

VILLAGE OF LOMBARD, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL
REPORT



FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2018

VILLAGE OF LOMBARD, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

Prepared by Accounting and Financial Services Division
Finance Department

Timothy K. Sexton
Director of Finance

Jessica Nawracaj
Accounting Coordinator

VILLAGE OF LOMBARD, ILLINOIS

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INTRODUCTORY SECTION

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

VILLAGE OF LOMBARD, ILLINOIS

OFFICERS AND OFFICIALS
YEAR ENDED DECEMBER 31, 2018

LEGISLATIVE

Board of Trustees

Keith Giagnorio, Village President

Dan Whittington

Michael Fugiel

Reid Foltyniewicz

William Johnston

Robyn Pike

William Ware

Sharon Kuderna, Village Clerk

EXECUTIVE

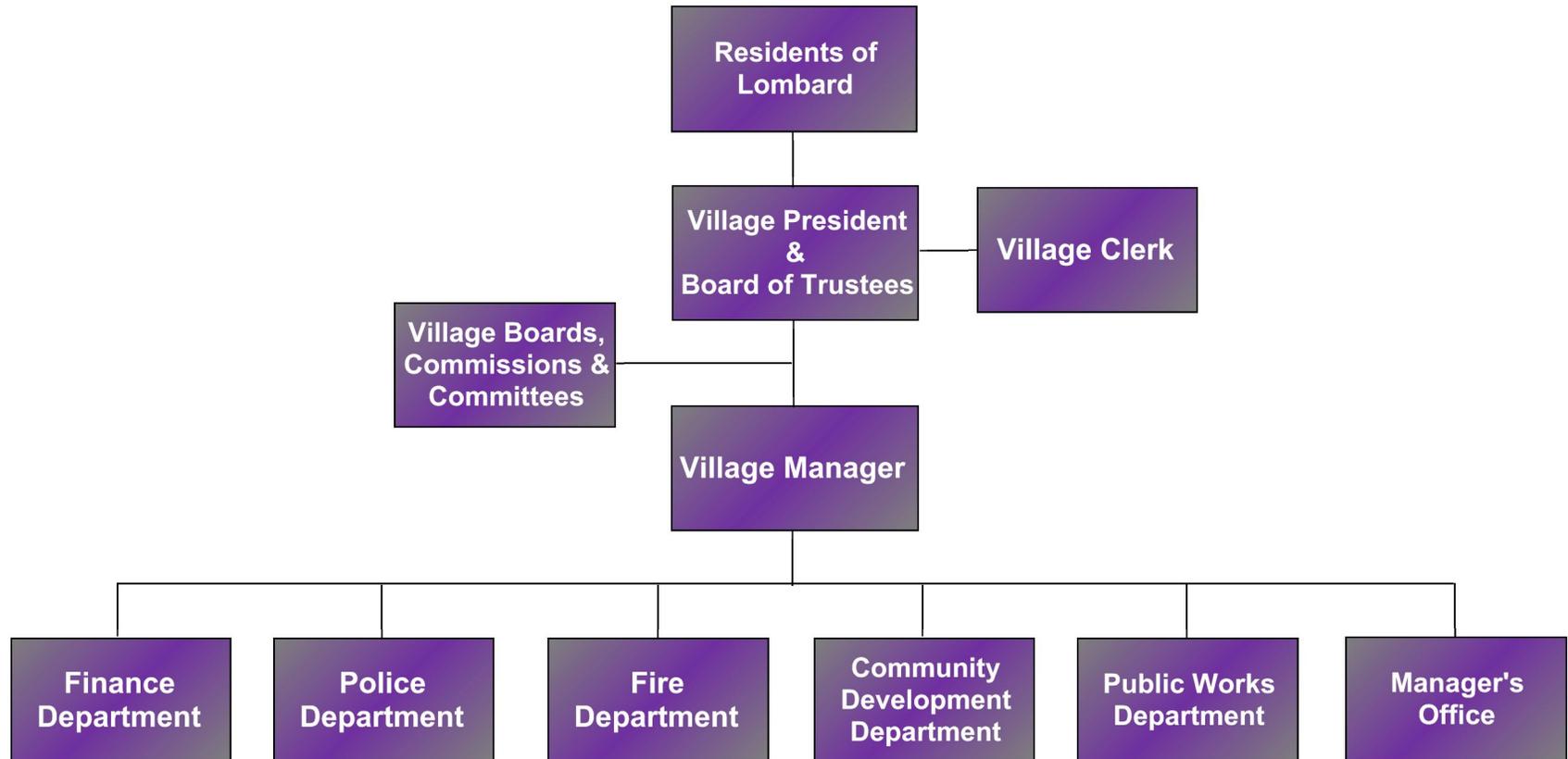
Scott Niehaus, Village Manager

FINANCE

Timothy Sexton, Director of Finance



VILLAGE OF LOMBARD





VILLAGE OF LOMBARD

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

Village President
Keith T. Giagnorio

Village Clerk
Sharon Kuderna

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

Village Manager
Scott R. Niehaus

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

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

May 14, 2019

To the Citizens of the Village of Lombard:

We submit to you the Comprehensive Annual Financial Report of the Village of Lombard, Illinois for the fiscal year ended December 31, 2018. The responsibility for the accuracy of the data and the completeness and fairness of the presentation, including disclosures, rests with the management of the Village of Lombard. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the Village of Lombard's financial statements in conformity with generally accepted accounting principal (GAAP). Because the cost of internal controls should not outweigh their benefits, the Village of Lombard's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Village of Lombard's financial statements have been audited in accordance with generally accepted auditing standards by Lauterbach & Amen, LLP, a firm of licensed certified public accountants. The independent auditor concluded, based upon the audit that there was a reasonable basis for rendering an unmodified opinion that the Village's financial statements for the fiscal year ended December 31, 2018, are fairly presented in conformity with GAAP. The report of the independent auditor is presented as the first component of the financial section of this report.

