</u></u>	<u><u>42,690,613</u></u>	<u><u>42,632,200</u></u>

VILLAGE OF LOMBARD, ILLINOIS

Debt Service Fund

**Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2019**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 5,000	5,000	4,998
Interest			
Investment Income	-	-	13,608
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>18,606</u>
Expenditures			
Debt Service			
Principal Retirement	335,000	335,000	335,000
Interest and Fiscal Charges	11,100	11,100	10,100
Total Expenditures	<u>346,100</u>	<u>346,100</u>	<u>345,100</u>
Net Change in Fund Balance	<u>(341,100)</u>	<u>(341,100)</u>	(326,494)
Fund Balance - Beginning			<u>750,809</u>
Fund Balance - Ending			<u>424,315</u>

VILLAGE OF LOMBARD, ILLINOIS

Capital Projects Fund

**Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2019**

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 214,470	214,470	188,014
Intergovernmental	8,671,560	8,671,560	8,252,611
Interest	5,000	5,000	254,005
Miscellaneous	12,900	12,900	77,375
Total Revenues	<u>8,903,930</u>	<u>8,903,930</u>	<u>8,772,005</u>
Expenditures			
Capital Outlay	7,484,890	8,984,890	7,407,976
Debt Service			
Principal Retirement	229,430	229,430	229,425
Interest and Fiscal Charges	5,930	5,930	5,932
Total Expenditures	<u>7,720,250</u>	<u>9,220,250</u>	<u>7,643,333</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,183,680</u>	<u>(316,320)</u>	<u>1,128,672</u>
Other Financing Sources (Uses)			
Transfers In	-	-	1,324,980
Transfers (Out)	(47,090)	(47,090)	(47,090)
	<u>(47,090)</u>	<u>(47,090)</u>	<u>1,277,890</u>
Net Change in Fund Balance	<u>1,136,590</u>	<u>(363,410)</u>	2,406,562
Fund Balance - Beginning			<u>11,015,807</u>
Fund Balance - Ending			<u>13,422,369</u>

VILLAGE OF LOMBARD, ILLINOIS

Capital Projects Fund

**Schedule of Revenues - Budget and Actual
For the Fiscal Year Ended December 31, 2019**

	Budget		Actual
	Original	Final	
Taxes			
Utility Tax	\$ 214,470	214,470	188,014
Intergovernmental			
Sales Tax	5,237,650	5,237,650	4,248,987
Motor Fuel Tax Allotments	1,000,000	1,000,000	1,423,612
TIF Revenue	1,952,300	1,952,300	2,169,934
TIF1 West of Grace	64,170	64,170	61,923
TIF2 East of Grace	282,440	282,440	311,068
TIF4 Butterfield/Yorktown	135,000	135,000	37,087
	<u>8,671,560</u>	<u>8,671,560</u>	<u>8,252,611</u>
Interest			
Investment Income	<u>5,000</u>	<u>5,000</u>	<u>254,005</u>
Miscellaneous			
Contributions from Property Owners	11,500	11,500	14,941
Other	<u>1,400</u>	<u>1,400</u>	<u>62,434</u>
	<u>12,900</u>	<u>12,900</u>	<u>77,375</u>
Total Revenues	<u>8,903,930</u>	<u>8,903,930</u>	<u>8,772,005</u>

VILLAGE OF LOMBARD, ILLINOIS

Capital Projects Fund

**Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended December 31, 2019**

	Budget		Actual
	Original	Final	
Capital Outlay			
General Capital Projects	\$ 3,441,320	3,441,320	4,390,554
Facilities Capital Projects	879,000	879,000	821,824
Building Reserve Capital Projects	46,910	46,910	35,617
Motor Fuel Tax Capital Projects	1,126,000	1,126,000	350,579
TIF Downtown Capital Projects	1,893,040	1,893,040	1,747,547
TIF1 West of Grace Capital Projects	400	400	11,748
TIF2 East of Grace Capital Projects	900	900	757
TIF4 Butterfield/Yorktown Capital Projects	97,320	1,597,320	49,350
Total Capital Outlay	<u>7,484,890</u>	<u>8,984,890</u>	<u>7,407,976</u>
Debt Service			
Principal Retirement	229,430	229,430	229,425
Interest and Fiscal Charges	5,930	5,930	5,932
Total Debt Service	<u>235,360</u>	<u>235,360</u>	<u>235,357</u>
Total Expenditures	<u><u>7,720,250</u></u>	<u><u>9,220,250</u></u>	<u><u>7,643,333</u></u>

VILLAGE OF LOMBARD, ILLINOIS

Waterworks and Sewerage Fund

**Schedule of Revenues, Expenses and Changes in Net Position - By Account
For the Fiscal Year Ended December 31, 2019**

	Operation and Maintenance	Capital Reserve	Total
Operating Revenues			
Charges for Services	\$ 16,501,307	1,478,569	17,979,876
Operating Expenses			
Administration	1,502,414	-	1,502,414
Operations	9,962,301	1,482,287	11,444,588
Sewerage Treatment	4,640,742	-	4,640,742
Depreciation	854,165	2,222,964	3,077,129
Total Operating Expenses	16,959,622	3,705,251	20,664,873
Operating (Loss)	(458,315)	(2,226,682)	(2,684,997)
Nonoperating Revenues			
Sales Tax	-	4,865,737	4,865,737
Interest Income	103,744	171,902	275,646
Connection Fees	-	277,222	277,222
Grant	-	18,300	18,300
	103,744	5,333,161	5,436,905
Income Before Contributions and Transfers	(354,571)	3,106,479	2,751,908
Capital Contributions	907,210	-	907,210
Transfers Out	(506,160)	-	(506,160)
	401,050	-	401,050
Change in Net Position	46,479	3,106,479	3,152,958
Net Position - Beginning	35,612,001	56,058,254	91,670,255
Net Position - Ending	35,658,480	59,164,733	94,823,213

VILLAGE OF LOMBARD, ILLINOIS

Waterworks and Sewerage Fund - Operation and Maintenance Account

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2019**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 16,795,290	16,795,290	16,501,307
Operating Expenses			
Administration	1,443,570	1,443,570	1,502,414
Operations	10,223,190	10,223,190	9,962,301
Sewerage Treatment	4,510,000	4,510,000	4,640,742
Depreciation	-	-	854,165
Total Operating Expenses	16,176,760	16,176,760	16,959,622
Operating Income	618,530	618,530	(458,315)
Nonoperating Revenues			
Interest Income	50,000	50,000	103,744
Income Before Contributions and Transfers	668,530	668,530	(354,571)
Capital Contributions	-	-	907,210
Transfers Out	(506,160)	(506,160)	(506,160)
	(506,160)	(506,160)	401,050
Change in Net Position	162,370	162,370	46,479
Net Position - Beginning			35,612,001
Net Position - Ending			35,658,480

VILLAGE OF LOMBARD, ILLINOIS

Waterworks and Sewerage Fund - Operation and Maintenance Account

**Schedule of Operating Revenues - Budget and Actual
For the Fiscal Year Ended December 31, 2019**

	Budget		Actual
	Original	Final	
Charges for Services			
Water Sales-Metered			
Operating	\$ 9,225,710	9,225,710	9,033,881
Hydrant	18,000	18,000	10,912
Water Sales - Unmetered	1,800	1,800	3,699
Fill Station Sales	950	950	-
Transmission Fees - Illinois American Water	11,500	11,500	11,676
Water Turn-on Fees	16,000	16,000	8,247
Service Charge	780,000	780,000	782,622
Cross Connection Service Charge	60,200	60,200	59,361
Sewer Charges - Metered	6,486,620	6,486,620	6,389,923
Sewer Charges - Unmetered	34,200	34,200	29,733
Penalty Charge	125,000	125,000	128,273
Meter Sales	16,500	16,500	34,526
Illinois American Water Readings	1,960	1,960	2,605
Villa Park Sewer Charges	4,600	4,600	1,218
Hydrant Meter Rental Fees	4,200	4,200	2,541
NSF Charges	1,050	1,050	700
Lien Filing Fees	1,000	1,000	1,070
Miscellaneous Fees	6,000	6,000	320
Total Operating Revenues	16,795,290	16,795,290	16,501,307

