



815.344.1300 mchenry
847.382.3366 barrington

VILLAGE OF LINDENHURST, ILLINOIS

ANNUAL FINANCIAL REPORT

APRIL 30, 2015

eder, casella & co.

5400 west elm street. suite 203. mchenry. il 60050
509 west old northwest highway. suite 102. barrington. il 60010
www.edercasella.com

VILLAGE OF LINDENHURST
TABLE OF CONTENTS
APRIL 30, 2015

	PAGE
INDEPENDENT AUDITOR'S REPORT	1
REQUIRED SUPPLEMENTARY INFORMATION	
Management's Discussion and Analysis	3
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	10
Statement of Activities	11
Fund Financial Statements	
Balance Sheet – Governmental Funds	12
Reconciliation of the Balance Sheet to the Statement of Net Position	13
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	14
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	15
Statement of Net Position– Proprietary Funds	16
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	17
Statement of Cash Flows – Proprietary Funds	18
Statement of Fiduciary Net Position – Fiduciary Funds	19
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	20
Notes to Financial Statements	21
REQUIRED SUPPLEMENTARY INFORMATION	
Illinois Municipal Retirement Fund – Schedule of Funding Progress	42
Police Pension Plan – Schedule of Changes in the Employer's Net Pension Liability and Related Ratios	43
Police Pension Plan – Schedule of Employer Contribution	44

VILLAGE OF LINDENHURST
TABLE OF CONTENTS
APRIL 30, 2015

	PAGE
REQUIRED SUPPLEMENTARY INFORMATION (Continued)	
Police Pension Plan – Schedule of Funding Progress	45
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	46
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Special Revenue Fund – Motor Fuel Tax Fund	48
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Special Revenue Fund – Retirement Fund	49
Notes to Required Supplementary Information	50
SUPPLEMENTAL FINANCIAL INFORMATION	
Combining Balance Sheet – Other Governmental Funds	51
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Other Governmental Funds	52

INDEPENDENT AUDITOR'S REPORT

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

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

VILLAGE OF LINDENHURST

as of and for the year ended April 30, 2015 and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Village of Lindenhurst as of April 30, 2015, 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.

Change in Accounting Principle

As discussed in Note 17 to the financial statements, the Village implemented GASB Statement No. 67, *Financial Reporting for Pension Plans*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedules of Funding Progress, Schedule of Changes in the Employer's Net Pension Liability and Related Ratios, Schedule of Employer Contribution, and budgetary comparison information on pages 3 through 9 and 42 through 50 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's basic financial statements. The combining non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining non-major fund financial statements are 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 combining non-major fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Eder, Casella & Co.

EDER, CASELLA & CO.
Certified Public Accountants

McHenry, Illinois
November 11, 2015

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF LINDENHURST

MANAGEMENT'S DISCUSSION AND ANALYSIS

APRIL 30, 2015

As management of the Village of Lindenhurst (Village), we offer readers of the Village's statement this narrative overview and analysis of the financial activities of the Village for the fiscal year ended April 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information found in the notes to the financial statements. It should be noted that the information contained in this report may vary from other management reports prepared by the Village due to different accounting methods.

FINANCIAL HIGHLIGHTS

- The assets of the Village exceed its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$38,821,816 (net position as of April 30, 2015). Of this amount, \$8,803,531 (\$3,242,587 for Governmental Activities and \$5,560,944 for Business-Type Activities) may be used to meet the Village's ongoing obligations to citizens and creditors.
- Total net position increased by \$621,177.
- At April 30, 2015, the Village's governmental funds reported combined ending fund balances of \$6,161,949, an increase of \$253,040 in comparison with the prior year. Of this amount, \$3,052,252 is available for spending at the Village's discretion (unassigned fund balance).
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$3,056,948, or 81 percent of total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. Both perspectives (government-wide and fund level financial statements) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government) and enhance the Village's accountability. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The Statement of Net Position presents information on all of the Village's assets and deferred outflows or resources, less its liabilities and deferred inflows of resources, with the difference between the two reported as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating when comparing year to year results.

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

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

The government-wide financial statements include only the Village itself (known as the primary government) and not the Village's Police Pension Fund which is a component unit of the Village.

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

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

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

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

The Village maintains twelve individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, the Motor Fuel Tax Fund, the Retirement Fund, and the Community Capital Fund, all of which are considered to be major funds. Data from the other eight governmental funds are combined into a single, aggregated presentation. The other eight funds include Veterans Memorial, Police Currency Seizure, DUI, Police Benevolent, Controlled Substance, Prison Review Agency, Shop with a Cop, and Grant.

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

Proprietary Funds – The Village maintains two proprietary funds. Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses an enterprise fund to account for the water and sewer services and recycling and refuse services.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer services and recycling and refuse services.

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

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the Village. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village’s own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Village utilizes fiduciary funds to segregate the Police Pension Fund and other agency funds.

The basic fiduciary fund financial statements can be found on pages 19 and 20 of this report.

Notes to the Financial Statements – The notes provide additional information this 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 21 through 41 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village’s budget to actual for the General, Motor Fuel Tax, and Retirement Funds. Required supplementary information can be found on pages 42 through 50 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the Village, assets exceeded liabilities and deferred inflows of resources by \$38,821,816 at April 30, 2015.

The largest portion of the Village’s net position (69.4 percent) reflects its investment in capital assets (e.g., land, streets, buildings, machinery and equipment); less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village’s investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	Village of Lindenhurst's Net Position					
	Governmental Activities		Business-Type Activities		Total	
	4/30/2015	4/30/2014	4/30/2015	4/30/2014	4/30/2015	4/30/2014
Assets						
Current and Other Assets	\$ 7,845,605	\$ 7,501,064	\$ 5,903,906	\$ 5,536,859	\$ 13,749,511	\$ 13,037,923
Capital Assets	8,445,587	8,302,941	21,950,712	22,681,448	30,396,299	30,984,389
Total Assets	\$ 16,291,192	\$ 15,804,005	\$ 27,854,618	\$ 28,218,307	\$ 44,145,810	\$ 44,022,312
Liabilities						
Long-Term Liabilities Outstanding	\$ 915,000	\$ 1,309,454	\$ 2,534,826	\$ 2,774,735	\$ 3,449,826	\$ 4,084,189
Other Liabilities	376,129	288,568	342,962	316,547	719,091	605,115
Total Liabilities	\$ 1,291,129	\$ 1,598,022	\$ 2,877,788	\$ 3,091,282	\$ 4,168,917	\$ 4,689,304
Deferred Inflows of Resources						
Unavailable Revenue - Property Taxes	\$ 1,155,077	\$ 1,132,369	\$ -	\$ -	\$ 1,155,077	\$ 1,132,369
Total Deferred Inflows of Resources	\$ 1,155,077	\$ 1,132,369	\$ -	\$ -	\$ 1,155,077	\$ 1,132,369
Net Position						
Net Investment in Capital Assets	\$ 7,530,587	\$ 6,993,487	\$ 19,415,886	\$ 19,906,713	\$ 26,946,473	\$ 26,900,200
Restricted	3,071,812	2,815,206	-	-	3,071,812	2,815,206
Unrestricted	3,242,587	3,264,921	5,560,944	5,220,312	8,803,531	8,485,233
Total Net Position	\$ 13,844,986	\$ 13,073,614	\$ 24,976,830	\$ 25,127,025	\$ 38,821,816	\$ 38,200,639

An additional portion of the Village's net position (7.9 percent) represents resources that are subject to external restrictions on how they may be used. The balance of unrestricted net position, \$8,803,531, may be used to meet the Village's ongoing obligations to citizens and creditors.

The Village's net position increased by \$621,177 during the current fiscal year.

Governmental Activities – Governmental activities increased the Village's net position by \$609,418. Overall, governmental revenues exceeded expenditures.

- Charges for Services decreased by \$71,641 primarily due to decreases in franchise fees and telecom tax earned by the Village.
- Capital Grants increased by \$62,682 due to grant funding for a pedestrian/bike path.
- State Tax revenues increased by \$132,120 due to additional sales, income, and motor fuel taxes collected.
- Other Income increased by \$105,319, primarily due to an increase in investment income earned by the Village.
- Administration expenses increased by \$114,578 primarily due to additional capital expenditures and depreciation.
- Public Works and Engineering costs increased by \$117,734 and \$43,302, respectively, due to ongoing projects.
- Debt Service expenses decreased by \$57,319 due to debt being retired in the prior year.

	Village of Lindenhurst's Change in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	4/30/2015	4/30/2014	4/30/2015	4/30/2014	4/30/2015	4/30/2014
Revenues						
Program Revenues						
Charges for Services	\$ 1,355,021	\$ 1,426,662	\$ 4,603,868	\$ 4,458,317	\$ 5,958,889	\$ 5,884,979
Operating Grants and Contributions	18,563	19,217	-	-	18,563	19,217
Capital Grants and Contributions	162,682	100,000	-	-	162,682	100,000
General Revenues						
Property Taxes	1,135,429	1,103,475	-	-	1,135,429	1,103,475
State Taxes	2,883,111	2,750,991	-	-	2,883,111	2,750,991
Other Income	160,802	55,483	128,015	(27,321)	288,817	28,162
Gain/(Loss) on Sale of Capital Assets	24,415	2,790	-	5,976	24,415	8,766
Total Revenues	\$ 5,740,023	\$ 5,458,618	\$ 4,731,883	\$ 4,436,972	\$ 10,471,906	\$ 9,895,590
Expenses						
Administration	\$ 904,037	\$ 789,459	\$ -	\$ -	\$ 904,037	\$ 789,459
Public Works	1,756,717	1,638,983	-	-	1,756,717	1,638,983
Building and Grounds	44,729	34,751	-	-	44,729	34,751
Engineering	126,792	83,490	-	-	126,792	83,490
Public Safety	2,516,779	2,432,238	-	-	2,516,779	2,432,238
Debt Service	13,866	71,185	-	-	13,866	71,185
Water and Sewer	-	-	3,331,916	3,613,529	3,331,916	3,613,529
Recycling and Refuse	-	-	1,155,893	1,126,055	1,155,893	1,126,055
Total Expenses	\$ 5,362,920	\$ 5,050,106	\$ 4,487,809	\$ 4,739,584	\$ 9,850,729	\$ 9,789,690
Increase/(Decrease) in Net Position						
Before Transfers	\$ 377,103	\$ 408,512	\$ 244,074	\$ (302,612)	\$ 621,177	\$ 105,900
Transfers	232,315	63,550	(232,315)	(63,550)	-	-
Increase/(Decrease) in Net Position	\$ 609,418	\$ 472,062	\$ 11,759	\$ (366,162)	\$ 621,177	\$ 105,900
Net Position - Beginning of Year	13,073,614	12,601,552	25,127,025	25,493,187	38,200,639	38,094,739
Net Position Adjustment	161,954	-	(161,954)	-	-	-
Net Position - End of Year	\$ 13,844,986	\$ 13,073,614	\$ 24,976,830	\$ 25,127,025	\$ 38,821,816	\$ 38,200,639

Business-Type Activities – Business-type activities increased the Village’s net position by \$11,759. Key elements of this increase are as follows:

- Water and Sewer and Refuse charges for services increased by \$145,551 due to the Village’s standard rate increase. Other Income increased by \$155,336, primarily due to an increase in investment income earned.
- Water and Sewer Expenses decreased by \$281,613 due to reduced administration expenses and lower depreciation. Transfers from the Water and Sewer Fund increased by \$168,765 due to a contribution to the General Fund for general asset replacements and Village Hall remodeling costs.