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

COMMUNITY PROFILE

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

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

Lombard covers an area of 10.93 square miles. The actual value of property in the Village increased by 4.77% in 2018. New construction in 2018 resulted in a 0.82% or \$12,682,460 increase in the Village's EAV. In addition, there were no annexations made during the year. Current projections anticipate an increase in EAV of 7.0% for 2019, based on the past three year increases as well as a significantly higher level of new construction. In 2019, the rate of new construction and annexations is projected to result in an increase of approximately 1.77% or \$30,000,000 in EAV for the 2019 tax year.

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

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

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

MAJOR INITIATIVES

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

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

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

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

I. Financial Stability:

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

II. Economic Development:

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

III. Communication and Community Image:

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

IV. Operational Sustainability:

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

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

What follows are several of the capital projects scheduled in fiscal year 2019. Funding information for each project is set forth in detail in the fiscal year 2019 Village Budget and the fiscal year 2019 to fiscal year 2028 Capital Improvement Plan.

Bikeway & Pedestrian Path Improvements

- Sustainable transportation program

Commuter Parking Facilities

- General maintenance of parking lots

Facility Maintenance and Improvements

- Police Department Garage Improvement
- Village Hall Window Replacement
- Well 7 Building Repairs
- Fire Station 44 Window Replacement
- Police Department Generator Replacement
- General Facility Maintenance

Parking Lot Improvements

- Village complex pavement maintenance

Professional Services

- Consulting engineering services

Right of Way Maintenance and Beautification

- Right-of-way beautification program
- Downtown TIF streetscape improvements program

Sewer System/Stormwater Improvements

- Pump station component maintenance & replacement
- Detention pond maintenance & improvements
- Manhole inspection & rehabilitation
- Large diameter combined sewer rehabilitation (108")
- Cambria lift station rehabilitation
- Terrace View pond-maintenance
- Woodrow Drainage Repairs
- Maintenance programs

Sidewalk Improvements

- Trip hazard replacement program
- Deteriorated sidewalk program
- ADA compliance – sidewalks at intersections

Street Construction and Improvements

- Maintenance programs
- Lombard Meadows 3: Magnolia Circle
- Main Street Resurfacing

Traffic Signal and Street Lighting Improvements

- Street light & traffic signal pole replacement
- Traffic signal modernization program replacement
- Oak Creek Drive Traffic Signal Replacement
- Pole/Arm/Light head replacement

Water System Improvements

- Watermain maintenance & improvements program
- High service pump rehabilitation
- Lead service line replacement program
- South Lombard Water Storage Facility
- Pipe gallery & concrete rehabilitation program
- Finley/Hickory Water Main Replacement

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

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy: The Village of Lombard continues to maintain a stable financial position, with overall revenues exceeding fiscal year 2018 estimates. Revenues were fairly strong during the fiscal year, mainly led by a significant increase in building permits. However, we continue to be cautious as the governor and state legislature continue to threaten cuts to local government revenue sharing. At this point, it is anticipated that there will be a cut to the income tax that is shared with local governments. However, it is uncertain to what level this revenue will be reduced.

Overall, the Village anticipates that operating revenues will decrease slightly or be flat during fiscal year 2019. The Village Board and staff have taken steps to monitor the situation and adjust as needed. In addition, the financial condition of the State of Illinois, and its potential impact on the revenues that are shared with municipalities, is of concern and will continue to be monitored. Despite the slow recovery in the economy over the previous several years, the Village continues to maintain a strong financial condition, mainly due to the Long-Term Financial Planning effort.

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

opportunity for management to advise the Village Board of negative financial trends before they adversely impact operations or the capital improvement program.

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

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

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

The Village purchases excess insurance coverage from private insurers while self-insuring a portion of its overall risk. From 2012-2014, the insurance market had been very competitive, resulting in lower premium costs for the Village. However, that trend ended with higher premium costs in 2015. We received a normal inflationary increase for 2016 through 2019. Currently we anticipate a 7% increase for 2020 due to worsening marketplace conditions related to high loss activity and a resurgence of mergers and acquisitions among insurers. In order to offset the higher premiums over time, the Village has increased its self-insured retention (SIR) - the amount of losses the Village pays out of pocket before excess coverage takes effect - for both property and casualty, and workers' compensation coverage. The Village's decision to self-insure more of its risk created a need to set aside adequate reserves to pay for losses incurred each year that will be paid out in future years. A bi-annual actuarial assessment is made of the Village's Liability Insurance Program and this data is used to ensure that the program will be able to meet the future demands placed on it.

The Liability Insurance Program remains in a strong financial position. In addition, the Village is in the process of establishing an aggressive and effective loss prevention program that will target areas where accidents or injuries have occurred with some frequency. Controlling losses and managing exposure to risk will remain a priority in the coming years.

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

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

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

Awards: The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Lombard for its comprehensive annual financial report for the fiscal year ended December 31, 2017. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The Village also received GFOA's Award for Distinguished Budget Presentation for its annual operating budget dated January 1, 2017. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document must be judged to be proficient in several categories including policy documentation, financial planning, and organization.