VILLAGE OF LOMBARD, ILLINOIS

Waterworks and Sewerage Fund - Operation and Maintenance Account

**Schedule of Operating Expenses - Budget and Actual
For the Fiscal Year Ended December 31, 2019**

	Budget		Actual
	Original	Final	
Administration			
Water and Sewer Administration			
Personnel	\$ 752,390	752,390	848,013
Commodities	5,400	5,400	4,928
Contractual	119,340	119,340	129,320
	<u>877,130</u>	<u>877,130</u>	<u>982,261</u>
Utility Billing and Account Maintenance			
Personnel	251,330	251,330	267,036
Commodities	58,550	58,550	43,025
Contractual	140,460	140,460	143,110
	<u>450,340</u>	<u>450,340</u>	<u>453,171</u>
General Services			
Personnel	100,080	100,080	48,875
Commodities	16,020	16,020	18,107
	<u>116,100</u>	<u>116,100</u>	<u>66,982</u>
Total Administration	<u>1,443,570</u>	<u>1,443,570</u>	<u>1,502,414</u>
Operations			
Water Pumping and Treatment			
Personnel	321,790	321,790	338,497
Commodities	229,980	229,980	206,390
Contractual	51,750	51,750	41,678
Miscellaneous	51,560	51,560	47,446
	<u>655,080</u>	<u>655,080</u>	<u>634,011</u>

VILLAGE OF LOMBARD, ILLINOIS

Waterworks and Sewerage Fund - Operation and Maintenance Account

**Schedule of Operating Expenses - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2019**

	Budget		Actual
	Original	Final	
Operations (Cont.)			
Lake Michigan Water			
Lake Water - Purchased Water	\$ 6,733,590	6,733,590	6,525,881
Water Distribution			
Personnel	639,510	639,510	646,917
Commodities	122,350	122,350	93,055
Contractual	89,380	89,380	100,725
Miscellaneous	154,370	154,370	150,925
	1,005,610	1,005,610	991,622
Water Meter Reading and Maintenance			
Personnel	138,810	138,810	150,499
Commodities	28,650	28,650	37,959
Contractual	46,590	46,590	55,279
Miscellaneous	6,550	6,550	6,376
	220,600	220,600	250,113
Sanitary Sewer Maintenance			
Personnel	569,230	569,230	583,170
Commodities	60,900	60,900	35,500
Contractual	94,180	94,180	63,659
Miscellaneous	237,700	237,700	221,370
	962,010	962,010	903,699
Lift/Pump Station Maintenance			
Personnel	306,490	306,490	319,028
Commodities	26,100	26,100	23,932
Contractual	22,510	22,510	21,315
Miscellaneous	15,050	15,050	14,282
	370,150	370,150	378,557

VILLAGE OF LOMBARD, ILLINOIS

Waterworks and Sewerage Fund - Operation and Maintenance Account

**Schedule of Operating Expenses - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2019**

	Budget		Actual
	Original	Final	
Operations (Cont.)			
Storm Sewer System Maintenance			
Personnel	\$ 249,850	249,850	265,093
Commodities	17,050	17,050	13,325
Contractual	9,250	9,250	-
	<u>276,150</u>	<u>276,150</u>	<u>278,418</u>
 Total Operations	 <u>10,223,190</u>	 <u>10,223,190</u>	 <u>9,962,301</u>
 Sewage Treatment			
Contract Services - GWWA	<u>4,510,000</u>	<u>4,510,000</u>	<u>4,640,742</u>

VILLAGE OF LOMBARD, ILLINOIS

Waterworks and Sewerage Fund - Capital Reserve Account

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2019**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 1,440,000	1,440,000	1,478,569
Operating Expenses			
Operations	-	1,482,287	1,482,287
Depreciation	-	-	2,222,964
Total Operating Expenses	-	1,482,287	3,705,251
Operating Income (Loss)	1,440,000	(42,287)	(2,226,682)
Nonoperating Revenues			
Sales Tax	4,500,000	4,500,000	4,865,737
Interest Income	50,000	50,000	171,902
Connection Fees	100,000	100,000	277,222
Grant	-	-	18,300
	4,650,000	4,650,000	5,333,161
Change in Net Position	6,090,000	4,607,713	3,106,479
Net Position - Beginning			56,058,254
Net Position - Ending			59,164,733

VILLAGE OF LOMBARD, ILLINOIS

Waterworks and Sewerage Fund - Capital Reserve Account

**Schedule of Operating Expenses - Budget and Actual
For the Fiscal Year Ended December 31, 2019**

	Budget		Actual
	Original	Final	
Operations			
Capital Improvements	\$ 4,397,870	5,880,157	6,262,415
Less Nonoperating Items			
Capital Assets Capitalized	(4,397,870)	(4,397,870)	(4,780,128)
Total Operations	-	1,482,287	1,482,287

VILLAGE OF LOMBARD, ILLINOIS

Parking System Fund

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2019**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Special A Parking Permit	\$ 3,350	3,350	4,687
Commuter Parking Permits	125,160	125,160	66,300
Daily Fee Parking	174,400	174,400	123,105
Bicycle Locker Rental Fees	420	420	420
Parking Fines	33,570	33,570	41,057
Immobilization Fees	200	200	1
Total Operating Revenues	<u>337,100</u>	<u>337,100</u>	<u>235,570</u>
Operating Expenses			
Operations			
Personnel	38,920	38,920	27,486
Commodities	3,550	3,550	2,924
Contractual	88,970	88,970	59,445
Depreciation	-	-	71,434
Total Operating Expenses	<u>131,440</u>	<u>131,440</u>	<u>161,289</u>
Operating Income	205,660	205,660	74,281
Nonoperating Revenues			
Interest Income	<u>6,610</u>	<u>6,610</u>	<u>21,545</u>
Income (Loss) Before Transfers	212,270	212,270	95,826
Transfers Out	<u>(3,720)</u>	<u>(3,720)</u>	<u>(3,720)</u>
Change in Net Position	<u>208,550</u>	<u>208,550</u>	92,106
Net Position - Beginning			<u>2,192,443</u>
Net Position - Ending			<u>2,284,549</u>

VILLAGE OF LOMBARD, ILLINOIS

Fleet Services Fund

**Schedule of Revenues, Expenses and Changes in Net Position - By Accounts
For the Fiscal Year Ended December 31, 2019**

	Operation and Maintenance	Capital Reserve	Totals
Operating Revenues			
Charges for Services	\$ 1,003,662	1,324,760	2,328,422
Operating Expenses			
Operations	1,074,515	112,765	1,187,280
Depreciation	-	671,462	671,462
Total Operating Expenses	1,074,515	784,227	1,858,742
Operating Income (Loss)	(70,853)	540,533	469,680
Nonoperating Revenues			
Interest Income	5,755	220,172	225,927
Other Income	44,490	17,528	62,018
Disposal of Capital Assets	-	159,512	159,512
	50,245	397,212	447,457
Change in Net Position	(20,608)	937,745	917,137
Net Position - Beginning	389,858	10,926,043	11,315,901
Net Position - Ending	369,250	11,863,788	12,233,038

VILLAGE OF LOMBARD, ILLINOIS

Fleet Services Fund - Operation and Maintenance Account

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2019

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 1,087,640	1,087,640	1,003,662
Operating Expenses			
Operations			
Personnel	452,320	452,320	472,172
Commodities	562,800	562,800	493,135
Contractual	120,600	120,600	109,208
Total Operating Expenses	1,135,720	1,135,720	1,074,515
Operating (Loss)	(48,080)	(48,080)	(70,853)
Nonoperating Revenues			
Interest Income	-	-	5,755
Other Income	51,120	51,120	44,490
	51,120	51,120	50,245
Change in Net Position	3,040	3,040	(20,608)
Net Position - Beginning			389,858
Net Position - Ending			369,250

VILLAGE OF LOMBARD, ILLINOIS

Fleet Services Fund - Capital Reserve Account

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2019**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 1,324,840	1,324,840	1,324,760
Operating Expenses			
Operations	48,000	112,765	112,765
Depreciation	-	-	671,462
Total Operating Expenses	48,000	112,765	784,227
Operating Income	1,276,840	1,212,075	540,533
Nonoperating Revenues			
Interest Income	35,000	35,000	220,172
Other Income	20,000	20,000	17,528
Disposal of Capital Assets	91,500	91,500	159,512
	146,500	146,500	397,212
Change in Net Position	1,423,340	1,358,575	937,745
Net Position - Beginning			10,926,043
Net Position - Ending			11,863,788

VILLAGE OF LOMBARD, ILLINOIS

Fleet Services Fund - Capital Reserve Account

**Schedule of Operating Expenses - Budget and Actual
For the Fiscal Year Ended December 31, 2019**

	Budget		Actual
	Original	Final	
Operations			
Automotive Equipment	\$ 720,000	784,765	799,991
Less Nonoperating Items			
Capital Assets Capitalized	(672,000)	(672,000)	(687,226)
Total Operations	48,000	112,765	112,765

VILLAGE OF LOMBARD, ILLINOIS**Combining Statement of Fiduciary Net Position - Pension Trust****December 31, 2019**