FINANCIAL ANALYSIS OF THE VILLAGE’S FUNDS

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

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

As of the end of the current fiscal year, the Village’s governmental funds reported combined ending fund balances of \$6,161,949, an increase of \$253,040 in comparison with the prior year. Of this total amount, 49.5 percent constitutes unassigned fund balance, which is available for spending at the Village’s discretion. The remainder of the fund balance is restricted or assigned to indicate that it is not available for new spending because it has already been restricted or assigned for 1) maintenance of highways and streets (\$761,965); 2) retirement (\$263,977); 3) insurance (\$65,790); 4) capital projects (\$1,875,377) or 5) other various special revenue projects (\$106,103).

The General Fund is the chief operating fund of the Village. At April 30, 2015, unassigned fund balance of the General Fund was \$3,056,948. As a measure of the General Fund’s liquidity, it may be useful to compare unassigned fund balance to total General Fund expenditures. Unassigned fund balance represents 80.5 percent of total General Fund expenditures.

The fund balance of the Village’s General Fund decreased by \$9,464 during the year ended April 30, 2015.

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

Unrestricted net position of the Water and Sewer Fund at April 30, 2015 is \$5,410,705. The total decrease in net position for the Water and Sewer Fund was \$57,514. Unrestricted net position of the Recycling and Refuse Fund at April 30, 2015 is \$150,239. The total increase in net position for the Recycling and Refuse Fund was \$69,273. Other factors concerning the finances of these funds have already been addressed in the discussion of the Village’s business-type activities.

Fiduciary Funds (Police Pension Fund) – Police Pension Fund net position increased from \$6,126,383 as of April 30, 2014 to \$6,783,062 as of April 30, 2015. This increase was due to an excess of investment earnings and contributions over pension benefits and plan expenses.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

- The difference between budgeted revenues and actual revenues was \$242,259 (favorable). This was primarily due to higher than expected revenues for property taxes, state taxes, licenses and permits, and investment income.
- The difference between budgeted expenditures and actual expenditures was \$218,007 (unfavorable) and was due to higher than expected public safety costs and capital outlay.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets – The Village’s investment in capital assets for its governmental and business-type activities as of April 30, 2015 amounts to \$30,396,299 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, infrastructure, buildings, improvements, equipment, and vehicles.

Major capital asset events during the year ended April 30, 2015 included the following:

- Two squad cars and two public works vehicles were purchased during the year for \$277,799.
- The Village Hall remodeling was completed at a cost of \$282,992. Various equipment was purchased for \$129,625.
- Additions to water system construction in progress during the year totaled \$178,417.

Village of Lindenhurst’s Capital Assets (net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	4/30/2015	4/30/2014	4/30/2015	4/30/2014	4/30/2015	4/30/2014
Land	\$ 924,152	\$ 918,724	\$ -	\$ -	\$ 924,152	\$ 918,724
Construction in Progress	187,988	55,281	516,640	338,223	704,628	393,504
Infrastructure	4,494,460	4,990,871	18,618,951	19,386,143	23,113,411	24,377,014
Buildings	2,106,610	1,890,902	2,797,182	2,893,922	4,903,792	4,784,824
Improvements	146,702	162,448	-	-	146,702	162,448
Equipment	181,841	71,507	3,514	38,180	185,355	109,687
Vehicles	403,834	213,208	14,425	24,980	418,259	238,188
Total	<u>\$ 8,445,587</u>	<u>\$ 8,302,941</u>	<u>\$ 21,950,712</u>	<u>\$ 22,681,448</u>	<u>\$ 30,396,299</u>	<u>\$ 30,984,389</u>

Additional information on the Village’s capital assets can be found in Note 3 on pages 29 and 30 of this report.

Long-Term Debt – At April 30, 2015, the Village had total debt outstanding of \$3,449,826.

Village of Lindenhurst’s Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	4/30/2015	4/30/2014	4/30/2015	4/30/2014	4/30/2015	4/30/2014
Alternate Revenue Bonds 2013	\$ 915,000	\$ 1,147,500	\$ 635,000	\$ 705,546	\$ 1,550,000	\$ 1,853,046
Debt Certificate Series 2008	-	-	1,190,000	1,315,000	1,190,000	1,315,000
Revolving Water Fund Loan 2011	-	-	709,826	754,189	709,826	754,189
Total	<u>\$ 915,000</u>	<u>\$ 1,147,500</u>	<u>\$ 2,534,826</u>	<u>\$ 2,774,735</u>	<u>\$ 3,449,826</u>	<u>\$ 3,922,235</u>

The Village’s total debt decreased by \$634,363 (15.5 percent) during the year ended April 30, 2015. The key factor in this decrease was principal payments made on outstanding debt.

Additional information on the Village’s long-term debt can be found in Note 4 on pages 30 and 31 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Village's elected and appointed officials considered many factors when setting the fiscal-year 2015-2016 budget and the associated property tax rates and charges for services. These factors include general and local economic conditions and expected revenues.

- The budgets were developed using the Village's five year corporate revenue and expense projections and the water and sewer utility projected revenue and expenses.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Village's finances for all those with an interest in the Village's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Village of Lindenhurst, 2301 E. Sand Lake Road, Lindenhurst, Illinois, 60046.

BASIC FINANCIAL STATEMENTS

VILLAGE OF LINDENHURST
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF NET POSITION
APRIL 30, 2015

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 5,910,014	\$ 5,065,627	\$ 10,975,641
Receivables (Net of Allowance for Estimated Uncollectible Amounts of \$0)			
Accounts Receivable	11,357	838,279	849,636
Property Taxes	1,155,077	-	1,155,077
Due from Other Governmental Units	527,860	-	527,860
Other Receivables	43,987	-	43,987
Due from Agency Fund	2,732	-	2,732
Net Pension Asset	158,093	-	158,093
Inventories	36,485	-	36,485
Capital Assets			
Land, Construction in Progress, and Other Non-Depreciable Assets	1,112,140	516,640	1,628,780
Other Capital Assets, Net of Depreciation	7,333,447	21,434,072	28,767,519
Total Assets	\$ 16,291,192	\$ 27,854,618	\$ 44,145,810
LIABILITIES			
Accounts Payable	\$ 116,788	\$ 145,416	\$ 262,204
Accrued Interest	5,643	22,271	27,914
Accrued Expenses	262,144	94,490	356,634
Deposits	-	72,339	72,339
Due to Other Funds	(8,446)	8,446	-
Non-Current Liabilities			
Due Within One Year	212,500	386,864	599,364
Due in More Than One Year	702,500	2,147,962	2,850,462
Total Liabilities	\$ 1,291,129	\$ 2,877,788	\$ 4,168,917
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	\$ 1,155,077	\$ -	\$ 1,155,077
Total Deferred Inflows of Resources	\$ 1,155,077	\$ -	\$ 1,155,077
NET POSITION			
Net Investment in Capital Assets	\$ 7,530,587	\$ 19,415,886	\$ 26,946,473
Restricted for:			
Insurance	65,790	-	65,790
Road Projects	761,965	-	761,965
Payroll Taxes and Retirement	263,977	-	263,977
Veteran's Memorial	18,236	-	18,236
Police Currency Seizure	8,112	-	8,112
DUI Programs	21,667	-	21,667
Police Benevolent Fund	502	-	502
Controlled Substance Act	15,566	-	15,566
Prison Review Agency	28,415	-	28,415
Shop With a Cop Program	12,205	-	12,205
Unrestricted/(Deficit)	5,117,964	5,560,944	10,678,908
TOTAL NET POSITION	\$ 13,844,986	\$ 24,976,830	\$ 38,821,816

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

VILLAGE OF LINDENHURST
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF ACTIVITIES
YEAR ENDED APRIL 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Administration	\$ 904,037	\$ 785,869	\$ -	\$ -	\$ (118,168)	\$ -	\$ (118,168)
Public Works	1,756,717	397,949	18,563	162,682	(1,177,523)	-	(1,177,523)
Building and Grounds	44,729	15,000	-	-	(29,729)	-	(29,729)
Engineering	126,792	-	-	-	(126,792)	-	(126,792)
Public Safety	2,516,779	156,203	-	-	(2,360,576)	-	(2,360,576)
Debt Service	13,866	-	-	-	(13,866)	-	(13,866)
	<u>\$ 5,362,920</u>	<u>\$ 1,355,021</u>	<u>\$ 18,563</u>	<u>\$ 162,682</u>	<u>\$ (3,826,654)</u>	<u>\$ -</u>	<u>\$ (3,826,654)</u>
Business-Type Activities							
Water and Sewer	\$ 3,331,916	\$ 3,378,702	\$ -	\$ -	\$ -	\$ 46,786	\$ 46,786
Recycling and Refuse	1,155,893	1,225,166	-	-	-	69,273	69,273
	<u>\$ 4,487,809</u>	<u>\$ 4,603,868</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 116,059</u>	<u>\$ 116,059</u>
Total Primary Government	<u>\$ 9,850,729</u>	<u>\$ 5,958,889</u>	<u>\$ 18,563</u>	<u>\$ 162,682</u>	<u>\$ (3,826,654)</u>	<u>\$ 116,059</u>	<u>\$ (3,710,595)</u>
		General Revenues					
		Taxes					
					\$ 1,135,429	\$ -	\$ 1,135,429
					980,047	-	980,047
					1,416,330	-	1,416,330
					486,734	-	486,734
					5,434	-	5,434
					99,285	99,800	199,085
					24,415	-	24,415
					56,083	28,215	84,298
					232,315	(232,315)	-
					<u>\$ 4,436,072</u>	<u>\$ (104,300)</u>	<u>\$ 4,331,772</u>
		Change in Net Position			\$ 609,418	\$ 11,759	\$ 621,177
		Net Position - May 1, 2014			13,073,614	25,127,025	38,200,639
		Net Position Adjustment (Note 16)			<u>161,954</u>	<u>(161,954)</u>	<u>-</u>
		Net Position - April 30, 2015			<u>\$ 13,844,986</u>	<u>\$ 24,976,830</u>	<u>\$ 38,821,816</u>