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

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

Sincerely,



Scott R. Niehaus
Village Manager



Timothy Sexton
Director of Finance



Government Finance Officers Association

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

Presented to

**Village of Lombard
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

This section includes:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Combining and Individual Fund Statements and Schedules

INDEPENDENT AUDITORS' REPORT

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



INDEPENDENT AUDITORS' REPORT

May 14, 2019

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Lombard, Illinois, as of and for the year ended December 31, 2018, 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 did not audit the financial statements of the Lombard Public Facilities Corporation. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Lombard Public Facilities Corporation, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Lombard, Illinois, as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Lombard, Illinois' basic financial statements. The introductory section, combining and individual fund financial statements and budgetary comparison schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and budgetary comparison schedules 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 and individual fund financial statements and budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Matters – Continued

Other Information – Continued

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 14, 2019, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provision of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF LOMBARD, ILLINOIS

Management's Discussion and Analysis December 31, 2018

Our discussion and analysis of the Village of Lombard's financial performance provides an overview of the Village's financial activities for the fiscal year ended December 31, 2018. Please read it in conjunction with the transmittal letter beginning on page 3 and the Village of Lombard's financial statements, which begin on page 28. A comparative analysis of government-wide data has been presented. Please note throughout the MD&A, amounts are rounded to nearest 100,000.

FINANCIAL HIGHLIGHTS

- The Village of Lombard's net position totals \$153.5 million. Net position for governmental activities account for \$59.6 million or 38.9% of the total and business-type activities account for \$93.9 million or 61.2%.
- During the year, expenses were \$72.3 million on a government-wide basis as compared to \$79.1 million in revenue. Governmental activities accounted for \$50.1 million or 69.3% of total expenses with business-type activities accounting for \$22.2 million or 30.7%.
- Before transfers, revenues for governmental activities exceeded expenses by \$3.4 million and business-type activities revenues exceeded expenses by \$3.5 million.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 28-31) provide information about the activities of the Village of Lombard as a whole and present a longer-term view of the Village of Lombard's finances. Fund financial statements begin on page 32. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Village of Lombard's operation in more detail than the government-wide statements by providing information about the Village of Lombard's most significant funds. The remaining statements provide financial information about activities for which the Village of Lombard acts solely as a trustee or agent for the benefit of those outside of the government.

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the Village of Lombard's finances, in a matter similar to a private-sector business. The government-wide financial statements can be found on pages 28-31 of this report.

VILLAGE OF LOMBARD, ILLINOIS

Management's Discussion and Analysis December 31, 2018

USING THIS ANNUAL REPORT – Continued

Government-Wide Financial Statements – Continued

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

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

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

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

The Lombard Public Facilities Corporation, an Illinois not-for-profit corporation, was created to, among other things, issue revenue bonds to finance the cost of acquiring, designing, constructing, equipping, operating and financing a Conference Center, Hotel, Restaurants and related improvements adjacent to the Yorktown Center regional shopping mall. Additional information on the Lombard Public Facilities Corporation can be found in Note 1 on page 43 of this report.

VILLAGE OF LOMBARD, ILLINOIS

Management's Discussion and Analysis December 31, 2018

USING THIS ANNUAL REPORT – Continued

Fund Financial Statements

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

Governmental Funds

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

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

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

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

The basic governmental fund financial statements can be found on pages 32-35 of this report.

Proprietary Funds

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

VILLAGE OF LOMBARD, ILLINOIS

Management's Discussion and Analysis December 31, 2018

USING THIS ANNUAL REPORT – Continued

Fund Financial Statements – Continued

Proprietary Funds – Continued

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

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

The basic proprietary fund financial statements can be found on pages 36-39 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village of Lombard's own programs. The accounting use for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 40-41 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 42-99 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village of Lombard's Illinois Municipal Retirement Fund (IMRF), police, and firefighters' employee pension obligations and the Village's other postemployment benefit obligation. Required supplementary information can be found on pages 100-112 of this report. Combining and individual fund statements and schedules can be found on pages 113-141 of this report.

VILLAGE OF LOMBARD, ILLINOIS

Management's Discussion and Analysis December 31, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

	Net Position (in Millions)					
	Governmental Activities		Business-Type Activities		Total	
	Dec-18	Dec-17	Dec-18	Dec-17	Dec-18	Dec-17
Current and Other Assets	\$ 55.1	50.8	38.6	35.9	93.7	86.7
Capital Assets	88.8	96.6	79.1	74.8	167.9	171.4
Total Assets	144.0	147.4	117.7	110.7	261.6	258.1
Deferred Outflows	21.2	7.4	1.3	0.7	22.5	8.0
Total Assets/Deferred Outflows	165.2	154.8	118.9	111.4	284.1	266.2
Long-Term Debt Outstanding	80.5	63.8	21.2	12.9	101.7	76.7
Other Liabilities	5.3	4.9	3.7	4.5	9.0	9.4
Total Liabilities	85.7	68.8	24.9	17.4	110.7	86.2
Deferred Inflows	19.8	26.3	0.1	2.1	19.9	28.4
Total Liabilities/Deferred Inflows	105.5	95.0	25.1	19.5	130.6	114.6
Net Position						
Net Investment in Capital Assets	88.2	95.4	60.0	61.5	148.1	156.9
Restricted	11.2	9.9	-	-	11.2	9.9
Unrestricted	(39.7)	(45.5)	33.9	30.3	(5.8)	(15.2)
Total Net Position	\$ 59.6	59.7	93.9	91.8	153.5	151.6

Current Year Impacts on Net Position. The Village's total net position increase from \$151.6 million to \$153.5 million was the result of the net position of business-type activities increasing by \$2.05 million. The governmental activities total net position had a minimal decrease of \$0.1 million. Assets/deferred outflows in governmental activities increased \$10.4 million while governmental activities total liabilities/deferred inflows increased by \$10.5 million. The increase in governmental activities assets/deferred outflows is due to police and fire assumption changes being deferred to subsequent years.