	Police Pension	Firefighters' Pension	Totals
ASSETS			
Cash and Cash Equivalents	\$ 558,051	2,072,739	2,630,790
Investments			
U.S. Treasuries	3,398,843	1,403,896	4,802,739
U.S. Agencies	22,464,097	10,068,885	32,532,982
Local Government Obligations	4,340,863	1,872,275	6,213,138
Corporate Bonds	4,702,075	13,707,699	18,409,774
Mutual Funds	37,809,326	32,975,945	70,785,271
Stock Equities	-	5,092,145	5,092,145
Illinois Funds	79,117	3,282	82,399
Illinois Metropolitan Investment Funds	318,796	825,461	1,144,257
Receivables			
Accrued Interest	211,823	248,177	460,000
Prepays	-	795	795
Total Assets	73,882,991	68,271,299	142,154,290
LIABILITIES			
Accounts Payable	44,352	28,627	72,979
NET POSITION			
Net Position Restricted for Pensions	73,838,639	68,242,672	142,081,311

VILLAGE OF LOMBARD, ILLINOIS

**Combining Statement of Changes in Fiduciary Net Position - Pension Trust
For the Fiscal Year Ended December 31, 2019**

	Police Pension	Firefighters' Pension	Totals
Additions			
Contributions - Employer	\$ 3,368,745	2,677,848	6,046,593
Contributions - Plan Members	723,314	641,828	1,365,142
Total Contributions	4,092,059	3,319,676	7,411,735
Other Income	100	50	150
Investment Income			
Interest Earned	2,027,125	2,517,250	4,544,375
Net Change in Fair Value	8,801,972	7,619,311	16,421,283
	10,829,097	10,136,561	20,965,658
Less Investment Expenses	(140,902)	(105,538)	(246,440)
Net Investment Income	10,688,195	10,031,023	20,719,218
Total Additions	14,780,354	13,350,749	28,131,103
Deductions			
Administration	74,439	33,590	108,029
Benefits and Refunds			
Benefits	5,198,919	3,777,510	8,976,429
Refunds	266,417	8,027	274,444
Total Deductions	5,539,775	3,819,127	9,358,902
Change in Fiduciary Net Position	9,240,579	9,531,622	18,772,201
Net Position Restricted			
Beginning	64,598,060	58,711,050	123,309,110
Ending	73,838,639	68,242,672	142,081,311

VILLAGE OF LOMBARD, ILLINOIS

Police Pension Fund - Pension Trust

**Schedule of Changes in Fiduciary Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2019**

	Budget		Actual
	Original	Final	
Additions			
Contributions - Employer	\$ 2,840,570	2,840,570	3,368,745
Contributions - Plan Members	670,000	670,000	723,314
Total Contributions	<u>3,510,570</u>	<u>3,510,570</u>	<u>4,092,059</u>
Other Income	-	-	100
Investment Income			
Interest Earned	3,646,610	3,646,610	2,027,125
Net Change in Fair Value	-	-	8,801,972
	<u>3,646,610</u>	<u>3,646,610</u>	<u>10,829,097</u>
Less Investment Expenses	(140,000)	(140,000)	(140,902)
Net Investment Income	<u>3,506,610</u>	<u>3,506,610</u>	<u>10,688,195</u>
Total Additions	<u>7,017,180</u>	<u>7,017,180</u>	<u>14,780,354</u>
Deductions			
Administration	66,500	74,439	74,439
Benefits and Refunds			
Benefits	5,040,100	5,198,919	5,198,919
Refunds	-	266,417	266,417
Total Deductions	<u>5,106,600</u>	<u>5,539,775</u>	<u>5,539,775</u>
Change in Fiduciary Net Position	<u>1,910,580</u>	<u>1,477,405</u>	9,240,579
Net Position Restricted			
Beginning			<u>64,598,060</u>
Ending			<u>73,838,639</u>

VILLAGE OF LOMBARD, ILLINOIS

Firefighters' Pension Fund - Pension Trust

**Schedule of Changes in Fiduciary Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2019**

	Budget		Actual
	Original	Final	
Additions			
Contributions - Employer	\$ 2,147,100	2,147,100	2,677,848
Contributions - Plan Members	640,000	640,000	641,828
Total Contributions	<u>2,787,100</u>	<u>2,787,100</u>	<u>3,319,676</u>
Other Income	-	-	50
Investment Income			
Interest Earned	3,929,550	3,929,550	2,517,250
Net Change in Fair Value	-	-	7,619,311
	<u>3,929,550</u>	<u>3,929,550</u>	<u>10,136,561</u>
Less Investment Expenses	(100,000)	(100,000)	(105,538)
Net Investment Income	<u>3,829,550</u>	<u>3,829,550</u>	<u>10,031,023</u>
Total Additions	<u>6,616,650</u>	<u>6,616,650</u>	<u>13,350,749</u>
Deductions			
Administration	41,100	41,100	33,590
Benefits and Refunds			
Benefits	4,008,800	4,008,800	3,777,510
Refunds	-	-	8,027
Total Deductions	<u>4,049,900</u>	<u>4,049,900</u>	<u>3,819,127</u>
Change in Fiduciary Net Position	<u>2,566,750</u>	<u>2,566,750</u>	9,531,622
Net Position Restricted			
Beginning			<u>58,711,050</u>
Ending			<u>68,242,672</u>

VILLAGE OF LOMBARD, ILLINOIS

Special Assesements Fund - Custodial

**Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended December 31, 2019**

Additions	
Rebates	\$ 13,692
Interest Earned	<u>29,356</u>
Total Additions	43,048
Deductions	
Contractual	<u>315</u>
Change in Net Position	42,733
Net Position - Beginning	<u>897,765</u>
Net Postion - Ending	<u><u>940,498</u></u>

VILLAGE OF LOMBARD, ILLINOIS

Consolidated Year-End Financial Report

December 31, 2019

<u>CSFA #</u>	<u>Program Name</u>	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>
444-26-1565	Tobacco Enforcement Program	\$ -	1,165	-	1,165
494-00-1488	Motor Fuel Tax Program	350,579	-	-	350,579
494-10-0343	State and Community Highway Safety/ National Priority Safety Program	-	105,087	-	105,087
532-60-0379	USEPA Capitalization Grants for Drinking Water State Revolving Funds	925,540	-	-	925,540
546-00-1408	Edward Byrne Memorial Justice Assistance Grant Program (JAG) FFY15	-	54,500	-	54,500
	Other Grant Programs and Activities	-	-	97,987	97,987
	All Other Costs Not Allocated	-	-	71,843,455	71,843,455
	Totals	<u>1,276,119</u>	<u>160,752</u>	<u>71,941,442</u>	<u>73,378,313</u>



REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENTAL AUDITING STANDARDS

June 2, 2020

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Lombard, Illinois, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated June 2, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

STATISTICAL SECTION

(Unaudited)

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

VILLAGE OF LOMBARD, ILLINOIS

**Net Position by Component - Last Ten Fiscal Years
December 31, 2019 (Unaudited)**

	Fiscal Year Ended 5/31/2011	Fiscal Year Ended 5/31/2012	Seven Months Ended 12/31/2012	Fiscal Year Ended 12/31/2013	Fiscal Year Ended 12/31/2014	Fiscal Year Ended 12/31/2015	Fiscal Year Ended 12/31/2016	Fiscal Year Ended 12/31/2017	Fiscal Year Ended 12/31/2018	Fiscal Year Ended 12/31/2019
Governmental Activities										
Net Investment in Capital Assets	\$ 84,504,289	84,533,294	88,172,217	88,985,049	89,079,482	91,631,301	95,126,395	95,368,627	88,165,070	87,093,170
Restricted	7,521,136	7,522,946	8,678,133	8,470,057	8,708,131	7,925,287	8,782,371	9,912,080	11,173,164	13,297,322
Unrestricted	16,798,455	21,646,376	17,997,708	17,200,029	18,260,845	(33,630,621)	(46,498,842)	(45,531,098)	(39,708,763)	(38,930,246)
Total Governmental Activities Net Position	108,823,880	113,702,616	114,848,058	114,655,135	116,048,458	65,925,967	57,409,924	59,749,609	59,629,471	61,460,246
Business-Type Activities										
Net Investment in Capital Assets	41,493,753	44,080,283	45,485,179	48,108,389	48,339,710	50,519,132	55,170,413	61,488,657	59,966,039	63,175,984
Unrestricted	31,459,925	30,701,570	32,610,492	31,789,271	33,172,256	29,332,987	29,461,493	30,326,744	33,896,659	33,931,778
Total Business-Type Activities Net Position	72,953,678	74,781,853	78,095,671	79,897,660	81,511,966	79,852,119	84,631,906	91,815,401	93,862,698	97,107,762
Primary Government										
Net Investment in Capital Assets	125,998,042	128,613,577	133,657,396	137,093,438	137,419,192	142,150,433	150,296,808	156,857,284	148,131,109	150,269,154
Restricted	7,521,136	7,522,946	8,678,133	8,470,057	8,708,131	7,925,287	8,782,371	9,912,080	11,173,164	13,297,322
Unrestricted	48,258,380	52,347,946	50,608,200	48,989,300	51,433,101	(4,297,634)	(17,037,349)	(15,204,354)	(5,812,104)	(4,998,468)
Total Primary Government Net Position	181,777,558	188,484,469	192,943,729	194,552,795	197,560,424	145,778,086	142,041,830	151,565,010	153,492,169	158,568,008

Data Source: Village Records

The Village implemented GASB Statement 68 in Fiscal Year 2015.