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

VILLAGE OF LINDENHURST
 FUND FINANCIAL STATEMENTS
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 APRIL 30, 2015

	General Fund	Motor Fuel Tax Fund	Retirement Fund	Community Capital Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Investments	\$ 2,910,525	\$ 697,065	\$ 270,946	\$ 1,871,134	\$ 160,344	\$ 5,910,014
Receivables (Net of Allowance for Estimated Uncollectible Amounts of \$0)						
Accounts Receivable	11,357	-	-	-	-	11,357
Property Taxes	980,638	-	174,439	-	-	1,155,077
Due from Other Governmental Units	494,225	33,635	-	-	-	527,860
Due from Other Funds	-	-	-	47,890	-	47,890
Other Receivables	-	-	-	43,987	-	43,987
Inventories	-	36,485	-	-	-	36,485
Total Assets	<u>\$ 4,396,745</u>	<u>\$ 767,185</u>	<u>\$ 445,385</u>	<u>\$ 1,963,011</u>	<u>\$ 160,344</u>	<u>\$ 7,732,670</u>
LIABILITIES						
Accounts Payable	\$ 22,185	\$ -	\$ 6,969	\$ 87,634	\$ -	\$ 116,788
Accrued Payroll	262,144	-	-	-	-	262,144
Due to Other Funds	9,040	-	-	-	27,672	36,712
Total Liabilities	<u>\$ 293,369</u>	<u>\$ -</u>	<u>\$ 6,969</u>	<u>\$ 87,634</u>	<u>\$ 27,672</u>	<u>\$ 415,644</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue - Property Taxes	\$ 980,638	\$ -	\$ 174,439	\$ -	\$ -	\$ 1,155,077
Total Deferred Inflows of Resources	<u>\$ 980,638</u>	<u>\$ -</u>	<u>\$ 174,439</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,155,077</u>
FUND BALANCES						
Nonspendable						
Inventories	\$ -	\$ 36,485	\$ -	\$ -	\$ -	\$ 36,485
Restricted						
Insurance	65,790	-	-	-	-	65,790
Road Projects	-	735,396	-	-	26,569	761,965
Retirement	-	-	263,977	-	-	263,977
Veteran's Memorial	-	-	-	-	18,236	18,236
Police Currency Seizure	-	-	-	-	8,112	8,112
DUI Programs	-	-	-	-	21,667	21,667
Police Benevolent Fund	-	-	-	-	502	502
Controlled Substance Act	-	-	-	-	15,566	15,566
Prison Review Agency	-	-	-	-	28,415	28,415
Shop With a Cop Program	-	-	-	-	12,205	12,205
Assigned						
DUI Programs	-	-	-	-	300	300
Controlled Substance Act	-	-	-	-	300	300
Prison Review Agency	-	-	-	-	800	800
Capital Projects	-	-	-	1,875,377	-	1,875,377
Unassigned (Deficit)	3,056,948	(4,696)	-	-	-	3,052,252
Total Fund Balances	<u>\$ 3,122,738</u>	<u>\$ 767,185</u>	<u>\$ 263,977</u>	<u>\$ 1,875,377</u>	<u>\$ 132,672</u>	<u>\$ 6,161,949</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,396,745</u>	<u>\$ 767,185</u>	<u>\$ 445,385</u>	<u>\$ 1,963,011</u>	<u>\$ 160,344</u>	<u>\$ 7,732,670</u>

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

VILLAGE OF LINDENHURST
 FUND FINANCIAL STATEMENTS
 RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
 APRIL 30, 2015

Total Fund Balances - Governmental Funds		\$ 6,161,949
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>		
Capital Assets, net of accumulated depreciation		8,445,587
Net Pension Asset is not included in the governmental funds.		158,093
<p>Some liabilities are not due and payable in the current period and therefore are not reported in the funds.</p>		
Bonds and Notes Payable	\$ (915,000)	
Accrued Interest on Long-Term Debt	<u>(5,643)</u>	
		<u>(920,643)</u>
Net Position of Governmental Activities		<u><u>\$ 13,844,986</u></u>

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

VILLAGE OF LINDENHURST
 FUND FINANCIAL STATEMENTS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 YEAR ENDED APRIL 30, 2015

	General Fund	Motor Fuel Tax Fund	Retirement Fund	Community Capital Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Local Taxes						
Property Tax	\$ 966,930	\$ -	\$ 168,499	\$ -	\$ -	\$ 1,135,429
Intergovernmental						
State Sales Tax	824,148	-	-	155,899	-	980,047
State Income Tax	1,209,447	-	-	206,883	-	1,416,330
State Replacement Tax	-	-	5,434	-	-	5,434
State Motor Fuel Tax	-	486,734	-	-	-	486,734
State Grants	-	14,247	-	-	162,682	176,929
Other Local Sources						
Franchise Fees	570,206	-	-	-	-	570,206
Licenses and Permits	154,444	-	-	295,245	-	449,689
Fines and Forfeitures	135,631	-	-	-	20,572	156,203
Investment Income/(Loss)	98,904	(30)	-	-	411	99,285
Rentals	-	-	-	178,923	-	178,923
Miscellaneous						
Donations	-	-	-	-	4,316	4,316
Other Miscellaneous	53,829	-	-	-	2,254	56,083
	<u>\$ 4,013,539</u>	<u>\$ 500,951</u>	<u>\$ 173,933</u>	<u>\$ 836,950</u>	<u>\$ 190,235</u>	<u>\$ 5,715,608</u>
EXPENDITURES						
Current						
Administration	\$ 617,781	\$ -	\$ 163,320	\$ -	\$ 662	\$ 781,763
Public Works	613,492	119,265	-	-	195,818	928,575
Building and Grounds	44,729	-	-	-	-	44,729
Engineering	126,792	-	-	-	-	126,792
Public Safety	2,380,256	-	-	-	44,642	2,424,898
Capital Outlay	15,789	-	-	1,151,339	-	1,167,128
Debt Service						
Principal	-	-	-	232,500	-	232,500
Interest and Fees	-	-	-	12,913	-	12,913
	<u>\$ 3,798,839</u>	<u>\$ 119,265</u>	<u>\$ 163,320</u>	<u>\$ 1,396,752</u>	<u>\$ 241,122</u>	<u>\$ 5,719,298</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 214,700</u>	<u>\$ 381,686</u>	<u>\$ 10,613</u>	<u>\$ (559,802)</u>	<u>\$ (50,887)</u>	<u>\$ (3,690)</u>
OTHER FINANCING SOURCES/(USES)						
Proceeds from the Sale of Fixed Assets	\$ 24,415	\$ -	\$ -	\$ -	\$ -	\$ 24,415
Transfers	(248,579)	-	-	480,894	-	232,315
	<u>\$ (224,164)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 480,894</u>	<u>\$ -</u>	<u>\$ 256,730</u>
NET CHANGE IN FUND BALANCES	<u>\$ (9,464)</u>	<u>\$ 381,686</u>	<u>\$ 10,613</u>	<u>\$ (78,908)</u>	<u>\$ (50,887)</u>	<u>\$ 253,040</u>
FUND BALANCES - MAY 1, 2014	<u>3,132,202</u>	<u>385,499</u>	<u>253,364</u>	<u>1,954,285</u>	<u>183,559</u>	<u>5,908,909</u>
FUND BALANCES - APRIL 30, 2015	<u>\$ 3,122,738</u>	<u>\$ 767,185</u>	<u>\$ 263,977</u>	<u>\$ 1,875,377</u>	<u>\$ 132,672</u>	<u>\$ 6,161,949</u>

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

VILLAGE OF LINDENHURST
 FUND FINANCIAL STATEMENTS
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 YEAR ENDED APRIL 30, 2015

Net Change in Fund Balances - Total Governmental Funds \$ 253,040

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation expense in the current period.

Depreciation Expense	\$ (692,005)	
Capital Outlays	<u>834,651</u>	142,646

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

Proceeds from Sale of Capital Assets	\$ 24,415	
Gain/(Loss) on Sale of Capital Assets	<u>(24,415)</u>	-

The change in the Net Pension Asset/Obligation is not included in the governmental funds. (17,814)

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

Accrued Interest on Long-Term Debt		(954)
------------------------------------	--	-------

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

Repayment of Long-Term Debt		<u>232,500</u>
-----------------------------	--	----------------

Change in Net Position of Governmental Activities		<u>\$ 609,418</u>
---	--	-------------------

VILLAGE OF LINDENHURST
 FUND FINANCIAL STATEMENTS
 STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 APRIL 30, 2015

	Enterprise Funds		Total
	Water and Sewer	Recycling and Refuse	
ASSETS			
Current Assets			
Cash and Investments	\$ 5,031,538	\$ 34,089	\$ 5,065,627
Receivables			
Accounts Receivable (Net of allowance for estimated uncollectible amounts of \$0)	628,714	209,565	838,279
	<u>\$ 5,660,252</u>	<u>\$ 243,654</u>	<u>\$ 5,903,906</u>
Non-Current Assets			
Capital Assets at cost	\$ 41,919,185	\$ -	\$ 41,919,185
Less: Accumulated Depreciation	(19,968,473)	-	(19,968,473)
	<u>\$ 21,950,712</u>	<u>\$ -</u>	<u>\$ 21,950,712</u>
Total Assets	<u>\$ 27,610,964</u>	<u>\$ 243,654</u>	<u>\$ 27,854,618</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 59,491	\$ 85,925	\$ 145,416
Accrued Interest	22,271	-	22,271
Accrued Expenses	87,000	7,490	94,490
Deposits	72,339	-	72,339
Due to Other Funds	8,446	-	8,446
Bonds and Notes Payable - Current	386,864	-	386,864
	<u>\$ 636,411</u>	<u>\$ 93,415</u>	<u>\$ 729,826</u>
Non-Current Liabilities			
Bonds and Notes Payable (Net of Current Portion Shown Above)	\$ 2,147,962	\$ -	\$ 2,147,962
Total Liabilities	<u>\$ 2,784,373</u>	<u>\$ 93,415</u>	<u>\$ 2,877,788</u>
NET POSITION			
Net Investment in Capital Assets	\$ 19,415,886	\$ -	\$ 19,415,886
Unrestricted/(Deficit)	5,410,705	150,239	5,560,944
Total Net Position	<u>\$ 24,826,591</u>	<u>\$ 150,239</u>	<u>\$ 24,976,830</u>

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

VILLAGE OF LINDENHURST
 FUND FINANCIAL STATEMENTS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 YEAR ENDED APRIL 30, 2015

	Enterprise Funds		Total
	Water and Sewer	Recycling and Refuse	
OPERATING REVENUES			
Charges for Services			
Water Sales and Sewer Usage	\$ 3,349,737	\$ -	\$ 3,349,737
Refuse Collection	-	1,210,774	1,210,774
Recycling Proceeds	-	14,392	14,392
	<u>\$ 3,349,737</u>	<u>\$ 1,225,166</u>	<u>\$ 4,574,903</u>
OPERATING EXPENSES			
Administration	\$ 1,086,110	\$ -	\$ 1,086,110
Recycling and Refuse	-	1,155,893	1,155,893
Sewer Plant	698,801	-	698,801
Water Plant	567,592	-	567,592
Depreciation	909,153	-	909,153
	<u>\$ 3,261,656</u>	<u>\$ 1,155,893</u>	<u>\$ 4,417,549</u>
OPERATING INCOME/(LOSS)	<u>\$ 88,081</u>	<u>\$ 69,273</u>	<u>\$ 157,354</u>
NON-OPERATING REVENUE/(EXPENSE)			
Investment Income	\$ 99,800	\$ -	\$ 99,800
Connection and Permit Fees	28,965	-	28,965
Other Income	28,215	-	28,215
Interest Expense and Paying Agent Fees	(70,260)	-	(70,260)
	<u>\$ 86,720</u>	<u>\$ -</u>	<u>\$ 86,720</u>
INCOME/(LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	\$ 174,801	\$ 69,273	\$ 244,074
TRANSFERS	<u>(232,315)</u>	<u>-</u>	<u>(232,315)</u>
CHANGE IN NET POSITION	\$ (57,514)	\$ 69,273	\$ 11,759
NET POSITION - MAY 1, 2014	25,046,059	80,966	25,127,025
NET POSITION ADJUSTMENT (Note 16)	<u>(161,954)</u>	<u>-</u>	<u>(161,954)</u>
NET POSITION - APRIL 30, 2015	<u>\$ 24,826,591</u>	<u>\$ 150,239</u>	<u>\$ 24,976,830</u>