Total assets/deferred outflows of business-type activities increased \$7.5 million. The increase is primarily due to the large infrastructure projects in capital assets which include Roosevelt Road water main lining, transmission main, Route 53 pump station and Gatz Pond.

Of the Village of Lombard's total net position at December 31, 2018 of \$153.5 million, the unrestricted net position improved by \$9.4 million due primarily to the overall improved financial impact in the current year of the net pension liabilities to the Village's basic financial statements. The unrestricted business-type activities totaled \$33.9 million; the Village's investment in the Glenbard Wastewater Authority, a joint action agency with the Village of Glen Ellyn, Illinois to

VILLAGE OF LOMBARD, ILLINOIS

Management's Discussion and Analysis December 31, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Current Year Impacts on Net Position – continued. provide wastewater treatment to the two communities, represents \$24.3 million. Net investment in capital assets is \$148.1 million which includes land, buildings, machinery, equipment and infrastructure. The Village of Lombard uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village of Lombard's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The remaining \$11.2 million of the Village of Lombard's net position represents resources that are subject to external restrictions on how they may be used.

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

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

	Governmental Activities		Business-Type Activities		Total	
	Dec-18	Dec-17	Dec-18	Dec-17	Dec-18	Dec-17
	Revenues					
Program Revenues						
Charges for Services	\$ 6.7	7.3	17.7	16.7	24.4	24.0
Operating Grants/Contributions	0.6	0.2	0.0	0.3	0.6	0.6
Capital Grants/Contributions	3.4	3.2	1.9	0.3	5.4	3.5
General Revenues						
Taxes	41.7	38.3	5.2	7.8	46.9	46.1
Interest Income	0.7	0.3	0.2	0.1	0.6	0.4
Miscellaneous	0.4	0.6	0.6	1.5	1.0	2.1
Total Revenues	53.5	49.9	25.6	26.8	79.1	76.7
Expenses						
General Government	7.8	8.4	-	-	7.8	8.4
Public Safety	29.8	22.3	-	-	29.8	22.3
Physical Environment	1.7	1.7	-	-	1.7	1.7
Public Works	10.8	12.2	-	-	10.8	12.2
Interest on Long-Term Debt	0.0	0.1	-	-	0.0	0.1
Waterworks and Sewerage	-	-	22.0	18.9	22.0	18.9
Parking	-	-	0.2	0.2	0.2	0.2
Total Expenses	50.1	44.5	22.2	19.1	72.3	63.6
Increase (Decrease) in Net Position Before Transfers	3.4	5.4	3.5	7.7	6.8	13.1
Transfers	0.5	0.5	(0.5)	(0.5)	-	-
Change in Net Position	3.9	5.9	2.9	7.2	6.8	13.1
Net Position - Beginning as Restated*	55.7	68.3	90.9	84.6	146.6	152.9
Net Position - Ending	\$ 59.6	74.2	93.9	91.8	153.5	142.0

*Due to GASB 75 implementation, net position has been restated

VILLAGE OF LOMBARD, ILLINOIS

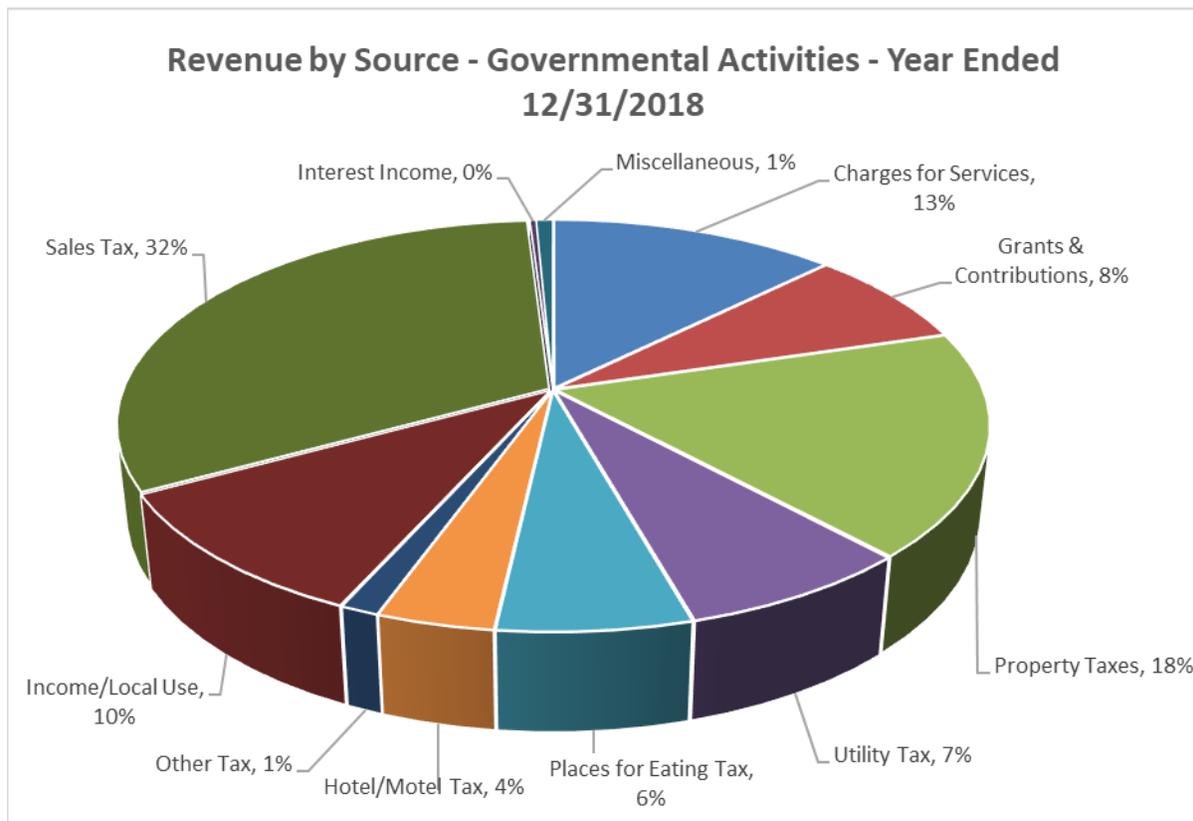
Management's Discussion and Analysis December 31, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Governmental Activities