VILLAGE OF LOMBARD, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years
December 31, 2019 (Unaudited)

	Fiscal Year Ended 5/31/2011	Fiscal Year Ended 5/31/2012	Seven Months Ended 12/31/2012	Fiscal Year Ended 12/31/2013	Fiscal Year Ended 12/31/2014	Fiscal Year Ended 12/31/2015	Fiscal Year Ended 12/31/2016	Fiscal Year Ended 12/31/2017	Fiscal Year Ended 12/31/2018	Fiscal Year Ended 12/31/2019
Expenses										
Governmental Activities										
General Government	\$ 8,572,429	9,328,731	4,131,738	10,618,566	11,061,834	9,954,809	7,714,255	8,364,526	7,830,805	7,633,490
Public Safety	22,690,384	22,978,172	15,408,311	24,910,856	26,028,142	33,846,421	43,002,575	22,251,838	29,757,920	33,030,431
Physical Environment	1,603,323	1,642,693	921,050	1,447,328	1,513,731	1,538,966	1,629,603	1,651,411	1,742,984	1,697,548
Public Works	18,139,707	12,491,561	11,772,540	14,176,035	12,483,872	11,461,604	12,103,052	12,176,367	10,751,043	10,182,668
Interest on Long-Term Debt	411,904	322,932	166,539	244,159	183,751	120,882	86,322	50,903	27,270	8,014
Total Governmental Activities Expenses	51,417,747	46,764,089	32,400,178	51,396,944	51,271,330	56,922,682	64,535,807	44,495,045	50,110,022	52,552,151
Business-Type Activities										
Waterworks and Sewerage	15,625,693	16,397,317	10,218,545	16,959,526	16,907,384	23,120,131	17,150,317	18,914,412	21,957,393	20,664,873
Parking	124,683	117,847	52,609	91,534	51,754	125,721	87,494	152,930	216,010	161,289
Total Business-Type Activities Expenses	15,750,376	16,515,164	10,271,154	17,051,060	16,959,138	23,245,852	17,237,811	19,067,342	22,173,403	20,826,162
Total Primary Government Expenses	67,168,123	63,279,253	42,671,332	68,448,004	68,230,468	80,168,534	81,773,618	63,562,387	72,283,425	73,378,313
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	3,356,232	3,645,459	2,204,963	3,301,022	3,627,609	3,728,640	3,368,010	4,403,260	3,190,860	3,158,243
Public Safety	2,704,693	2,655,212	1,535,287	2,722,478	2,864,881	2,369,503	2,647,107	2,884,513	3,502,029	3,449,272
Operating Grants/Contributions	476,661	1,231,404	841,056	179,303	251,040	232,866	232,736	240,648	588,378	252,749
Capital Grants/Contributions	3,796,667	4,516,688	3,227,305	3,392,405	3,447,663	3,042,778	7,629,033	3,205,407	3,447,145	4,003,624
Total Governmental Activities Program Revenues	10,334,253	12,048,763	7,808,611	9,595,208	10,191,193	9,373,787	13,876,886	10,733,828	10,728,412	10,863,888
Business-Type Activities										
Charges for Services										
Waterworks and Sewerage	12,598,393	13,666,637	9,625,045	14,284,278	14,350,288	14,845,277	16,254,939	16,492,569	17,453,749	17,979,876
Parking	194,749	195,755	115,846	193,885	175,093	186,835	221,529	224,759	220,241	235,570
Operating Grants/Contributions	-	-	-	414,180	-	-	-	-	341,381	18,300
Capital Grants/Contributions	266,990	1,436,538	166,889	-	827,973	189,232	58,292	252,866	1,911,707	907,210
Total Business-Type Activities Program Revenues	13,060,132	15,298,930	9,907,780	14,892,343	15,353,354	15,221,344	16,534,760	17,311,575	19,622,991	19,140,956
Total Primary Government Program Revenues	23,394,385	27,347,693	17,716,391	24,487,551	25,544,547	24,595,131	30,411,646	28,045,403	30,351,403	30,004,844

	Fiscal Year Ended 5/31/2011	Fiscal Year Ended 5/31/2012	Seven Months Ended 12/31/2012	Fiscal Year Ended 12/31/2013	Fiscal Year Ended 12/31/2014	Fiscal Year Ended 12/31/2015	Fiscal Year Ended 12/31/2016	Fiscal Year Ended 12/31/2017	Fiscal Year Ended 12/31/2018	Fiscal Year Ended 12/31/2019
Net (Expenses) Revenues										
Governmental Activities	\$ (34,715,326)	(24,591,567)	(41,801,736)	(41,080,137)	(41,080,137)	(47,548,895)	(50,658,921)	(33,761,217)	(39,381,610)	(41,688,263)
Business-Type Activities	(1,216,234)	(363,374)	(2,158,717)	(1,605,784)	(1,605,784)	(8,024,508)	(703,051)	(1,755,767)	(2,550,412)	(1,685,206)
Total Primary Government										
Net Revenues (Expenses)	(35,931,560)	(24,954,941)	(43,960,453)	(42,685,921)	(42,685,921)	(55,573,403)	(51,361,972)	(35,516,984)	(41,932,022)	(43,373,469)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property	8,329,478	8,394,681	8,571,427	8,851,990	8,807,994	8,963,744	9,033,526	9,146,994	9,407,488	9,670,086
Utility	4,905,762	4,816,683	2,697,489	4,647,765	4,729,429	4,227,330	4,148,253	3,969,776	3,989,921	3,759,230
Places for Eating	1,458,204	1,533,839	931,591	1,550,672	1,575,624	1,687,638	1,678,787	3,230,111	3,264,805	3,322,889
Tourism and Conventions	1,670,469	1,754,103	1,124,695	1,867,534	1,939,853	2,009,401	1,962,433	2,042,521	1,980,377	1,967,358
Other	788,380	811,772	484,686	823,168	739,725	818,553	800,369	732,995	654,723	663,085
Intergovernmental - Unrestricted										
Sales	16,674,191	16,842,804	7,583,455	17,711,202	18,535,018	16,366,591	17,216,410	14,079,367	16,943,151	16,263,676
Income/Use Tax - Unrestricted	4,073,198	4,331,205	2,433,235	4,932,421	4,953,509	5,668,814	5,204,594	5,063,514	5,442,835	6,097,787
Investment Income	338,351	114,233	89,579	79,631	(23,122)	324,455	214,042	293,212	682,210	799,894
Miscellaneous	1,305,349	468,412	172,906	594,625	724,920	355,529	1,342,640	608,017	386,468	465,153
Transfers - Internal Activities	504,340	526,330	354,840	549,805	490,510	575,832	541,824	525,850	530,750	509,880
Total Governmental Activities	40,047,722	39,594,062	24,443,903	41,608,813	42,473,460	40,997,887	42,142,878	39,692,357	43,282,728	43,519,038
Business-Type Activities										
Intergovernmental - Unrestricted										
Sales	2,433,274	3,301,320	3,921,901	2,792,960	2,019,659	5,062,424	4,446,536	7,849,684	5,189,994	4,865,737
Investment Income	60,354	8,261	21,781	13,245	41,100	146,984	101,869	83,639	202,643	297,191
Miscellaneous	42,161	261,158	88,350	1,704,306	1,649,841	1,731,085	1,476,257	1,531,789	633,454	277,222
Transfers - Internal Activities	(504,340)	(526,330)	(354,840)	(549,805)	(490,510)	(575,832)	(541,824)	(525,850)	(530,750)	(509,880)
Total Business-Type Activities	2,031,449	3,044,409	3,677,192	3,960,706	3,220,090	6,364,661	5,482,838	8,939,262	5,495,341	4,930,270
Total Primary Government	42,079,171	42,638,471	28,121,095	45,569,519	45,693,550	47,362,548	47,625,716	48,631,619	48,778,069	48,449,308
Changes in Net Position										
Governmental Activities	5,332,396	15,002,495	(17,357,833)	528,676	1,393,323	(6,551,008)	(8,516,043)	5,931,140	3,901,118	1,830,775
Business-Type Activities	815,215	2,681,035	1,518,475	2,354,922	1,614,306	(1,659,847)	4,779,787	7,183,495	2,944,929	3,245,064
Total Primary Government	6,147,611	17,683,530	(15,839,358)	2,883,598	3,007,629	(8,210,855)	(3,736,256)	13,114,635	6,846,047	5,075,839