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

VILLAGE OF LINDENHURST
 FUND FINANCIAL STATEMENTS
 STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED APRIL 30, 2015

	Enterprise Funds		Total
	Water and Sewer	Recycling and Refuse	
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 3,306,132	\$ 1,200,683	\$ 4,506,815
Payments to Suppliers for Goods and Services	(1,081,808)	(1,104,064)	(2,185,872)
Payments to Employees for Services	(1,235,904)	(52,008)	(1,287,912)
Net Cash Provided/(Used) by Operating Activities	<u>\$ 988,420</u>	<u>\$ 44,611</u>	<u>\$ 1,033,031</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers to Other Funds	\$ (232,315)	\$ -	\$ (232,315)
Net Cash Provided/(Used) by Non-Capital Financing Activities	<u>\$ (232,315)</u>	<u>\$ -</u>	<u>\$ (232,315)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of Capital Assets	\$ (178,417)	\$ -	\$ (178,417)
Interest Paid on Capital Debt	(68,913)	-	(68,913)
Principal Paid on Capital Debt	(401,863)	-	(401,863)
Other Receipts/(Payments)	57,180	-	57,180
Net Cash Provided/(Used) by Capital and Related Financing Activities	<u>\$ (592,013)</u>	<u>\$ -</u>	<u>\$ (592,013)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Net Investment Income/(Loss)	\$ 99,800	\$ -	\$ 99,800
Net Sale/(Purchase) of Investments	(276,246)	-	(276,246)
Net Cash Provided/(Used) by Investing Activities	<u>\$ (176,446)</u>	<u>\$ -</u>	<u>\$ (176,446)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	<u>\$ (12,354)</u>	<u>\$ 44,611</u>	<u>\$ 32,257</u>
CASH AND CASH EQUIVALENTS BALANCE (Including Overdrafts) - MAY 1, 2014	<u>151,769</u>	<u>(10,522)</u>	<u>141,247</u>
CASH AND CASH EQUIVALENTS BALANCE (Including Overdrafts) - APRIL 30, 2015	<u><u>\$ 139,415</u></u>	<u><u>\$ 34,089</u></u>	<u><u>\$ 173,504</u></u>
RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES			
Operating Income/(Loss)	\$ 88,081	\$ 69,273	\$ 157,354
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation Expense	909,153	-	909,153
Change in assets and liabilities:			
Receivables, Net	(44,583)	(24,483)	(69,066)
Accounts Payable	16,911	(3,839)	13,072
Accrued Expenses	17,880	3,660	21,540
Deposits	978	-	978
Net Cash Provided by Operating Activities	<u>\$ 988,420</u>	<u>\$ 44,611</u>	<u>\$ 1,033,031</u>
RECONCILIATION OF ENDING CASH AND CASH EQUIVALENTS TO CASH AND INVESTMENTS			
Ending Cash and Cash Equivalents	\$ 139,415	\$ 34,089	\$ 173,504
Investments	4,892,123	-	4,892,123
Total Cash and Investments	<u><u>\$ 5,031,538</u></u>	<u><u>\$ 34,089</u></u>	<u><u>\$ 5,065,627</u></u>

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

VILLAGE OF LINDENHURST
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
APRIL 30, 2015

	Police Pension Trust Fund	Agency Funds
ASSETS		
Cash and Cash Equivalents	\$ 19,345	\$ 336,788
Investments, at fair value	6,763,717	-
Total Assets	\$ 6,783,062	\$ 336,788
LIABILITIES		
Due to Other Funds	\$ -	\$ 2,732
Due to Developers or Homeowners	-	334,056
Total Liabilities	\$ -	\$ 336,788
NET POSITION		
Held in Trust for Pension Benefits	\$ 6,783,062	
Total Net Position	\$ 6,783,062	

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

VILLAGE OF LINDENHURST
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED APRIL 30, 2015

	Police Pension Trust Fund
ADDITIONS	
Contributions	
Employer	\$ 279,776
Plan Members	130,286
Total Contributions	\$ 410,062
Investment Earnings	
Interest and Dividends	\$ 185,303
Net Appreciation in Fair Value of Investments	159,722
Less: Investment Management Fees	(31,887)
Net Investment Income	\$ 313,138
 TOTAL ADDITIONS	 \$ 723,200
 DEDUCTIONS	
Benefits	\$ 60,135
Administrative Expenses	6,386
TOTAL DEDUCTIONS	\$ 66,521
 NET INCREASE/(DECREASE)	 \$ 656,679
NET POSITION - MAY 1, 2014	6,126,383
NET POSITION - APRIL 30, 2015	\$ 6,783,062

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

VILLAGE OF LINDENHURST
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Lindenhurst, Illinois (Village) incorporated in 1956, is a municipal corporation governed by an elected president and Board of Trustees. The Village's major operations include general government administration, public works, building and grounds, engineering, public safety (police), waterworks and sewerage services, and recycling and refuse services.

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

A. *Reporting Entity*

The accompanying financial statements comply with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*, in that the financial statements include all organizations, activities, and functions that comprise the Village. Component units are legally separate entities for which the Village (the primary entity) is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization's governing body and either (1) the Village's ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the Village. Using these criteria, the Village has determined that the Police Pension Fund meets the above criteria. The Police Pension Fund is blended into the Village's primary government financial statements as a fiduciary fund although it remains a separate legal entity. In addition, the Village is not included as a component unit in any other governmental reporting entity as defined by GASB pronouncements.

B. *Basic Financial Statements – Government-Wide Statements*

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

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

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions and business-type activities. The functions are also supported by general government revenues (property taxes, sales taxes, unrestricted investment earnings, etc.).

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. *Basic Financial Statements – Government-Wide Statements (Continued)*

The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function [public works, building and grounds, engineering, public safety (police)] or a business-type activity. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

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

The Village does not allocate indirect costs.

This government-wide focus is more on the sustainability of the Village as an entity and the change in the Village's net position resulting from the current year's activities.

C. *Basic Financial Statements – Fund Financial Statements*

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses.

The 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, liabilities, revenues and expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in one column in the fund financial statements.

The following fund types are used by the Village:

1. 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 Village reports these governmental funds and fund types:

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

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. The Village maintains ten special revenue funds comprised of two major funds and eight non-major funds. The Motor Fuel Tax Fund includes revenues from motor fuel tax and other state road grants along

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. *Basic Financial Statements – Fund Financial Statements (Continued)*

1. Governmental Funds (Continued)

Special Revenue Funds (Continued)

with the related expenditures. The Retirement Fund includes revenues from IMRF and social security property tax levies along with the related expenditures.

Debt Service Fund – 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 Village does not currently use any debt service funds.

Capital Projects Funds – Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of capital projects (other than those financed by business-type/proprietary funds). The Community Capital Fund is a major capital projects fund.

2. Proprietary Fund Types

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The activities reported in these funds are reported as business-type activities in the government-wide financial statements. The Village reports the following proprietary fund types:

Enterprise Funds – Enterprise Funds are used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of 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.

3. Fiduciary Fund Types

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

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

D. *Basis of Accounting*

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

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. *Basis of Accounting* (Continued)

1. Accrual

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

2. Modified Accrual

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

E. *Cash and Cash Equivalents and Investments*

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

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

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

Occasionally certain of the funds participating in the common bank accounts will incur overdrafts (deficits) in the account. Such overdrafts in effect constitute cash borrowed from other Village funds and are, therefore, interfund loans which have not been authorized by Board of Trustees action. There were no funds reporting a cash overdraft at April 30, 2015.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. *Receivables*

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Receivables are reported net of estimated uncollectible accounts. Business-type activities report utility and collection charges as their major receivables.

G. *Prepaid Expenses*

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid expenses.

H. *Inventories*

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

I. *Interfund Activity*

Interfund activity is reported either as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses.

Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds or between proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

J. *Capital Assets*

Capital assets purchased or acquired with an original cost of \$5,000 or more, and \$25,000 or more for infrastructures, are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and Improvements	45 years
Vehicles and Equipment	5 - 12 years
Water and Sewerage Infrastructure	50 years
Other Infrastructure	15 - 50 years

GASB Statement No. 34 required the Village to report and depreciate new infrastructure assets effective as of May 1, 2003. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets constitute the largest asset class of the Village.

K. *Deferred Outflows and Inflows of Resources*

In addition to assets and liabilities, the Balance Sheets and Statements of Net Position will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. *Deferred Outflows and Inflows of Resources (Continued)*

position that applies to a future period and so will not be recognized as an outflow of resource until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resource until that time.

L. *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. The liability for these compensated absences is recorded as a short-term liability in the government-wide financial statements. In the fund financial statements, governmental funds report the compensated absence liability payable only for expendable available financial resources, while the proprietary funds report the liability as it is incurred.

M. *Long-Term Obligations*

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

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

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

Government-wide and proprietary fund net position are divided into three components:

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

O. *Governmental Fund Balances*

Governmental fund balances are divided between nonspendable and spendable.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. *Governmental Fund Balances (Continued)*

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

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

- Restricted – Restricted fund balances are restricted when constraints are placed on the user by either (a) external creditors, grantors, contributors, or laws or regulations of other governments or (b) law through constitutional provisions or enabling legislation.
- Committed – Committed fund balances are amounts that can only be used for specific purposes as a result of a resolution of the Board of Trustees. Committed amounts cannot be used for any other purpose unless the Board of Trustees removes those constraints by way of resolution. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.
- Assigned – Assigned fund balances are amounts that are constrained by the Village's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by an appointed body (e.g. a budget or finance committee) or official to whom the Board of Trustees has delegated the authority to assign, modify, or rescind amounts to be used for specific purposes. The Village has not delegated this authority to an appointed body or official.

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

- Unassigned – Unassigned fund balance is the residual classification for the General Fund. This classification represents the General Fund balance that has not been assigned to other funds, and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

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

P. *Property Tax Calendar and Revenues*

Property taxes are levied each calendar year on all taxable real property located in the Village on or before the last Tuesday in December. Property taxes attach as an enforceable lien on property as of January 1 of the calendar year they are for and are payable in two installments early in June and early in September of the following calendar year. Distributions of tax receipts are made to the Village shortly thereafter. The 2014 levy was passed by the Board on December 8, 2014.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. *Defining Operating Revenues and Expenses*

The Village's proprietary fund distinguishes between operating and non-operating revenues and expenses. Operating revenues and expenses of the Village's Water and Sewer Fund and Recycling and Refuse Fund generally result from providing services in connection with their principal ongoing operations. The principal operating revenues consist of charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All other revenues and expenses are reported as non-operating items.