As shown in the Changes in Net Position table on the previous page, revenues for governmental activities in the fiscal year ended December 31, 2018 totaled \$53.5 million or 67.6% of the total revenues received. In the fiscal year ended December 31, 2017, revenues for governmental activities totaled \$49.9 million or 65.1% of the total revenues received during that period. The majority of the \$3.6 million increase in 2018 from 2017 is due to the capital contribution recognized for the construction of the Great Western Trail Bridge in 2016.

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

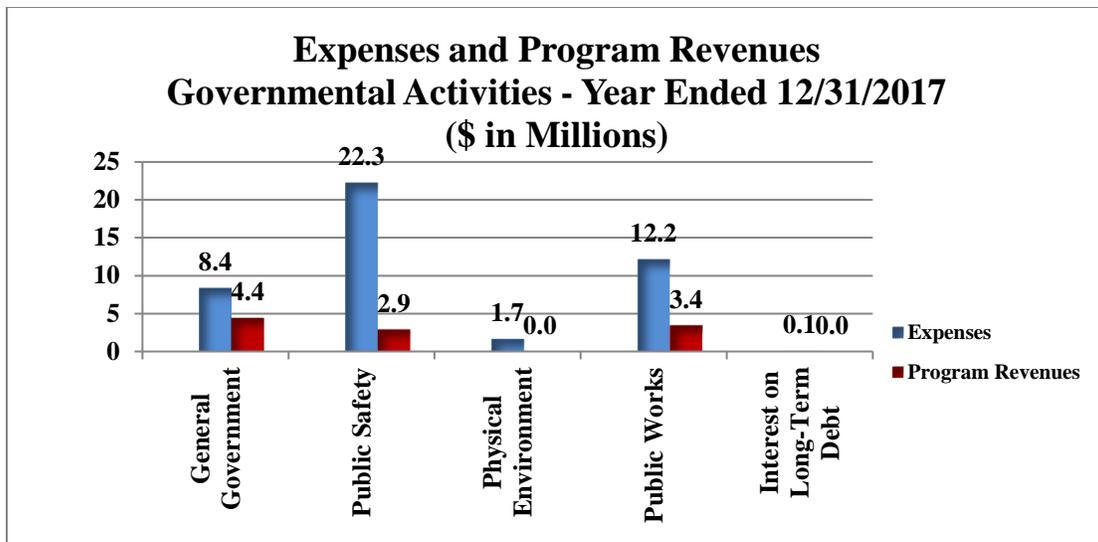
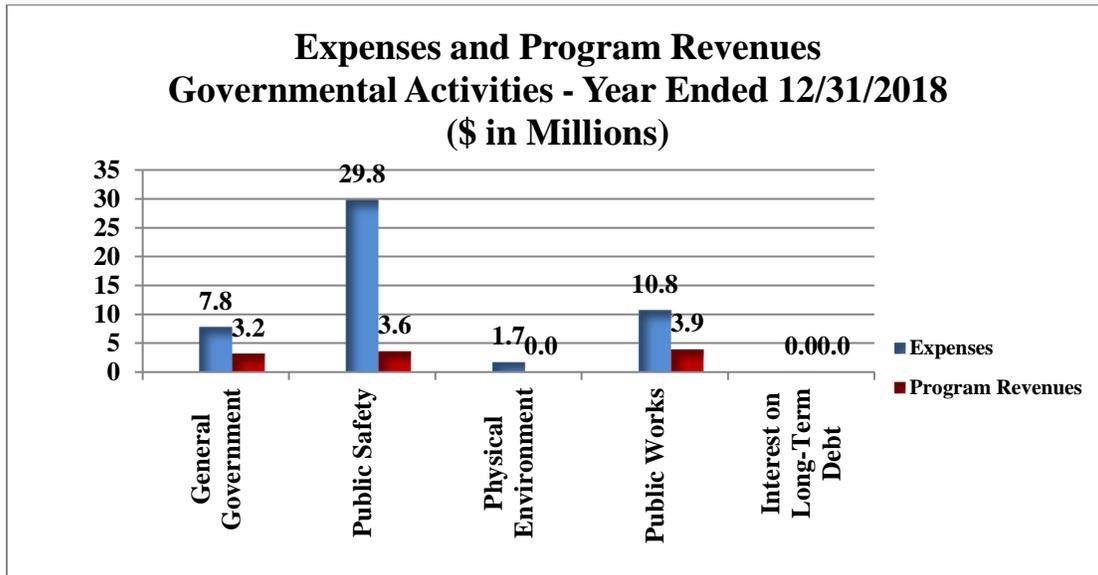


VILLAGE OF LOMBARD, ILLINOIS

Management’s Discussion and Analysis
December 31, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Governmental Activities – Continued