Data Source: Village Records

VILLAGE OF LOMBARD, ILLINOIS

**Fund Balances of Governmental Funds - Last Ten Fiscal Years
December 31, 2019 (Unaudited)**

	Fiscal Year Ended 5/31/2011	Fiscal Year Ended 5/31/2012	Seven Months Ended 12/31/2012	Fiscal Year Ended 12/31/2013
General Fund				
Reserved	\$ 5,806,440	-	-	-
Unreserved	12,041,263	-	-	-
Nonspendable	-	268,971	301,944	339,072
Restricted	-	4,806,203	5,900,173	5,355,457
Committed	-	5,677,588	6,467,312	4,652,500
Unassigned	-	7,382,548	7,152,026	9,315,747
Total General Fund	17,847,703	18,135,310	19,821,455	19,662,776
All Other Governmental Funds				
Reserved	1,973,581	-	-	-
Unreserved, Reported in:				
Debt Service Funds	(53,628)	-	-	-
Capital Projects Funds	3,217,900	-	-	-
Restricted	-	2,716,743	2,912,227	3,224,579
Committed	-	-	-	-
Assigned	-	6,485,958	1,261,407	2,026,548
Unassigned	-	(60,707)	-	-
Total All Other Governmental Funds	5,137,853	9,141,994	4,173,634	5,251,127
Total All Governmental Funds	22,985,556	27,277,304	23,995,089	24,913,903

Data Source: Village Records

The Village implemented GASB 54 in Fiscal Year 2012.

Fiscal Year Ended 12/31/2014	Fiscal Year Ended 12/31/2015	Fiscal Year Ended 12/31/2016	Fiscal Year Ended 12/31/2017	Fiscal Year Ended 12/31/2018	Fiscal Year Ended 12/31/2019
-	-	-	-	-	-
-	-	-	-	-	-
588,720	857,860	1,565,759	1,745,588	1,851,003	1,833,795
4,585,568	3,972,654	3,806,465	3,807,634	4,610,742	5,062,201
6,900,547	7,811,170	7,337,681	8,432,807	7,853,817	8,165,600
6,718,345	6,387,092	6,508,942	8,550,874	7,589,075	8,299,339
18,793,180	19,028,776	19,218,847	22,536,903	21,904,637	23,360,935
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,197,575	4,000,625	5,009,343	6,120,803	6,570,986	8,235,667
-	-	1,119,423	1,119,423	2,641,651	3,931,014
2,045,276	3,059,395	4,859,378	1,058,027	2,553,979	1,680,003
-	-	-	-	-	-
6,242,851	7,060,020	10,988,144	8,298,253	11,766,616	13,846,684
25,036,031	26,088,796	30,206,991	30,835,156	33,671,253	37,207,619

VILLAGE OF LOMBARD, ILLINOIS

**General Governmental Revenues By Source - Last Ten Fiscal Years
December 31, 2019 (Unaudited)**

Source	Fiscal Year Ended 5/31/2011	Fiscal Year Ended 5/31/2012**	Seven Months Ended 12/31/2012	Fiscal Year Ended 12/31/2013
Taxes	\$ 37,899,682	22,679,765	14,857,162	23,856,270
Licenses and Permits	1,562,251	1,643,974	784,380	1,140,082
Intergovernmental	4,273,328	21,003,206	13,011,247	20,100,190
Charges for Services	3,491,624	3,688,442	2,440,906	4,040,224
Fines and Forfeits	1,007,050	968,255	514,964	843,194
Interest	294,773	86,442	74,744	68,630
Miscellaneous	1,305,349	468,412	172,906	594,625
Totals	49,834,057	50,538,496	31,856,309	50,643,215

Data Source: Village Records

Note: Includes General, Debt Service and Capital Projects Funds for the primary government.

** In 2012, sales taxes, income taxes and use taxes were reclassified from Taxes to Intergovernmental.

Fiscal Year Ended 12/31/2014	Fiscal Year Ended 12/31/2015	Fiscal Year Ended 12/31/2016	Fiscal Year Ended 12/31/2017	Fiscal Year Ended 12/31/2018	Fiscal Year Ended 12/31/2019
24,937,522	22,021,814	17,623,368	19,122,397	19,297,314	19,382,648
1,199,891	1,286,559	1,121,197	1,455,518	1,041,619	1,150,651
20,042,333	20,995,901	25,748,881	22,588,936	26,421,509	26,617,836
4,406,641	3,960,748	4,017,724	4,806,728	4,456,110	4,459,687
885,958	850,836	876,196	1,025,527	1,195,160	997,177
(29,353)	231,760	143,285	217,348	502,182	573,967
724,920	355,529	1,342,640	608,017	386,468	465,153
52,167,912	49,703,147	50,873,291	49,824,471	53,300,362	53,647,119

VILLAGE OF LOMBARD, ILLINOIS

**General Governmental Expenditures By Function - Last Ten Fiscal Years
December 31, 2019 (Unaudited)**

Function	Fiscal Year Ended 5/31/2011	Fiscal Year Ended 5/31/2012	Seven Months Ended 12/31/2012	Fiscal Year Ended 12/31/2013
General Government	\$ 8,596,448	9,412,734	4,754,465	9,893,544
Public Safety	22,611,697	22,880,848	15,366,469	24,771,528
Physical Environment	1,603,323	1,642,693	921,050	1,447,328
Public Works	4,028,129	4,683,711	3,231,974	4,054,885
Capital Outlay	14,280,244	5,536,645	10,045,487	9,518,569
Debt Service				
Principal Retirement	2,139,335	2,230,970	1,020,885	2,056,400
Interest and Fiscal Charges	380,271	385,477	153,034	281,952
Totals	53,639,447	46,773,078	35,493,364	52,024,206

Data Source: Village Records

Note: Includes General, Debt Service and Capital Projects Funds for the primary government.

Fiscal Year Ended 12/31/2014	Fiscal Year Ended 12/31/2015	Fiscal Year Ended 12/31/2016	Fiscal Year Ended 12/31/2017	Fiscal Year Ended 12/31/2018	Fiscal Year Ended 12/31/2019
10,107,819	7,661,812	7,924,067	8,067,440	8,013,157	7,767,276
25,825,972	25,444,257	26,853,707	27,030,606	29,754,052	29,136,905
1,513,731	1,538,966	1,629,603	1,651,411	1,742,984	1,697,548
4,146,281	4,044,581	4,146,747	4,174,088	4,177,623	4,030,471
8,496,713	8,487,921	5,291,519	7,380,053	6,687,886	7,407,976
2,227,060	1,900,775	1,350,400	1,350,575	584,250	564,425
218,718	147,902	100,877	67,983	35,063	16,032
52,536,294	49,226,214	47,296,920	49,722,156	50,995,015	50,620,633

VILLAGE OF LOMBARD, ILLINOIS

**Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years
December 31, 2019 (Unaudited)**

	Fiscal Year Ended 5/31/2011	Fiscal Year Ended 5/31/2012**	Seven Months Ended 12/31/2012	Fiscal Year Ended 12/31/2013
Revenues				
Taxes	\$ 37,899,682	22,679,765	14,857,162	23,856,270
Licenses and Permits	1,562,251	1,643,974	784,380	1,140,082
Intergovernmental	4,273,328	21,003,206	13,011,247	20,100,190
Charges for Services	3,491,624	3,688,442	2,440,906	4,040,224
Fines and Forfeits	1,007,050	968,255	514,964	843,194
Interest	294,773	86,442	74,744	68,630
Miscellaneous	1,305,349	468,412	172,906	594,625
Total Revenues	49,834,057	50,538,496	31,856,309	50,643,215
Expenditures				
General Government	8,596,448	9,412,734	4,754,465	9,893,544
Public Safety	22,611,697	22,880,848	15,366,469	24,771,528
Physical Environment	1,603,323	1,642,693	921,050	1,447,328
Public Works	4,028,129	4,683,711	3,231,974	4,054,885
Capital Outlay	14,280,244	5,536,645	10,045,487	9,518,569
Debt Service				
Principal	2,139,335	2,230,970	1,020,885	2,056,400
Interest and Fiscal Charges	380,271	385,477	153,034	281,952
Total Expenditures	53,639,447	46,773,078	35,493,364	52,024,206
Excess of Revenues Over (Under) Expenditures	(3,805,390)	3,765,418	(3,637,055)	(1,380,991)
Other Financing Sources (Uses)				
Issuance of Debt	4,530,000	-	-	1,750,000
Transfers In	504,340	526,330	354,840	549,805
Transfers Out	-	-	-	-
	5,034,340	526,330	354,840	2,299,805
Net Change in Fund Balances	1,228,950	4,291,748	(3,282,215)	918,814
Debt Service as a Percentage of Noncapital Expenditures	4.97%	5.70%	3.63%	4.71%