R. *Estimates*

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

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits with financial institutions are fully insured or collateralized by securities held in the Village's name. The Village is allowed to invest in securities as authorized by the Illinois Compiled Statutes, Chapter 30, Act 235/Articles 2 and 6, and Chapter 40, Act 5/Article 4 – Pensions.

Investments

As of April 30, 2015, the Village had the following investments and maturities:

Investment	Fair Value	Investment Maturities (in Years)			
		0-1	1 - 5	5 - 10	More Than 10
Village					
Illinois funds	\$ 2,955,310	\$ 2,955,310	\$ -	\$ -	\$ -
Fixed income securities	7,793,052	181,934	3,168,115	2,551,208	1,891,795
Agency funds (Fiduciary)					
Illinois funds	212,632	212,632	-	-	-
Total Investments	<u>\$ 10,960,994</u>	<u>\$ 3,349,876</u>	<u>\$ 3,168,115</u>	<u>\$ 2,551,208</u>	<u>\$ 1,891,795</u>

The fair value of investments in the External Investment Pools is the same as the value of pool shares. The External Investment Pools are not SEC-registered, but have regulatory oversight through the State of Illinois.

Interest Rate Risk – The Village's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – The Village minimized credit risk, the risk of loss due to the failure of the security issuer or backer, by limiting investments to the safest type of securities.

As of April 30, 2015, the Village's investments were rated as follows:

Investment	Credit Rating	Rating Source
State Investment Pool	AAAm	Standard and Poor's
Wells Fargo & Co.	A+	Standard and Poor's
Federal Natl Mtg Assn	AA+	Standard and Poor's
Federal Home Loan Bank	AA+	Standard and Poor's
US Treasury	AAA	Moody's
Govt Natl Mtg Assn	NR	N/A
Tenn Valley Auth	NR	N/A

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Concentration of Credit Risk – The Village places no specific limit on the amount the Village may invest in any one issuer. More than 5% of the Village’s investments are in Federal Home Loan Bank (43.3%) and Federal National Mortgage Association (15.9%).

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2015 was as follows:

	Balance April 30, 2014	Increases	Decreases	Balance April 30, 2015
Governmental Activities				
Capital Assets not being depreciated				
Land	\$ 918,724	\$ 5,428	\$ -	\$ 924,152
Construction in Progress	55,281	132,707	-	187,988
Total Capital Assets not being depreciated	<u>\$ 974,005</u>	<u>\$ 138,135</u>	<u>\$ -</u>	<u>\$ 1,112,140</u>
Other Capital Assets				
Infrastructure	\$ 18,540,397	\$ -	\$ -	\$ 18,540,397
Buildings	3,027,778	282,992	-	3,310,770
Improvements	534,626	6,100	-	540,726
Equipment	386,686	129,625	-	516,311
Vehicles	1,112,377	277,799	177,190	1,212,986
Total Other Capital Assets at Historical Cost	<u>\$ 23,601,864</u>	<u>\$ 696,516</u>	<u>\$ 177,190</u>	<u>\$ 24,121,190</u>
Less Accumulated Depreciation for:				
Infrastructure	\$ 13,549,526	\$ 496,411	\$ -	\$ 14,045,937
Buildings	1,136,876	67,284	-	1,204,160
Improvements	372,178	21,846	-	394,024
Equipment	315,179	19,291	-	334,470
Vehicles	899,169	87,173	177,190	809,152
Total Accumulated Depreciation	<u>\$ 16,272,928</u>	<u>\$ 692,005</u>	<u>\$ 177,190</u>	<u>\$ 16,787,743</u>
Other Capital Assets, Net	<u>\$ 7,328,936</u>	<u>\$ 4,511</u>	<u>\$ -</u>	<u>\$ 7,333,447</u>
Governmental Activities Capital Assets, Net	<u>\$ 8,302,941</u>	<u>\$ 142,646</u>	<u>\$ -</u>	<u>\$ 8,445,587</u>
Business-Type Activities				
Capital Assets not being depreciated				
Construction in Progress	\$ 338,223	\$ 178,417	\$ -	\$ 516,640
Total Capital Assets not being depreciated	<u>\$ 338,223</u>	<u>\$ 178,417</u>	<u>\$ -</u>	<u>\$ 516,640</u>
Other Capital Assets				
Infrastructure	\$ 35,147,185	\$ -	\$ -	\$ 35,147,185
Buildings	5,001,697	-	-	5,001,697
Equipment	1,074,816	-	-	1,074,816
Vehicles	178,847	-	-	178,847
Total Other Capital Assets at Historical Cost	<u>\$ 41,402,545</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,402,545</u>
Less Accumulated Depreciation for:				
Infrastructure	\$ 15,761,042	\$ 767,192	\$ -	\$ 16,528,234
Buildings	2,107,775	96,740	-	2,204,515
Equipment	1,036,636	34,666	-	1,071,302
Vehicles	153,867	10,555	-	164,422
Total Accumulated Depreciation	<u>\$ 19,059,320</u>	<u>\$ 909,153</u>	<u>\$ -</u>	<u>\$ 19,968,473</u>
Other Capital Assets, Net	<u>\$ 22,343,225</u>	<u>\$ (909,153)</u>	<u>\$ -</u>	<u>\$ 21,434,072</u>
Business-Type Activities Capital Assets, Net	<u>\$ 22,681,448</u>	<u>\$ (730,736)</u>	<u>\$ -</u>	<u>\$ 21,950,712</u>

Depreciation expense was charged to functions as follows:

Governmental Activities	
Administration	\$ 94,558
Public Works	541,813
Public Safety	55,634
Total Governmental Activities Depreciation Expense	<u>\$ 692,005</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 3 - CAPITAL ASSETS (Continued)

Business-Type Activities	
Water and Sewer	\$ 909,153
Total Business-Type Activities Depreciation Expense	<u>\$ 909,153</u>

NOTE 4 - LONG-TERM LIABILITY ACTIVITY

Long-term liability activity for the year ended April 30, 2015 was as follows:

	Balance April 30, 2014 (As Restated - Note 16)	Additions	Retirements	Balance April 30, 2015	Amounts Due Within One Year
Governmental Activities					
Long-Term Debt					
Bonds and Notes Payable					
General Obligation Refunding					
Bonds Alternate Revenue					
Source, 2013					
	\$ 1,147,500	\$ -	\$ 232,500	\$ 915,000	\$ 212,500
Total Long-Term Debt	<u>\$ 1,147,500</u>	<u>\$ -</u>	<u>\$ 232,500</u>	<u>\$ 915,000</u>	<u>\$ 212,500</u>
Governmental Activities					
Long-Term Obligations	<u>\$ 1,147,500</u>	<u>\$ -</u>	<u>\$ 232,500</u>	<u>\$ 915,000</u>	<u>\$ 212,500</u>
Business-Type Activities					
Long-Term Debt					
Bonds and Notes Payable					
Debt Certificate Series 2008					
	\$ 1,315,000	\$ -	\$ 125,000	\$ 1,190,000	\$ 130,000
IEPA Revolving Water Fund					
Loan					
	754,189	-	44,363	709,826	44,364
General Obligation Refunding					
Bonds Alternate Revenue					
Source, 2013					
	867,500	-	232,500	635,000	212,500
Total Long-Term Debt	<u>\$ 2,936,689</u>	<u>\$ -</u>	<u>\$ 401,863</u>	<u>\$ 2,534,826</u>	<u>\$ 386,864</u>
Business-Type Activities					
Long-Term Obligations	<u>\$ 2,936,689</u>	<u>\$ -</u>	<u>\$ 401,863</u>	<u>\$ 2,534,826</u>	<u>\$ 386,864</u>

Bonds and notes payable consisted of the following at April 30, 2015:

	Fund	Maturity Date	Interest Rate	Face Amount	Carrying Amount
Governmental Activities					
Long-Term Debt					
Bonds and Notes Payable					
General Obligation Refunding Bonds					
Alternate Revenue Source, 2013					
	General	2/1/2021	.45% - 2.40%	\$ 1,154,000	\$ 915,000
Business-Type Activities					
Long-Term Debt					
Bonds and Notes Payable					
Debt Certificate Series 2008					
Dated: 7/1/08					
	Water and Sewer	1/1/2023	4.05%-4.30%	2,000,000	1,190,000
IEPA Revolving Water Fund Loan					
Dated: 1/1/2010					
	Water and Sewer	1/1/2031	0%	1,181,870	709,826
General Obligation Refunding Bonds					
Alternate Revenue Source, 2013					
	Water and Sewer	2/1/2021	.45% - 2.40%	871,000	635,000

Debt Service Requirements to Maturity – The annual debt service requirements to maturity, including principal and interest, are as follows:

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 4 - LONG-TERM LIABILITY ACTIVITY (Continued)

Year Ending April 30	Governmental Activities		Total
	Principal	Interest	
2016	\$ 212,500	\$ 11,285	\$ 223,785
2017	212,500	9,160	221,660
2018	210,000	6,398	216,398
2019	95,000	5,865	100,865
2020	95,000	4,107	99,107
2021	90,000	2,160	92,160
	<u>\$ 915,000</u>	<u>\$ 38,975</u>	<u>\$ 953,975</u>

Year Ending April 30	Business-Type Activities		Total
	Principal	Interest	
2016	\$ 386,864	\$ 61,170	\$ 448,034
2017	391,864	53,521	445,385
2018	394,364	45,291	439,655
2019	189,364	33,153	222,517
2020	194,364	27,150	221,514
2021	199,364	20,880	220,244
2022	209,365	14,339	223,704
2023	214,365	7,310	221,675
2024	44,364	-	44,364
2025	44,364	-	44,364
2026	44,364	-	44,364
2027	44,364	-	44,364
2028	44,364	-	44,364
2029	44,364	-	44,364
2030	44,364	-	44,364
2031	44,364	-	44,364
	<u>\$ 2,534,826</u>	<u>\$ 262,814</u>	<u>\$ 2,797,640</u>

Special Service Area Debt – Special Service Area Number Four Refunding Bonds, Series 2008 in the amount of \$1,300,000 bearing interest at rates from 2.75% to 4.10% are payable annually beginning January 1, 2009 through January 1, 2018 in principal amounts ranging from \$120,000 to \$150,000. These bonds are payable by specific user fees or a tax levy from the Special Service Area only and are general obligations of the Special Service Area only, and are not Village obligations. Proceeds from the bonds were used for a current refunding of the Village’s outstanding Special Service Area Number Four, Unlimited Ad Valorem Tax Bonds, Series 1997. Bonds outstanding at April 30, 2015 were \$435,000.

These Special Service Area bonds are treated as special assessment debt without Village obligation. The Village acts only as an agent for the property owners in collecting assessments and forwarding payments to the bond paying agent. Transactions are recorded in an agency fund.