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

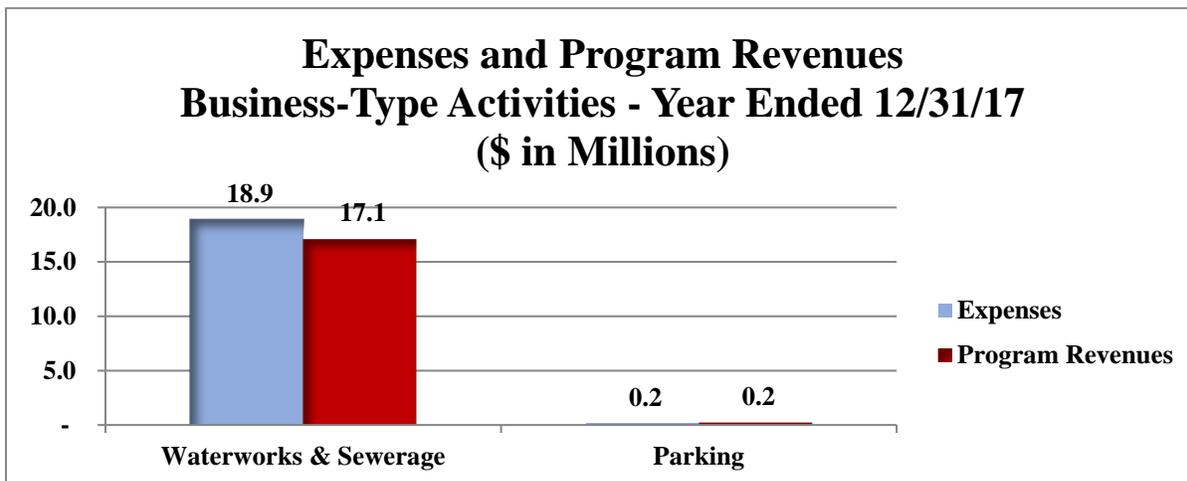
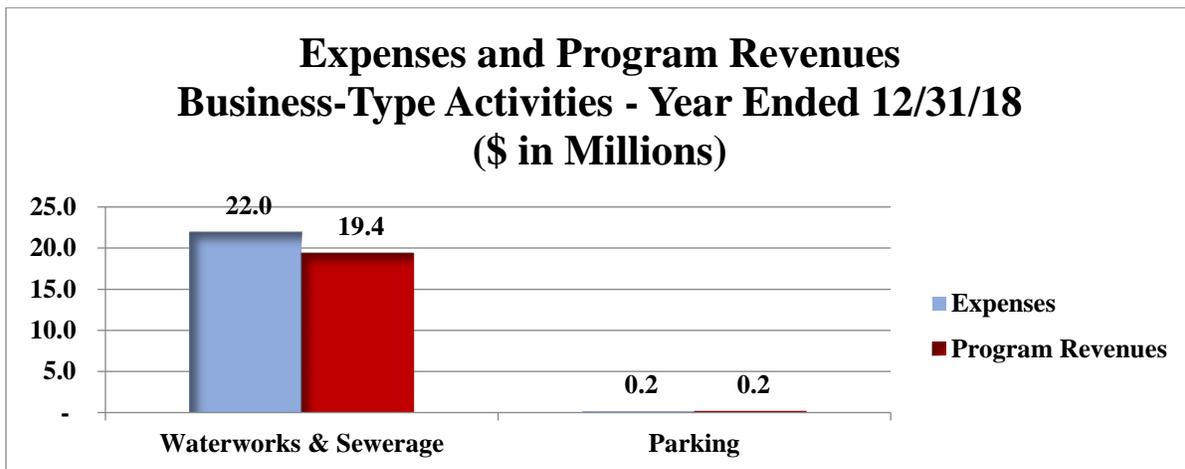
VILLAGE OF LOMBARD, ILLINOIS

**Management’s Discussion and Analysis
December 31, 2018**

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Business-Type Activities

Program revenues of the Village’s business-type activities in the fiscal year ended December 31, 2018 were \$19.6 million while expenses totaled \$22.2 million. Program revenues of the business-type activities in the fiscal year ended December 31, 2017 were \$17.3 million while expenses totaled \$19.1 million.



The above graphs compare program revenues to expenses for waterworks and sewerage operations, and parking operations for the fiscal year ended December 31, 2018 and the fiscal year ended December 31, 2017.

VILLAGE OF LOMBARD, ILLINOIS

Management's Discussion and Analysis December 31, 2018

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. As of the end of the current fiscal year, the major governmental funds reported combined ending fund balances of \$33.7 million. The following table provides information on the major funds: General, Capital Projects and Debt Service. Additional information is provided on pages 74-75 of this report.

Major Governmental Funds				
Fund Balance Analysis				
Major Governmental Funds	Current Year	Prior Year	Change	% Chg
Nonspendable Fund Balance:				
General Fund	\$ 1,851,003	1,745,588	105,415	6.0%
Restricted Fund Balance:				
General Fund	\$ 4,610,742	3,807,634	803,108	21.1%
Capital Projects Fund	5,820,177	5,771,804	48,373	0.8%
Debt Service Fund	750,809	348,999	401,810	115.1%
Committed Fund Balance:				
General Fund	\$ 7,853,817	8,432,807	(578,990)	-6.9%
Capital Projects Fund	2,641,651	1,119,423	1,522,228	NA
Assigned Fund Balance:				
Capital Projects Fund	\$ 2,553,979	1,058,027	1,495,952	141.4%
Unassigned Fund Balance:				
General Fund	\$ 7,589,075	8,550,874	(961,799)	-11.2%
Total	\$ 33,671,253	30,835,156	2,836,097	9.2%

- The Village maintains General Fund Balance restrictions for special revenues totaling \$4.6 million. The largest restriction maintained in the General Fund is for Liability Insurance and totaled \$1.9 million at year-end which increased \$402,915 compared to FYE 2017. The Village also maintains restrictions for Illinois Municipal Retirement Fund, Public Safety, Recycling and Hotel/Motel tax funds and other smaller accounts.
- The Village maintains a committed portion of General Fund balance for the future replacement of computer hardware and software and other technology in the Village.