Data Source: Village Records

** In 2012, sales taxes, income taxes and use taxes were reclassified from Taxes to Intergovernmental.

Fiscal Year Ended 12/31/2014	Fiscal Year Ended 12/31/2015	Fiscal Year Ended 12/31/2016	Fiscal Year Ended 12/31/2017	Fiscal Year Ended 12/31/2018	Fiscal Year Ended 12/31/2019
24,937,522	22,021,814	17,623,368	19,122,397	19,297,314	19,382,648
1,199,891	1,286,559	1,121,197	1,455,518	1,041,619	1,150,651
20,042,333	20,995,901	25,748,881	22,588,936	26,421,509	26,617,836
4,406,641	3,960,748	4,017,724	4,806,728	4,456,110	4,459,687
885,958	850,836	876,196	1,025,527	1,195,160	997,177
(29,353)	231,760	143,285	217,348	502,182	573,967
724,920	355,529	1,342,640	608,017	386,468	465,153
52,167,912	49,703,147	50,873,291	49,824,471	53,300,362	53,647,119
10,107,819	7,661,812	7,924,067	8,067,440	8,013,157	7,767,276
25,825,972	25,444,257	26,853,707	27,030,606	29,754,052	29,136,905
1,513,731	1,538,966	1,629,603	1,651,411	1,742,984	1,697,548
4,146,281	4,044,581	4,146,747	4,174,088	4,177,623	4,030,471
8,496,713	8,487,921	5,291,519	7,380,053	6,687,886	7,407,976
2,227,060	1,900,775	1,350,400	1,350,575	584,250	564,425
218,718	147,902	100,877	67,983	35,063	16,032
52,536,294	49,226,214	47,296,920	49,722,156	50,995,015	50,620,633
(368,382)	476,933	3,576,371	102,315	2,305,347	3,026,486
490,510	-	-	-	-	-
-	575,832	1,707,349	525,850	2,172,118	1,881,950
-	-	(1,165,525)	-	(1,641,368)	(1,372,070)
490,510	575,832	541,824	525,850	530,750	509,880
122,128	1,052,765	4,118,195	628,165	2,836,097	3,536,366
4.93%	4.51%	3.09%	3.00%	1.22%	1.18%

VILLAGE OF LOMBARD, ILLINOIS

**Sales Tax Base and Number of Principal Payers - Taxable Sales by Category - Last Ten Calendar Years
December 31, 2019 (Unaudited)**

	2010	2011	2012	2013
General Merchandise	\$ 2,131,859	2,093,390	2,063,495	1,879,633
Food	794,468	831,723	784,138	789,686
Drinking and Eating Places	1,255,879	1,319,069	1,401,705	1,381,278
Apparel	495,865	515,269	520,252	522,665
Furniture & H.H. & Radio	669,252	686,490	816,820	1,075,702
Lumber, Building, Hardware	205,581	242,502	255,213	288,171
Automobile and Filling Stations	1,307,234	1,515,675	1,636,324	1,692,416
Drugs and Miscellaneous Retail	1,703,507	1,780,790	1,888,398	1,829,114
Agriculture and All Others	1,168,129	1,565,438	1,107,902	1,195,219
Manufacturers	373,622	272,207	299,178	298,918
Totals	10,105,396	10,822,553	10,773,425	10,952,802
Total Number of Payers	1,247	1,741	1,226	1,217
Village Direct Sales Tax Rate	2.00%	2.00%	2.00%	2.00%

Data Source: Illinois Department of Revenue

Note: Blank categories have less than 4 individual taxpayers, therefore no data is shown to protect the confidentiality of individual taxpayers; totals include censored data.

2014	2015	2016	2017	2018	2019
1,835,831	1,864,064	1,834,716	1,771,392	1,644,742	1,360,547
777,661	882,930	789,328	868,701	1,131,528	1,118,468
1,410,990	1,485,984	1,553,358	1,509,367	1,501,610	1,533,517
491,891	489,318	541,685	623,537	580,022	561,213
1,200,192	1,233,931	1,407,719	1,476,905	1,518,113	1,456,464
202,593	200,601	205,604	215,289	214,036	418,710
1,703,973	1,612,979	1,679,340	1,661,078	1,718,754	1,832,283
1,802,817	1,554,013	2,000,563	1,913,736	1,673,635	1,871,623
1,480,694	2,133,961	1,579,555	1,597,305	1,764,161	1,358,968
337,756	234,324	274,800	249,877	256,261	240,576
11,244,398	11,692,105	11,866,668	11,887,187	12,002,862	11,752,369
1,230	1,272	1,261	1,275	1,264	1,287
2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

VILLAGE OF LOMBARD, ILLINOIS

**Direct and Overlapping Sales Tax Rates - Last Ten Fiscal Years
December 31, 2019 (Unaudited)**

<u>Fiscal Year Ended</u>	<u>Village Direct Rate</u>	<u>State Rate</u>
5/31/2011	2.00%	6.25%
5/31/2012	2.00%	6.25%
12/31/2012*	2.00%	6.25%
12/31/2013	2.00%	6.25%
12/31/2014	2.00%	6.25%
12/31/2015	2.00%	6.25%
12/31/2016	2.00%	6.00%
12/31/2017	2.00%	6.00%
12/31/2018	2.00%	6.00%
12/31/2019	2.00%	6.00%

Data Source: Village and County Records

* For the seven months ended December 31, 2012.

VILLAGE OF LOMBARD, ILLINOIS

**Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years
December 31, 2019 (Unaudited)**

Tax Levy Year	Residential Property	Farm	Commercial Property
2010	\$ 1,127,102,871	462	416,349,551
2011	1,043,358,360	23	380,587,701
2012	946,060,870	-	358,952,872
2013	881,175,298	-	338,283,194
2014	870,626,683	-	329,667,597
2015	882,424,333	-	362,080,187
2016	931,670,039	-	383,249,331
2017	992,795,708	-	400,597,255
2018	1,044,399,138	-	411,636,899
2019	1,130,588,743	-	443,388,967

Data Source: Office of the DuPage County Clerk

Industrial Property	Total	Railroad	Total Assessed Value	Estimated Actual Value	Total Direct Tax Rates
77,680,750	1,621,133,634	531,409	1,621,665,043	4,864,995,129	0.5053
76,579,705	1,500,525,789	562,578	1,501,088,367	4,503,265,101	0.5595
68,591,270	1,373,605,012	632,992	1,374,238,004	4,122,714,012	0.6307
65,424,010	1,284,882,502	776,655	1,285,659,157	3,856,977,471	0.6742
67,025,110	1,267,319,390	808,262	1,268,127,652	3,804,382,956	0.6917
68,736,210	1,313,240,730	966,159	1,314,206,889	3,942,620,667	0.6747
73,714,620	1,388,633,990	982,368	1,389,616,358	4,168,849,074	0.6453
79,245,500	1,472,638,463	1,001,928	1,473,640,391	4,420,921,173	0.6250
83,219,140	1,539,255,177	1,075,366	1,540,330,543	4,620,991,629	0.6151
89,820,740	1,663,798,450	1,172,489	1,664,970,939	4,994,912,817	0.5839

VILLAGE OF LOMBARD, ILLINOIS

**Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years
December 31, 2019 (Unaudited)**

	2010	2011	2012	2013
Village of Lombard:				
General Corporate	0.0748	0.1380	0.0904	0.0898
Police Pension	0.1405	0.1422	0.1763	0.2042
Public Benefit	0.0495	0.0499	0.0493	0.0500
Firefighters' Pension	0.0999	0.1011	0.1278	0.1512
IMRF	0.0464	0.0299	0.0549	0.0603
Liability Insurance	0.0614	0.0766	0.0878	0.0700
Social Security	0.0328	0.0218	0.0442	0.0487
Total Direct Tax Rates	0.5053	0.5595	0.6307	0.6742
Library	0.2024	0.2228	0.2513	0.2743
DuPage County	0.1659	0.1773	0.1929	0.2040
DuPage County Forest Preserve	0.1321	0.1414	0.1542	0.1657
York Township	0.0737	0.0810	0.0928	0.1017
Lombard Park District	0.3462	0.3760	0.4195	0.4543
Community College No. 502	0.2349	0.2495	0.2681	0.2956
High School District No. 87	1.8378	2.0199	2.2868	2.4877
School District No. 44	3.1767	3.5118	3.9416	4.2995
DuPage County Airport Authority	0.0158	0.0169	0.0168	0.0178
Total Direct and Overlapping Tax Rates	6.6908	7.3561	8.2547	8.9748