NOTE 5 - INTERFUND BALANCES AND TRANSFERS

Interfund receivables and payables at April 30, 2015 consisted of the following:

Due To	Due From	Amount
Water and Sewer Fund	General Fund	\$ 9,040
Community Capital Fund	Miscellaneous Escrow Fund	2,732
Community Capital Fund	Water and Sewer Fund	17,486
Community Capital Fund	Grant Fund	27,672

The interfund balances resulted from a time lag between the dates that (1) revenue was collected and remitted to appropriate funds and (2) expenditures were incurred and reimbursed between funds.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 5 - INTERFUND BALANCES AND TRANSFERS (Continued)

Interfund transfers for the year ended April 30, 2015 consisted of the following:

Transfer From		Transfer To		Amount
General Fund		Community Capital Fund		\$ 248,579
Water and Sewer Fund		Community Capital Fund		232,315

Interfund transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. During the current year, the General Fund transferred \$248,579 to the Community Capital Fund for capital projects and fleet replacement. The Water and Sewer Fund transferred \$232,315 to the Community Capital Fund as a contribution for capital projects and fleet replacement.

NOTE 6 - PROPERTY TAXES

Property taxes receivable and unavailable revenue recorded in these financial statements, in the amount of \$1,155,077, are from the 2014 tax levy. The unavailable revenue is 99.83% of the 2014 tax levy. These taxes are unavailable as none of the taxes are collected before the end of the fiscal year and the Village does not consider the amounts to be available and does not budget for their use in fiscal year 2015. The Village has determined that 100% of the amounts collected for the 2013 levy (\$1,135,429) are allocable for use in fiscal year 2015 and, therefore, are recorded in these financial statements as property taxes revenue. A summary of the assessed valuations, rates, and extensions for the years 2014, 2013, and 2012 follows:

Tax Year Assessed Valuation	2014		2013		2012	
	Rate	Extension	Rate	Extension	Rate	Extension
		\$294,864,145		\$317,922,186		\$342,336,237
Corporate	0.1861	\$ 548,766	0.1770	\$ 562,722	0.1640	\$ 561,431
IMRF	0.0343	101,009	0.0310	98,556	0.0300	102,701
Police Pension	0.0996	293,593	0.0880	279,771	0.0670	229,365
Liability Insurance	0.0250	73,728	0.0220	69,943	0.0290	99,278
Social Security	0.0383	113,042	0.0300	95,377	0.0240	82,161
	<u>0.3833</u>	<u>\$ 1,130,138</u>	<u>0.3480</u>	<u>\$ 1,106,369</u>	<u>0.3140</u>	<u>\$ 1,074,936</u>

NOTE 7 - EXCESS OF EXPENDITURES OVER BUDGET

For the year ended April 30, 2015, the following funds had expenditures that exceeded the budget:

Fund	Budget	Actual	Excess of Actual Over Budget
General Fund	\$ 3,580,832	\$ 3,798,839	\$ 218,007
Community Capital Fund	1,235,504	1,396,752	161,248
Prison Review Agency Fund	15,000	16,621	1,621
Shop With A Cop Fund	-	3,250	3,250

The excess of actual expenditures over budget was covered by available fund balance.

NOTE 8 - ILLINOIS MUNICIPAL RETIREMENT FUND

A. *Plan Description*

The Village's defined benefit pension plan for its eligible employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Village's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 - ILLINOIS MUNICIPAL RETIREMENT FUND (Continued)

A. *Plan Description (Continued)*

statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

B. *Funding Policy*

As set by statute, the Village's Regular plan members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual required contribution rate for calendar year 2014 was 14.76%. The Village also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

C. *Annual Pension Cost*

The required contribution for the calendar year ending December 31, 2014 was \$221,076.

Three Year Trend Information for the Regular Plan			
Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2014	\$ 221,076	100%	\$ -
12/31/2013	241,431	100%	-
12/31/2012	217,953	100%	-

The required contribution for 2014 was determined as part of the December 31, 2012 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2012 included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of the Village's Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Village's Regular plan's unfunded actuarial accrued liability at December 31, 2012 is being amortized as a level percentage of projected payroll on an open 29 year basis.

D. *Funded Status and Funding Progress*

As of December 31, 2014, the most recent actuarial valuation date, the Regular plan was 61.81% funded. The actuarial accrued liability for benefits was \$4,902,735 and the actuarial value of assets was \$3,030,140, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,872,595. The covered payroll for calendar year 2014 (annual payroll of active employees covered by the plan) was \$1,497,804, and the ratio of the UAAL to the covered payroll was 125 percent.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 - ILLINOIS MUNICIPAL RETIREMENT FUND (Continued)

D. *Funded Status and Funding Progress (Continued)*

The Schedule of Funding Progress, presented as Required Supplementary Information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

NOTE 9 - POLICE PENSION PLAN

A. *Plan Description*

The Village of Lindenhurst Police Pension Plan (Plan) is a single-employer defined benefit pension plan that covers sworn police personnel of the Village. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 IL CS 5/3-1) and may be amended only by the Illinois legislature. The Village accounts for the Plan as a Pension Trust Fund and does not issue a stand-alone financial report.

B. *Plan Membership*

Membership in the Plan consisted of the following at April 30, 2015, the date of the latest actuarial valuation:

Retirees and beneficiaries currently receiving benefits	3
Active vested plan members	14
Inactive non-retired members	<u>1</u>
Total	<u><u>18</u></u>

C. *Benefits Provided*

The Plan provides retirement, disability, and death benefits to Plan members and their beneficiaries. Chapter 40-Pensions-Act 5/Article 3 of the Illinois Compiled Statutes assigns the authority to establish and amend the benefit provisions of the Plan to the Illinois legislature.

D. *Contributions*

Employees are required by Illinois Compiled Statutes (ILCS) to contribute 9.91% of their base salary to the 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. Effective January 1, 2011, the Village has until the year 2041 to fund 90% of the past service cost for the Plan. For the year ended April 30, 2015, the Village's contribution was 22.99% of covered payroll.

E. *Investment Policy*

ILCS limit the Plan's investments to those allowable by ILCS and require the Plan's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees. The Plan's investment policy authorizes the Plan to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 - POLICE PENSION PLAN (Continued)

E. *Investment Policy* (Continued)

mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, investment grade corporate bonds and Illinois Funds. The Plan may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, Illinois insurance company general and separate accounts, mutual funds and corporate equity securities.

The Plan's investment policy in accordance with ILCS establishes the following target allocation across asset classes:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	40% - 60%	0.60%
Cash and Equivalents	2% - 10%	0%
Equities - Large Cap, Mid Cap, Small Cap, Int'l and Emerging Mkt	30% - 50%	5.79%

ILCS limit the Plan's investments in equities and mutual funds to 45%. Securities issued by any one company should not exceed 5% of the total fund.

The long-term expected rate of return on the Plan's investments was determined using a strategic asset allocation study conducted by the Plan's investment management consultant 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 expected inflation. Best estimates or arithmetic real rates of return excluding inflation for each major asset class included in the Plan's target asset allocation as of April 30, 2015 are listed in the table above.

F. *Investment Valuations*

All investments in the Plan are stated at fair value and are recorded as of the trade date. Fair value is based on quoted market prices for debt securities, equity securities and mutual funds.

G. *Investment Concentrations*

More than 5% of the Plan's investments are in Federal Home Loan Bank (14.4%).

H. *Investment Rate of Return*

For the year ended April 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 5.04%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 - POLICE PENSION PLAN (Continued)

I. *Deposits with Financial Institutions*

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Plan's deposits may not be returned to it. The Plan's investment policy requires all bank balances to be covered by federal depository insurance.

J. *Interest Rate Risk*

The following table presents the investments and maturities of the Plan's debt securities as of April 30, 2015:

Investment	Fair Value	Investment Maturities (in Years)			
		0-1	1 - 5	5 - 10	More Than 10
Police Pension					
Illinois funds	\$ 27,872	\$ 27,872	\$ -	\$ -	\$ -
Fixed income securities	2,770,155	56,214	972,614	1,067,654	673,673
Insurance annuities	1,123,059	689,906	-	-	433,153
Mutual funds	2,349,706	2,349,706	-	-	-
Stocks	490,969	490,969	-	-	-
Total Investments	\$ 6,761,761	\$ 3,614,667	\$ 972,614	\$ 1,067,654	\$ 1,106,826

In accordance with its investment policy, the Plan limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed for expected current cash flows. The investment policy does not limit the maximum maturity length of investments in the Plan.

K. *Credit Risk*

The Plan limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government, securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government, and investment grade corporate bonds rated at or above BBB- by Standard and Poor's, Baa3 by Moody's and BBB by Fitch by at least two of the three rating agencies. The fixed income securities are rated BBB- to AA+ by Standard and Poor's. However, certain fixed income securities are not rated. As of April 30, 2015, the Plan's investments were rated as follows:

Investment	Credit Rating	Rating Source
	BBB-, BBB, BBB+, A-, A, A+, AA-, AA, AA+	
Various Corporate Obligations	A+, AA-, AA, AA+	Standard and Poor's
State Investment Pool	AAA	Standard and Poor's
Mutual Funds	NR	N/A
Various Equity Securities	NR	N/A
Federal Natl Mtg Assn	AA+	Standard and Poor's
Federal Home Loan Bank	AA+	Standard and Poor's
US Treasury	AAA	Moody's
Govt Natl Mtg Assn	NR	N/A
Tenn Valley Auth	NR	N/A
Oakland CA Pension Oblig	AA-	Standard and Poor's
Federal Home Loan Mtg Corp	NR	N/A

L. *Net Pension Liability*

The components of the net pension liability of the Plan as of April 30, 2015, calculated in accordance with GASB Statement No. 67, were as follows:

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 - POLICE PENSION PLAN (Continued)

L. *Net Pension Liability* (Continued)

Total Pension Liability	\$ 7,590,123
Plan Fiduciary Net Position	<u>6,783,062</u>
Village's Net Pension Liability	<u>\$ 807,061</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	89.37%

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

M. *Actuarial Assumptions*

The total pension liability above was determined by an actuarial valuation performed as of April 30, 2015 using the following actuarial methods and assumptions:

Actuarial Valuation Date	4/30/2015
Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	Level Dollar/ Ends in fiscal year 2041
Asset Valuation Method	5-year smoothed market, no corridor
Salary Increases	Graded rates from 4.86% at age 25 to 1.12% at age 55, plus 2.00% inflation allowance
Payroll Growth	4.00% per year
Investment Rate of Return	7.25% per year

Mortality rates were based on the RP-2000 Combined Health Mortality Table (male) with blue collar adjustment projected by Scale BB to 2015. The mortality rates for disabled lives were based on the RP-2000 Combined Health Mortality Table (male) with blue collar adjustment projected by BB to 2015 with a 150% load for participants under age 50.

N. *Discount Rate*

The discount rate used to measure the total pension liability was 7.25%. 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 the Village's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected not to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments of 7.25% was applied to determine the total pension liability.