VILLAGE OF LOMBARD, ILLINOIS

Management's Discussion and Analysis December 31, 2018

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS – Continued

Governmental Funds – Continued

- The Village Board approved a year-end General Fund Reserve Maintenance Policy in 2016. This policy created four new committed accounts (Emergency Reserve, Revenue Stabilization Reserve, Pension Reserve, and Building Reserve). Note the Building account is in the Capital Projects Fund.
- The Debt Service Fund is also reported as a major fund and is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest for the Village's governmental funds. For the fiscal year ended December 31, 2018, the Village reported an increase in the Debt Service fund balance of \$401,810, resulting in ending fund balance of \$750,809 which is restricted for future debt service costs. The increase in fund balance is due to an increase in the property tax levy revenue allocation.
- The Capital Projects Fund, also a major fund of the Village, is used to account for resources used for the acquisition of capital assets by the Village, except those financed by proprietary funds, including general and infrastructure capital assets. For the year ended December 31, 2018, the Capital Projects Fund reported an increase in fund balance of \$3.1 million due to a transfer of \$1.5 million to the building fund per the year-end General Fund Reserve Maintenance Policy.

Proprietary Funds

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

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

The Village intends to run the water and sewage fund and parking fund at breakeven rates. Periodically, there will be an annual surplus or draw down due to timing of capital projects. The change in net position in the Proprietary Funds during the current fiscal year was \$2.9 million. This money has been designated by the Village for future rate stabilization or capital improvements.

VILLAGE OF LOMBARD, ILLINOIS

Management's Discussion and Analysis December 31, 2018

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Village of Lombard's investment in capital assets for its governmental and business-type activities as of December 31, 2018, was \$167.9 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, land improvements, vehicles, machinery and equipment, roads, sidewalks, bridges and utility infrastructure. The total decrease in the Village of Lombard investment in capital assets for the current fiscal year was \$3.5 million over the prior fiscal year. The Village restructured the fixed asset process in 2018 and removed sidewalks, street lights and traffic signals that did not qualify as significant infrastructure per the fixed asset policy.

Capital Assets - Net of Depreciation (in Millions)

	Governmental		Business-Type		Total	
	Activities		Activities			
	Dec-18	Dec-17	Dec-18	Dec-17	Dec-18	Dec-17
Land	\$ 31.3	31.0	2.3	2.3	33.6	33.3
Construction in Progress	2.0	3.4	3.8	20.8	5.8	24.2
Land Improvements	1.1	1.3	0.9	1.0	2.0	2.3
Buildings	4.0	4.3	0.8	0.8	4.8	5.1
Vehicles and Equipment	4.4	4.7	(1.8)	-	2.5	4.7
Water and Sewerage Infrastructure	-	-	73.1	49.9	73.1	49.9
Other Infrastructure	46.2	51.9	-	-	46.2	51.9
Total	88.8	96.6	79.1	74.8	167.9	171.4

The December 31, 2018 fiscal capital budget included \$15.3 million for capital projects, maintenance of infrastructure, and debt payments on prior year projects. Many of the 2017 projects were capitalized in 2018, which is reflected in the significant decrease to construction in progress in business type activities. The major projects capitalized in 2018 were the Roosevelt Road water main lining and Transmission Main projects. Additional information on the Village of Lombard's capital assets can be found in Note 3 on pages 66-67 of this report.

Debt Administration

At December 31, 2018, the Village of Lombard had total outstanding debt of \$19.8 million, as compared to \$14.5 million the previous year, an increase of 36%. At the end of fiscal year December 31, 2018, the Village's governmental activities had \$652,800 in outstanding debt certificates as compared to \$1.2 million at the end of fiscal year December 31, 2017. The business-type activities outstanding debt certificates decreased from \$2.9 million at the end of fiscal year ended December 31, 2017 to \$1.5 million at the end of fiscal year ended December 31, 2018. The Village's \$10.4 million in IEPA Loans at December 31, 2017 increased to \$13.3 million at December 31, 2018.

VILLAGE OF LOMBARD, ILLINOIS

Management's Discussion and Analysis December 31, 2018

CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

Debt Administration – Continued

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

The Village's legal debt limit is \$132.9 million. The amount currently applicable to this limit is \$2.2 million, leaving a legal debt margin available of \$130.7 million. Specifics on the Village of Lombard long-term debt can be found in Note 3 on pages 68-73 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

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

The Village is subject to the property tax extension limitation law which limits the increase in the Village property tax extension to the increase in the consumer price index. For the 2017 levy collected in 2018, the applicable CPI factor is 2.1%. For both 2017 and 2018, the Village has also seen an increase in new construction within the Village.

The Village of Lombard continues to maintain a stable financial position and anticipates that revenues will decrease minimally or flat during fiscal year 2019. However, the Village continues to face substantial increases in liability and pension costs. In addition, eight former police officers and firefighters receive free health insurance from the Village under the Public Safety Employee Benefits Act (PSEBA), as mandated by the State of Illinois.

The indicators discussed above were taken into account when adopting the General Fund budget for 2019. Expenditures in the General Fund decreased 3.3% or \$1.5 million below the amended 2018 budget.