Data Source: Office of the DuPage County Clerk

2014	2015	2016	2017	2018	2019
0.1010	0.0077	0.0000	0.0000	0.0707	0.0738
0.2004	0.2227	0.2174	0.2033	0.1823	0.1833
0.0496	0.0470	0.0492	0.0498	0.0004	0.0003
0.1586	0.1543	0.1569	0.1525	0.1381	0.1306
0.0609	0.0676	0.0635	0.0603	0.0571	0.0499
0.0720	0.1284	0.1141	0.1172	0.1249	0.1075
0.0492	0.0470	0.0442	0.0419	0.0416	0.0385
0.6917	0.6747	0.6453	0.6250	0.6151	0.5839
0.2832	0.2763	0.4908	0.4754	0.4683	0.4455
0.2057	0.1971	0.1848	0.1749	0.1673	0.1655
0.1691	0.1622	0.1514	0.1306	0.1278	0.1242
0.1049	0.1002	0.0952	0.0924	0.0909	0.0894
0.4664	0.4546	0.4374	0.4249	0.4175	0.3971
0.2975	0.2786	0.2626	0.2431	0.2317	0.2112
2.5824	2.5173	2.4030	2.3402	2.2834	2.2296
4.4326	4.3039	4.1201	3.9701	3.8832	3.6969
0.0196	0.0188	0.0176	0.1660	0.0146	0.0141
9.2531	8.9837	8.8082	8.6426	8.2998	7.9574

VILLAGE OF LOMBARD, ILLINOIS

**Principal Property Tax Payers - Current Fiscal Year and Nine Fiscal Years Ago
December 31, 2019 (Unaudited)**

Taxpayer	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value
CH VII Marquette MF Chicago	\$ 21,971,570	1	1.32%			
F&F Realty	20,418,700	2	1.23%	\$ 14,704,800	2	0.91%
Clover Creek Apartment	20,014,020	3	1.20%			
Chicago Industrial LLC	16,148,740	4	0.97%			
Highland Pointe LLC	15,467,770	5	0.93%			
YTC Mall Owner LLC	14,518,090	6	0.87%	9,424,280	6	0.58%
Three Galleria Towers	13,393,280	7	0.80%			
SLK Global Solution	12,035,140	8	0.72%			
PCRP Greg Overture Yorktown	11,524,530	9	0.69%			
Yorktown Apt Owner	11,426,050	10	0.69%			
Oak Creek Center LL LLC				17,501,870	1	1.08%
TA Associate Realty				13,927,440	3	0.86%
Red Mortgage Capital				13,775,410	4	0.85%
Butterfield Road Assoc.				13,308,460	5	0.82%
UBS Realty Investors LLC				9,414,480	7	0.58%
AIMCO				8,464,000	8	0.52%
St. Paul Insurance Co.				7,641,660	9	0.47%
Royal Management Corp				7,414,460	10	0.46%
	<u>156,917,890</u>		<u>9.42%</u>	<u>115,576,860</u>		<u>7.13%</u>

Data Source: Village Records

Note: Ten Largest Taxpayers as percent of Village's 2019 EAV (\$1,664,970,939).

VILLAGE OF LOMBARD, ILLINOIS

**Property Tax Levies and Collections - Last Ten Fiscal Years
December 31, 2019 (Unaudited)**

Fiscal Year Ended	Tax Levy Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
5/31/2011	2010	\$ 8,205,437	\$ 8,179,909	99.69%	\$ 1,742	\$ 8,181,651	99.71%
5/31/2012	2011	8,398,591	-	0.00%	-	-	0.00%
12/31/2012*	2011	8,398,591	8,362,665	99.57%	-	8,362,665	99.57%
12/31/2013	2012	8,667,319	8,655,270	99.86%	-	8,655,270	99.86%
12/31/2014	2013	8,667,914	8,629,546	99.56%	-	8,629,546	99.56%
12/31/2015	2014	8,845,190	8,756,121	98.99%	-	8,756,121	98.99%
12/31/2016	2015	8,866,954	8,851,327	99.82%	-	8,851,327	99.82%
12/31/2017	2016	8,967,194	8,952,364	99.83%	-	8,952,364	99.83%
12/31/2018	2017	9,210,252	9,190,506	99.79%	-	9,190,506	99.79%
12/31/2019	2018	9,474,573	9,450,346	99.74%	-	9,450,346	99.74%

Data Source: Village Records

* For the seven months ended December 31, 2012.

VILLAGE OF LOMBARD, ILLINOIS

**Ratios of Outstanding Debt By Type - Last Ten Fiscal Years
December 31, 2019 (Unaudited)**

Fiscal Year Ended	Governmental Activities		
	General Obligation Bonds	Debt Certificates	Tax Increment Bonds
5/31/2011	\$ -	\$ 11,624,115	\$ -
5/31/2012	-	9,393,145	-
12/31/2012*	-	8,372,260	-
12/31/2013	-	8,065,860	-
12/31/2014	-	5,838,800	-
12/31/2015	-	3,938,025	-
12/31/2016	-	2,587,625	-
12/31/2017	-	1,237,050	-
12/31/2018	-	652,800	-
12/31/2019	-	88,375	-

Data Source: Village's Records

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

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

N/A - Not Available

* For the seven months ended December 31, 2012.

		Business-Type Activities					
General Obligation (ARS) Bonds	Waterworks and Sewerage Debt Certificates	Waterworks and Sewerage IEPA Loan	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)		
\$ -	\$ 7,865,885	\$ -	\$ 19,490,000	N/A	\$ 451.52		
-	6,061,855	-	15,455,000	N/A	356.15		
-	5,137,740	-	13,510,000	N/A	311.33		
-	11,181,140	-	19,247,000	N/A	443.53		
-	8,902,200	-	14,741,000	N/A	339.69		
-	6,929,975	-	10,868,000	N/A	250.44		
-	4,857,375	4,069,322	11,514,322	N/A	265.34		
-	2,918,950	10,393,075	14,549,075	N/A	335.27		
3,900,000	1,498,200	13,745,639	19,796,639	N/A	456.20		
3,900,000	416,625	14,156,046	18,561,046	N/A	422.76		

VILLAGE OF LOMBARD, ILLINOIS

**Schedule of Direct and Overlapping Bonded Debt
December 31, 2019 (Unaudited)**

Governmental Unit	Gross Debt	Percentage to Debt Applicable to Village (2)	Village's Share of Debt
Village of Lombard (1)	\$ 88,375	100.00%	\$ 88,375
School Districts:			
High School District No. 87	55,530,000	19.71%	10,944,963
Elementary School District No. 41	20,075,000	1.70%	341,275
Elementary School District No. 44	8,360,000	83.25%	6,959,700
Elementary School District No. 45	33,245,000	32.00%	10,638,400
Elementary School District No. 89	8,610,000	8.47%	729,267
High School District No. 88	73,320,000	14.01%	10,272,132
High School District No. 99	8,059,184	0.69%	55,608
Community College District No. 502	165,320,000	14.01%	23,161,332
Elementary School District No. 4	2,675,000	5.55%	148,463
Elementary School District No. 15	36,255,000	0.97%	351,674
Elementary School District No. 58	11,656,297	1.13%	131,716
Total School Districts	423,105,481		63,734,530
Other Agencies:			
DuPage County	129,075,000	4.02%	5,188,815
DuPage County Forest Preserve	95,140,000	4.02%	3,824,628
Lombard Park District	12,360,112	97.66%	12,070,885
Butterfield Park District	3,740,000	22.71%	849,354
Glen Ellyn Park District	4,638,000	1.42%	65,860
Oak Brook Park District	18,240,521	0.20%	36,481
York Center Park District	125,000	39.51%	49,388
Total Other Agencies	263,318,633		22,085,411
Total Overlapping Debt	686,424,114		85,819,940
Total Direct and Overlapping Debt	686,512,489		85,908,315

Data Source: County Clerk's Office, Illinois Tax Extension Division.

(1) Includes Special Service Areas

(2) Determined by ratio of assessed value of property subject to taxation in Village of Lombard to value of property subject to taxation in overlapping unit.

VILLAGE OF LOMBARD, ILLINOIS

**Schedule of Legal Debt Margin
December 31, 2019 (Unaudited)**

Assessed Valuation - 2019	<u>\$ 1,664,970,939</u>
Legal Debt Limit - 8.625% of Assessed Valuation	143,603,743
Amount of Debt Applicable to Debt Limit	
Limited Tax Debt Certificates of 2013	<u>505,000</u>
Legal Debt Margin	<u>143,098,743</u>

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

VILLAGE OF LOMBARD, ILLINOIS

Demographic and Economic Statistics - Last Ten Fiscal Years December 31, 2019 (Unaudited)

Fiscal Year Ended	Population	Personal Income (in Thousands)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
5/31/2011	43,165	\$ N/A	\$ N/A	40.9	6,434	8.3%
5/31/2012	43,395	N/A	N/A	39.1	6,443	8.5%
12/31/2012*	43,395	N/A	N/A	39.1	6,730	7.5%
12/31/2013	43,395	N/A	N/A	39.1	7,009	7.4%
12/31/2014	43,395	N/A	N/A	39.1	6,895	5.8%
12/31/2015	43,395	N/A	N/A	40.5	6,883	4.7%
12/31/2016	43,395	N/A	N/A	40.5	6,610	4.6%
12/31/2017	43,395	N/A	N/A	40.5	6,455	4.0%
12/31/2018	43,395	N/A	N/A	40.5	5,422	3.1%
12/31/2019	43,904	N/A	N/A	37.9	6,060	2.8%

Data Sources

- (1) U.S. Department of Commerce, Bureau of the Census
- (2) Illinois Department of Employment Security (using annual averages)

N/A - Not Available

* For the seven months ended December 31, 2012.