O. *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 of 7.25% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 - POLICE PENSION PLAN (Continued)

O. *Discount Rate Sensitivity (Continued)*

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
Total Pension Liability	\$ 8,897,756	\$ 7,590,123	\$ 6,534,053
Plan Fiduciary Net Position	6,783,062	6,783,062	6,783,062
Net Pension Liability/(Asset)	<u>\$ 2,114,694</u>	<u>\$ 807,061</u>	<u>\$ (249,009)</u>

P. *Annual Pension Cost and Net Pension Obligation*

The Village's annual pension cost and net pension obligation to the Plan as of April 30, 2015 (the date the most current actuarial information is available) is as follows:

Annual required contribution	\$ 299,507
Interest on net pension obligation	(12,753)
Adjustment to annual required contribution	<u>10,836</u>
Annual pension cost	\$ 297,590
Contributions made	<u>279,776</u>
Increase/(decrease) in net pension obligation	\$ 17,814
Net pension obligation/(asset) beginning of year	<u>(175,907)</u>
Net pension obligation/(asset) end of year	<u>\$ (158,093)</u>

The annual required contribution for the current year was determined as part of the April 30, 2015 actuarial valuation using the entry-age-normal actuarial cost method. The actuarial assumptions included (a) 7.25% investment rate of return (net of administrative expenses) and (b) projected salary increases of 4.0%, which includes an inflation allowance of 2.00% per year. The assumptions include postretirement benefit increases of 3%. The unfunded actuarial accrued liability is being amortized as a level percentage of pay on a closed period. The remaining amortization period at April 30, 2015 was 26 years.

Fiscal Year Ending	Trend Information		Net Pension Obligation
	Annual Pension Cost (APC)	Percentage of APC Contributed	
4/30/2015	\$ 297,590	94.0%	\$ (158,093)
4/30/2014	202,202	111.7%	(175,907)
4/30/2013	178,615	136.0%	(152,266)

NOTE 10 - SOCIAL SECURITY

Employees not qualifying for the Illinois Municipal Retirement Fund or the Police Pension Plan are covered under Social Security. The Village paid the total required contribution for the current fiscal year.

NOTE 11 - JOINT VENTURE – SOLID WASTE AGENCY OF LAKE COUNTY (SWALCO)

In 1991, the Village joined the Solid Waste Agency of Lake County (SWALCO). SWALCO is a municipal corporation with 43 members whose purpose is to provide a solution to solid waste disposal problems. Upon approval by a majority of its members, SWALCO may issue bonds for which the individual members would be financially liable.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 - JOINT VENTURE – SOLID WASTE AGENCY OF LAKE COUNTY (SWALCO) (Continued)

The following represents a summary of SWALCO's latest available balance sheet at November 30, 2014 and the statement of revenues and expense for the year then ended:

Current Assets	\$ 2,484,396
Designated Assets	104,232
Capital Assets	1,130,004
Total Assets	<u>\$ 3,718,632</u>
Current Liabilities	<u>\$ 76,448</u>
Investment in Fixed Assets	\$ 1,130,004
Unrestricted	2,512,180
Total Net Position	<u>\$ 3,642,184</u>
Revenue	\$ 1,187,138
Expenditures	1,038,665

Audited financial statements of SWALCO may be obtained from SWALCO's administrative office located in Gurnee, Illinois. During the current fiscal year, the Village was not obligated to pay any amounts to SWALCO.

NOTE 12 - RISK MANAGEMENT

The Village is exposed to various risks related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees.

The Village utilized commercial carriers to provide the Village with coverage for comprehensive general liability, auto liability, property damage and workers compensation claims. The Village has retained the risk of unemployment benefits by electing to reimburse the Illinois Department of Employment Security for unemployment benefit payments made on the Village's behalf. Employee group insurance coverage is provided through an outside insurance carrier.

During the year ended April 30, 2015, there were no significant reductions in insurance coverage. Also, there have been no settlement amounts that have exceeded insurance coverage. During the year ended April 30, 2015, there were no significant adjustments in premiums based on actual experience.

NOTE 13 - COMMITMENTS

A. *Lindenhurst Sanitary District*

The Lindenhurst Sanitary District (Sanitary District) has passed a comprehensive sewer use ordinance and the Village has passed a comprehensive wastewater service charge ordinance. The Sanitary District and the Village agree to be bound by both of these ordinances. The Village has set and will continue to set the wastewater service charges for the users of the system and agrees that it will include in the setting of the debt service portion of the charges an amount sufficient to provide for the payment to the Sanitary District, or deposit on account for the Sanitary District, all amounts required to pay revenue bonds currently issued by the Sanitary District to the State of Illinois, purchased with money from the Water Pollution Control Revolving Loan Fund, and to meet such other covenants as are required by the State in the bonds, the related bond ordinance, loan agreement and other related documents.

The Village agrees to cooperate fully with the Sanitary District in the setting and collection of sewer user charges so as to provide timely payment of said bonds (namely, the repayment of the loan, evidenced by said bonds, to the State of Illinois).

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 13 - COMMITMENTS (Continued)

A. *Lindenhurst Sanitary District (Continued)*

The Village agrees to run and operate the sewerage treatment plant and to pay all necessary costs, all repairs, maintenance, wages of employees and all other like costs attendant to the running of the sewerage treatment plant.

The Village further agrees to obtain all necessary permits, rights, privileges, franchises and licenses from the State or United States Government and agrees to abide by and conform to all necessary laws, rules and regulations applicable to sewerage treatment plants of the State of Illinois and United States government.

B. *Solid Waste Agency of Lake County (SWALCO)*

The Village's contract with the Solid Waste Agency of Lake County provides that each member is liable for its proportionate share of annual operating and fixed costs. The Village's share of these costs is expected to be funded through tipping fees paid by refuse haulers. In addition, the Village is obligated for any costs arising from defaults in payment obligations by other members.

NOTE 14 - LEGAL DEBT LIMITATION

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

Equalized Assessed Valuation - 2014	\$ 294,864,145
	8.625%
Legal Debt Limit	\$ 25,432,033
Current Debt	3,449,826
Remaining Debt Margin	\$ 21,982,207

NOTE 15 - SUBSEQUENT EVENTS

The Village has evaluated subsequent events through November 11, 2015, the date on which the financial statements were available to be issued.

Subsequent to year end, the agreement between the Village and the Lindenhurst Sanitary District was amended. The revised agreement provides for an annual Village contribution to the Sanitary District of \$125,000 to be used towards the repayment of the debt related to the Phase III improvements to the Water Pollution Control Facility. All other changes were administrative in nature.

Subsequent to year end, the Illinois Environmental Protection Agency approved a loan to the Village for water system improvements. Construction contracts for phase 1 of the water main improvements were also awarded after year end. The total estimated cost for this portion of the project is approximately \$6,300,000.

NOTE 16 - NET POSITION ADJUSTMENT

The Village made the following net position adjustment:

	Water and Sewer Net Position	Government-Wide Net Position
Reallocate shared debt between Water and Sewer Fund and General Government Activities	\$ (161,954)	\$ 161,954

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 17 - CHANGE IN ACCOUNTING PRINCIPLE

Effective in the year ended April 30, 2015, the Village implemented GASB Statement No. 67, *Financial Reporting for Pension Plans*, which amends or supersedes the accounting and financial reporting guidance for certain pension plans. The objective is to improve financial reporting by state and local governmental pension plans by providing useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF LINDENHURST
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF FUNDING PROGRESS
APRIL 30, 2015

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2014	\$ 3,030,140	\$ 4,902,735	\$ 1,872,595	61.81%	\$ 1,497,804	125.02%
12/31/2013	2,705,896	4,443,831	1,737,935	60.89%	1,696,634	102.43%
12/31/2012	2,788,198	4,641,168	1,852,970	60.08%	1,641,216	112.90%

On a market value basis, the actuarial value of assets as of December 31, 2014 is \$3,892,856. On a market value basis, the funded ratio would be 79.40%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with the Village. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

VILLAGE OF LINDENHURST
POLICE PENSION PLAN
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET
PENSION LIABILITY AND RELATED RATIOS
APRIL 30, 2015

TOTAL PENSION LIABILITY	
Service Cost	\$ 303,356
Interest	484,185
Differences Between Expected and Actual Experience	(249,959)
Changes in Assumptions	406,698
Benefit Payments, Including Refunds of Member Contributions	<u>(60,135)</u>
Net Change in Total Pension Liability	\$ 884,145
Total Pension Liability - Beginning	<u>6,705,978</u>
Total Pension Liability - Ending	<u>\$ 7,590,123</u>
PLAN FIDUCIARY NET POSITION	
Contributions - Employer	\$ 279,776
Contributions - Member	130,286
Net Investment Income	313,096
Benefit Payments, Including Refunds of Member Contributions	(60,135)
Administrative Expenses	<u>(6,344)</u>
Net Change in Plan Fiduciary Net Position	\$ 656,679
Plan Net Position - Beginning	<u>6,126,383</u>
Plan Net Position - Ending	<u>\$ 6,783,062</u>
Net Pension Liability	<u>\$ 807,061</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	89.37%
Covered-Employee Payroll	\$ 1,216,773
Employer's Net Pension Liability as a percentage of Covered-Employee Payroll	66.33%
	<u>2015</u>
Annual Money-Weighted Rate of Return Net of Investment Expenses	5.04%

See Accompanying Independent Auditor's Report

VILLAGE OF LINDENHURST
POLICE PENSION PLAN
SCHEDULE OF EMPLOYER CONTRIBUTION
APRIL 30, 2015

	4/30/2015
Actuarially Determined Contribution	\$ 302,440
Contributions in relation to Actuarially Determined Contribution	279,776
Contribution deficiency/(excess)	\$ 22,664
Covered-Employee Payroll	\$ 1,216,773
Contributions as a percentage of Covered-Employee Payroll	22.99%

The information directly above is formatted to comply with the requirements of GASB Statement No. 67. Additional information as of the latest actuarial valuation is as follows: The actuarial cost method was entry age normal, the amortization method was level dollar to bring the Plan's funded ratio to 90% by the end of fiscal year 2041, and the amortization period was 26 years.

VILLAGE OF LINDENHURST
POLICE PENSION PLAN
SCHEDULE OF FUNDING PROGRESS
APRIL 30, 2015

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
4/30/2015	5/1/2014	\$ 6,164,340	\$ 6,705,978	\$ 541,638	91.92%	\$ 1,216,773	44.51%
4/30/2014	5/1/2013	5,525,825	5,981,747	455,922	92.38%	1,368,008	33.33%
4/30/2013	5/1/2012	4,953,487	5,263,168	309,681	94.12%	1,295,091	23.91%

See Accompanying Independent Auditor's Report

VILLAGE OF LINDENHURST
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED APRIL 30, 2015

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Local Taxes			
Property Tax	\$ 682,525	\$ 682,525	\$ 966,930
Intergovernmental			
State Sales Tax	810,000	810,000	824,148
State Income Tax	1,197,455	1,197,455	1,209,447
Other Local Sources			
Franchise Fees	665,000	665,000	570,206
Licenses and Permits	99,300	99,300	154,444
Fines and Forfeitures	155,000	155,000	135,631
Investment Income/(Loss)	65,000	65,000	98,904
Miscellaneous			
Other Miscellaneous	97,000	97,000	53,829
Total Revenues	<u>\$ 3,771,280</u>	<u>\$ 3,771,280</u>	<u>\$ 4,013,539</u>
EXPENDITURES			
Current			
Administration			
Personnel Salaries	\$ 238,954	\$ 238,954	\$ 248,950
Payroll Taxes	10,000	10,000	9,673
Retirement and Benefits	23,048	23,048	27,206
Contract Services	63,000	59,830	56,752
Professional Fees	56,700	56,700	63,137
Insurance	115,205	115,205	107,763
Dues & Subscriptions	7,500	7,500	7,819
Supplies	9,800	9,800	8,956
Printing	10,900	10,900	9,488
Office Expense	9,570	9,570	5,129
Communications	8,000	8,000	8,102
Miscellaneous Expenses	42,888	42,888	64,806
	<u>\$ 595,565</u>	<u>\$ 592,395</u>	<u>\$ 617,781</u>
Public Works			
Personnel Salaries	\$ 267,785	\$ 267,785	\$ 288,523
Retirement and Benefits	61,898	61,898	64,645
Contract Services	39,500	39,500	47,407
Fuel	13,200	13,200	11,806
Seminars and Dues	2,760	2,760	738
Supplies	1,150	1,150	997
Rentals	5,400	5,400	-
Maintenance and Repairs	27,150	27,150	23,366
Road Maintenance	163,585	163,585	173,944
Communications	1,200	1,200	993
Miscellaneous Expenses	1,850	1,850	1,073
	<u>\$ 585,478</u>	<u>\$ 585,478</u>	<u>\$ 613,492</u>
Building and Grounds			
Contract Services	\$ 18,700	\$ 18,700	\$ 8,823
Supplies	1,000	1,000	684
Maintenance and Repairs	30,995	30,995	35,222
Miscellaneous Expenses	5,000	5,000	-
	<u>\$ 55,695</u>	<u>\$ 55,695</u>	<u>\$ 44,729</u>

See Accompanying Independent Auditor's Report

VILLAGE OF LINDENHURST
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED APRIL 30, 2015

	Budgeted Amounts		Actual Amounts
	Original	Final	
EXPENDITURES (Continued)			
Current (Continued)			
Engineering			
Personnel Salaries	\$ 27,960	\$ 27,960	\$ 41,688
Retirement and Benefits	4,800	4,800	4,312
Contract Services	58,150	58,150	80,407
Supplies	-	1,000	-
Miscellaneous Expenses	1,000	1,000	385
	<u>\$ 91,910</u>	<u>\$ 92,910</u>	<u>\$ 126,792</u>
Public Safety			
Personnel Salaries	\$ 1,722,130	\$ 1,722,130	\$ 1,636,946
Retirement and Benefits	280,309	280,309	543,495
Contract Services	37,960	37,960	36,145
Professional Fees	53,000	53,000	43,800
Communications	13,765	13,765	14,882
Supplies	11,950	11,950	7,771
Conferences and Dues	18,080	18,080	14,113
Maintenance and Repairs	33,475	33,475	32,038
Printing	4,925	4,925	4,708
Office Expense	5,750	5,750	5,690
Fuel	44,000	44,000	33,520
Miscellaneous Expenses	7,950	7,950	7,148
	<u>\$ 2,233,294</u>	<u>\$ 2,233,294</u>	<u>\$ 2,380,256</u>
Capital Outlay			
Public Works	\$ 8,960	\$ 8,960	\$ 7,916
Public Safety	12,100	12,100	7,873
	<u>\$ 21,060</u>	<u>\$ 21,060</u>	<u>\$ 15,789</u>
Total Expenditures	<u>\$ 3,583,002</u>	<u>\$ 3,580,832</u>	<u>\$ 3,798,839</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 188,278</u>	<u>\$ 190,448</u>	<u>\$ 214,700</u>
OTHER FINANCING SOURCES/(USES)			
Proceeds from the Sale of Fixed Assets	\$ -	\$ -	\$ 24,415
Transfers	(107,650)	(107,650)	(248,579)
	<u>\$ (107,650)</u>	<u>\$ (107,650)</u>	<u>\$ (224,164)</u>
NET CHANGE IN FUND BALANCE	\$ 80,628	\$ 82,798	\$ (9,464)
FUND BALANCE - MAY 1, 2014	<u>3,132,202</u>	<u>3,132,202</u>	<u>3,132,202</u>
FUND BALANCE - APRIL 30, 2015	<u><u>\$ 3,212,830</u></u>	<u><u>\$ 3,215,000</u></u>	<u><u>\$ 3,122,738</u></u>

See Accompanying Independent Auditor's Report

VILLAGE OF LINDENHURST
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 SPECIAL REVENUE FUND - MOTOR FUEL TAX FUND
 YEAR ENDED APRIL 30, 2015

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts
REVENUES		
Intergovernmental		
State Motor Fuel Tax	\$ 343,472	\$ 486,734
State Grants	14,000	14,247
Other Local Sources		
Investment Income/(Loss)	10,000	(30)
Total Revenues	\$ 367,472	\$ 500,951
EXPENDITURES		
Current		
Public Works		
Road Maintenance	\$ 124,800	\$ 119,265
Total Expenditures	\$ 124,800	\$ 119,265
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 242,672	\$ 381,686
OTHER FINANCING SOURCES/(USES)	-	-
NET CHANGE IN FUND BALANCE	\$ 242,672	\$ 381,686
FUND BALANCE - MAY 1, 2014	385,499	385,499
FUND BALANCE - APRIL 30, 2015	\$ 628,171	\$ 767,185

See Accompanying Independent Auditor's Report

VILLAGE OF LINDENHURST
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - RETIREMENT FUND
YEAR ENDED APRIL 30, 2015

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts
REVENUES		
Local Taxes		
Property Tax	\$ 171,192	\$ 168,499
Intergovernmental		
State Replacement Tax	6,000	5,434
Total Revenues	\$ 177,192	\$ 173,933
EXPENDITURES		
Current		
Administration		
FICA	\$ 73,087	\$ 67,969
IMRF	97,767	95,351
	\$ 170,854	\$ 163,320
Total Expenditures	\$ 170,854	\$ 163,320
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 6,338	\$ 10,613
OTHER FINANCING SOURCES/(USES)	-	-
NET CHANGE IN FUND BALANCE	\$ 6,338	\$ 10,613
FUND BALANCE - MAY 1, 2014	253,364	253,364
FUND BALANCE - APRIL 30, 2015	\$ 259,702	\$ 263,977

See Accompanying Independent Auditor's Report

VILLAGE OF LINDENHURST
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 APRIL 30, 2015

NOTE 1 - BUDGET

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual budgets are adopted for all funds except agency funds. All annual budgets lapse at fiscal year-end.

Budgeted expenditures are controlled at the departmental level with the Village Administrator's oversight. All transfers and any revision that changes the total expenditures not contemplated of any fund must be approved by the Board of Trustees. All budget amendments must be approved by the Board of Trustees.

The budget was approved on April 14, 2014 and was amended June 9, 2014, August 11, 2014, October 13, 2014, and November 10, 2014.

NOTE 2 - EXCESS OF EXPENDITURES OVER BUDGET

For the year ended April 30, 2015, the following funds presented as Required Supplementary Information had expenditures that exceeded the budget.

Fund	Budget	Actual	Excess of Actual Over Budget
General Fund	\$ 3,580,832	\$ 3,798,839	\$ 218,007

The excess of actual expenditures over budget was covered by available fund balance.

SUPPLEMENTAL FINANCIAL INFORMATION

VILLAGE OF LINDENHURST
 COMBINING BALANCE SHEET
 OTHER GOVERNMENTAL FUNDS
 YEAR ENDED APRIL 30, 2015

SPECIAL REVENUE									
	Veterans Memorial	Police Currency Seizure	DUI	Police Benevolent	Controlled Substance	Prison Review Agency	Shop With a Cop	Grant	Total
ASSETS									
Cash and Investments	\$ 18,236	\$ 8,112	\$ 21,967	\$ 502	\$ 15,866	\$ 29,215	\$ 12,205	\$ 54,241	\$ 160,344
Total Assets	\$ 18,236	\$ 8,112	\$ 21,967	\$ 502	\$ 15,866	\$ 29,215	\$ 12,205	\$ 54,241	\$ 160,344
LIABILITIES									
Due to Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,672	\$ 27,672
Total Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,672	\$ 27,672
FUND BALANCES									
Restricted									
Veteran's Memorial	\$ 18,236	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,236
Police Currency Seizure	-	8,112	-	-	-	-	-	-	8,112
DUI Programs	-	-	21,667	-	-	-	-	-	21,667
Police Benevolent Fund	-	-	-	502	-	-	-	-	502
Controlled Substance Act	-	-	-	-	15,566	-	-	-	15,566
Prison Review Agency	-	-	-	-	-	28,415	-	-	28,415
Shop With a Cop Program	-	-	-	-	-	-	12,205	-	12,205
Grant Project	-	-	-	-	-	-	-	26,569	26,569
Assigned									
DUI Programs	-	-	300	-	-	-	-	-	300
Controlled Substance Act	-	-	-	-	300	-	-	-	300
Prison Review Agency	-	-	-	-	-	800	-	-	800
Total Fund Balances	\$ 18,236	\$ 8,112	\$ 21,967	\$ 502	\$ 15,866	\$ 29,215	\$ 12,205	\$ 26,569	\$ 132,672
Total Liabilities and Fund Balances	\$ 18,236	\$ 8,112	\$ 21,967	\$ 502	\$ 15,866	\$ 29,215	\$ 12,205	\$ 54,241	\$ 160,344

VILLAGE OF LINDENHURST
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 OTHER GOVERNMENTAL FUNDS
 YEAR ENDED APRIL 30, 2015

	SPECIAL REVENUE							Total	
	Veterans Memorial	Police Currency Seizure	DUI	Police Benevolent	Controlled Substance	Prison Review Agency	Shop With a Cop		Grant
REVENUES									
Intergovernmental									
State Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 162,682	\$ 162,682
Other Local Sources									
Fines and Forfeitures	-	-	11,575	-	-	8,997	-	-	20,572
Investment Income/(Loss)	-	-	100	-	-	300	-	11	411
Miscellaneous									
Donations	1,796	-	-	-	-	-	2,520	-	4,316
Other Miscellaneous	-	2,254	-	-	-	-	-	-	2,254
Total Revenues	\$ 1,796	\$ 2,254	\$ 11,675	\$ -	\$ -	\$ 9,297	\$ 2,520	\$ 162,693	\$ 190,235
EXPENDITURES									
Current									
Administration	\$ 662	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 662
Public Works	-	-	-	-	-	-	-	195,818	195,818
Public Safety	-	-	15,771	-	9,000	16,621	3,250	-	44,642
Total Expenditures	\$ 662	\$ -	\$ 15,771	\$ -	\$ 9,000	\$ 16,621	\$ 3,250	\$ 195,818	\$ 241,122
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 1,134	\$ 2,254	\$ (4,096)	\$ -	\$ (9,000)	\$ (7,324)	\$ (730)	\$ (33,125)	\$ (50,887)
OTHER FINANCING SOURCES/(USES)	-	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	\$ 1,134	\$ 2,254	\$ (4,096)	\$ -	\$ (9,000)	\$ (7,324)	\$ (730)	\$ (33,125)	\$ (50,887)
FUND BALANCES - MAY 1, 2014	17,102	5,858	26,063	502	24,866	36,539	12,935	59,694	183,559
FUND BALANCES - APRIL 30, 2015	\$ 18,236	\$ 8,112	\$ 21,967	\$ 502	\$ 15,866	\$ 29,215	\$ 12,205	\$ 26,569	\$ 132,672

See Accompanying Independent Auditor's Report