VILLAGE OF LOMBARD, ILLINOIS

**Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago
December 31, 2019 (Unaudited)**

Employer	2019			2010		
	Employees	Rank	Percentage of Total Village Employment	Employees	Rank	Percentage of Total Village Employment
Lombard Elem Dist 44	500	1	4.57%			
Von Maur	100	2	0.91%			
Beacon Hill	220	3	2.01%			
Village of Lombard	250	4	2.29%			
Lombard District 45	230	5	2.10%			
Westin Lombard Yorktown	275	6	2.52%			
Acosta Sales & Marketing Company				500	1	2.24%
Hillcrest Property Management Co.				400	2	1.79%
Adjustable Forms, Inc.				350	3	1.57%
Dial America Marketing, Inc.				310	4	1.39%
Carson Pirie Scott & Co.				300	5	1.34%
Imperial Service Systems				300	6	1.34%
West Suburban Bank				300	7	1.34%
J.C. Penney Co. Inc.				275	8	1.23%
1st Advantage Mortgage				200	9	0.90%
Valdes Engineering				200	10	0.90%
	<u>1,575</u>		<u>14.41%</u>	<u>3,135</u>		<u>14.05%</u>

Data Sources: Illinois Manufacturers Directory, Illinois Services Directory and selective telephone surveys.

All available data for 2019 and 2010 has been included.

VILLAGE OF LOMBARD, ILLINOIS

**Full-Time Equivalent Village Government Employees by Function - Last Ten Fiscal Years
December 31, 2019 (Unaudited)**

Function	Fiscal Year Ended 5/31/2011	Fiscal Year Ended 5/31/2012	Seven Months Ended 12/31/2012	Fiscal Year Ended 12/31/2013	Fiscal Year Ended 12/31/2014	Fiscal Year Ended 12/31/2015	Fiscal Year Ended 12/31/2016	Fiscal Year Ended 12/31/2017	Fiscal Year Ended 12/31/2018	Fiscal Year Ended 12/31/2019
Village Manager's Office	8	7	7	12	11	10	9	9	9	9
Finance	15	16	16	14	13	13	13	12	12	13
Public Works	33	32	32	33	37	39	38	38	35	35
Police	95	90	88	90	89	89	89	85	83	83
Fire	70	71	71	71	71	71	71	71	71	71
Community Development	20	19	19	16	17	18	18	19	17	17
Water and Sewer	23	23	23	24	23	22	21	21	20	20
Totals	264	258	256	260	261	262	259	255	247	248

Data Source: Village Records

VILLAGE OF LOMBARD, ILLINOIS

**Operating Indicators by Function/Program - Last Ten Fiscal Years
December 31, 2019 (Unaudited)**

Function/Program	Fiscal Year Ended 5/31/2011	Fiscal Year Ended 5/31/2012	Seven Months Ended 12/31/2012	Fiscal Year Ended 12/31/2013
Public Works				
Forestry				
Number of Parkway Trees Planted	203	241	355	382
Number of Parkway Trees Trimmed	3,339	2,997	241	2,414
Number of Parkway Trees Removed	190	253	496	481
Wood Chips Produced (Cubic Yards)	836	902	560	799
Fleet Services				
Number of Repair Work Orders	2,159	2,134	1,112	1,777
Amount of Repair Costs (Parts & Labor)	\$602,477	\$624,524	\$354,959	\$721,320
Gallons of Fuel Pumped	128,903	118,750	72,752	122,685
Fuel Cost	\$341,530	\$380,153	\$228,664	\$389,142
Public Safety				
Fire (1)				
Number of Fire Calls	3,043	3,131	1,990	3,124
Number of EMS Calls	4,436	4,593	2,911	4,801
ISO Rating	3	3	3	3
Police				
Number of Incidents	48,619	47,382	26,555	43,809
Number of Crimes	1,240	1,126	1,281	1,761
Crimes/1,000 Residents	28.7	26.1	27.9	40.6
Community Development				
Number of Building Permits Issued	2,887	2,993	2,125	2,487
Number of Building Inspections	4,707	5,047	3,449	5,732
Number of Code Enforcement Cases	929	932	441	814
Number of Tickets Issued	19	18	6	16
Finance				
Number of Utility Bills Issued	77,968	76,717	42,433	79,137
Number of Utility Accounts Shut Off	1,058	910	500	567
Ambulance Billing	\$2,044,650	\$1,997,685	\$1,339,896	\$2,086,897
Number of Accounts Payable Checks	4,264	3,868	2,501	3,538
Highways and Streets				
Contract Asphalt Patching/Grinding/Overlay	\$857,521	\$1,169,513	\$1,264,669	\$1,403,705
Concrete Street Rehabilitation	\$1,394,953	\$898,867	\$957,467	\$873,183
In-House Grind/Overlay	\$182,920	\$260,952	\$261,278	\$126,270
Water and Sewer				
Total Distribution Pumpage (1,000 Gallons)	1,511,756	1,536,368	934,701	1,452,666
% Unaccounted for Water	N/A	3.96%	6.05%	11.92%
Sanitary Sewer Overflows	3	2	1	6

N/A - Not Available

Data Source: Village Records

Fiscal Year Ended 12/31/2014	Fiscal Year Ended 12/31/2015	Fiscal Year Ended 12/31/2016	Fiscal Year Ended 12/31/2017	Fiscal Year Ended 12/31/2018	Fiscal Year Ended 12/31/2019
409	478	871	827	643	275
2,462	3,343	3,093	3,954	3,438	3,102
1,186	1,450	293	438	550	528
2,262	636	408	540	552	576
2,978	1,737	2,700	1,670	1,828	3,229
\$712,814	\$760,819	\$738,756	\$712,161	\$749,924	\$791,933
123,966	114,997	125,039	124,748	131,679	133,329
\$375,736	\$230,240	\$183,266	\$222,169	\$292,878	\$275,213
3,384	1,631	1,695	1,695	2,013	5,291
5,091	4,778	5,004	4,969	5,412	2,064
3	3	3	3	3	2
44,781	45,846	52,360	61,110	57,271	57,917
1,014	1,329	1,120	1,080	1,187	1,235
23.7	30.9	25.9	25.1	27.5	27.7
2,463	2,511	2,584	2,645	2,582	2,864
5,122	4,674	4,986	5,247	5,641	5,180
653	989	1,035	1,209	2,123	1,635
6	11	11	11	6	14
75,191	74,725	75,479	77,058	87,624	77,850
401	449	470	299	278	187
\$2,508,610	\$2,317,300	\$2,294,400	\$2,355,400	\$6,701,410	\$6,463,715
3,325	2,978	2,589	2,538	2,583	2,094
\$1,033,911	\$934,323	\$772,081	\$1,193,540	\$1,104,465	\$1,417,565
\$973,007	\$580,283	\$605,994	\$535,983	\$694,605	\$867,682
\$321,512	\$227,927	\$219,222	\$139,757	\$101,556	\$219,420
1,482,604	1,342,976	1,367,284	1,349,096	1,333,467	1,315,575
6.24%	10.30%	10.10%	10.00%	11.00%	6.40%
5	3	1	-	6	1

VILLAGE OF LOMBARD, ILLINOIS

**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years
December 31, 2019 (Unaudited)**

Function/Program	Fiscal Year Ended 5/31/2011	Fiscal Year Ended 5/31/2012	Seven Months Ended 12/31/2012	Fiscal Year Ended 12/31/2013
Police				
Stations	1	1	1	1
Department Vehicles	37	37	37	37
Fire Stations	2	2	2	2
Public Works				
Streets (Miles)	155	155	155	155
Streetlights	2,954	3,113	3,094	3,113
Traffic Signals (Village Owned)	37	38	38	38
Water and Sewer				
Water Mains (Miles)	181.8	181.8	181.8	186.0
Fire Hydrants	2,698	2,698	2,475	2,770

Data Source: Village Records

Fiscal Year Ended 12/31/2014	Fiscal Year Ended 12/31/2015	Fiscal Year Ended 12/31/2016	Fiscal Year Ended 12/31/2017	Fiscal Year Ended 12/31/2018	Fiscal Year Ended 12/31/2019
1 36	1 36	1 36	1 36	1 34	1 34
2	2	2	2	2	2
155 3,105	150 3,132	147 3,389	148 3,376	148 3,728	155 3,705
37	37	36	36	38	38
186.0 2,797	186.0 2,798	180.0 2,786	181.8 2,766	184.0 2,765	184.0 2,953