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

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

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

- Government-Wide Financial Statements
- Fund Financial Statements

Governmental Funds

Proprietary Funds

Fiduciary Funds

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

VILLAGE OF LOMBARD, ILLINOIS

**Statement of Net Position
December 31, 2018**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Totals	Lombard Public Facilities Corporation
ASSETS				
Current Assets				
Cash and Investments	\$ 38,373,199	10,098,859	48,472,058	10,578,113
Receivables - Net of Allowances	14,920,681	3,780,896	18,701,577	1,459,630
Prepaid/Deposits	1,851,003	357,248	2,208,251	541,653
Total Current Assets	55,144,883	14,237,003	69,381,886	12,579,396
Noncurrent Assets				
Capital Assets				
Nondepreciable Capital Assets	33,286,405	6,129,460	39,415,865	7,903,588
Depreciable Capital Assets	134,031,584	118,517,085	252,548,669	136,777,677
Accumulated Depreciation	(78,500,119)	(45,536,667)	(124,036,786)	(42,863,603)
	88,817,870	79,109,878	167,927,748	101,817,662
Equity Interest in Joint Venture	-	24,315,405	24,315,405	-
Total Noncurrent Assets	88,817,870	103,425,283	192,243,153	101,817,662
Total Assets	143,962,753	117,662,286	261,625,039	114,397,058
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Items - IMRF	5,352,782	1,236,340	6,589,122	-
Deferred Items - Police Pension	7,578,104	-	7,578,104	-
Deferred Items - Firefighters' Pension	8,058,349	-	8,058,349	-
Deferred Items - RBP	203,224	28,757	231,981	-
Total Deferred Outflows of Resources	21,192,459	1,265,097	22,457,556	-
Total Assets and Deferred Outflows of Resources	165,155,212	118,927,383	284,082,595	114,397,058

	Primary Government			Component
	Governmental Activities	Business- Type Activities	Totals	Lombard
				Public Facilities Corporation
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 3,014,974	1,493,935	4,508,909	11,747,677
Accrued Payroll	835,405	117,639	953,044	-
Deposits Payable	259,838	335,874	595,712	-
Claims Payable	117,947	-	117,947	-
Interest Payable	8,564	136,359	144,923	9,060,471
Current Portion of Long-Term Debt	1,024,237	1,625,597	2,649,834	181,447,401
Total Current Liabilities	<u>5,260,965</u>	<u>3,709,404</u>	<u>8,970,369</u>	<u>202,255,549</u>
Noncurrent Liabilities				
Compensated Absences Payable	1,839,247	200,656	2,039,903	-
Net Pension Liability - IMRF	11,236,941	2,595,413	13,832,354	-
Net Pension Liability - Police	36,900,286	-	36,900,286	-
Net Pension Liability - Fire	24,273,625	-	24,273,625	-
Total OPEB Liability - RBP	6,133,765	867,955	7,001,720	-
General Obligation Bonds Payable	-	3,900,000	3,900,000	-
Debt Certificates Payable	88,375	416,625	505,000	-
IEPA Loan Payable	-	13,251,781	13,251,781	-
Bonds Payable	-	-	-	35,827,237
Total Noncurrent Liabilities	<u>80,472,239</u>	<u>21,232,430</u>	<u>101,704,669</u>	<u>35,827,237</u>
Total Liabilities	<u>85,733,204</u>	<u>24,941,834</u>	<u>110,675,038</u>	<u>238,082,786</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Items - IMRF	381,008	88,002	469,010	-
Deferred Items - Police Pension	5,847,209	-	5,847,209	-
Deferred Items - Firefighters' Pension	3,834,197	-	3,834,197	-
Deferred Items - RBP	246,276	34,849	281,125	-
Property Taxes	9,483,847	-	9,483,847	-
Total Deferred Inflows of Resources	<u>19,792,537</u>	<u>122,851</u>	<u>19,915,388</u>	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>105,525,741</u>	<u>25,064,685</u>	<u>130,590,426</u>	<u>238,082,786</u>
NET POSITION				
Net Investment in Capital Assets	88,165,070	59,966,039	148,131,109	(87,616,079)
Restricted - Liability Insurance	1,877,002	-	1,877,002	-
Restricted - IMRF/Social Security	1,085,692	-	1,085,692	-
Restricted - Special Service Area	10,599	-	10,599	-
Restricted - Hotel/Motel Taxes	1,008,975	-	1,008,975	-
Restricted - Grants/Donations	4,603	-	4,603	-
Restricted - Cable Equipment	74,196	-	74,196	-
Restricted - Recycling	103,955	-	103,955	-
Restricted - Public Safety	445,720	-	445,720	-
Restricted - Debt Service	742,245	-	742,245	-
Restricted - Capital Projects	5,820,177	-	5,820,177	-
Unrestricted (Deficit)	(39,708,763)	33,896,659	(5,812,104)	(36,069,649)
Total Net Position	<u>59,629,471</u>	<u>93,862,698</u>	<u>153,492,169</u>	<u>(123,685,728)</u>

VILLAGE OF LOMBARD, ILLINOIS

Statement of Activities

For the Fiscal Year Ended December 31, 2018

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/Contributions	Capital Grants/Contributions
Governmental Activities				
General Government	\$ 7,830,805	3,190,860	-	-
Public Safety	29,757,920	3,502,029	89,533	-
Physical Environment	1,742,984	-	-	-
Public Works	10,751,043	-	498,845	3,447,145
Interest on Long-Term Debt	27,270	-	-	-
Total Governmental Activities	50,110,022	6,692,889	588,378	3,447,145
Business-Type Activities				
Waterworks and Sewerage	21,957,393	17,453,749	37,294	1,911,707
Parking	216,010	220,241	-	-
Total Business-Type Activities	22,173,403	17,673,990	37,294	1,911,707
Total Primary Government	72,283,425	24,366,879	625,672	5,358,852
Component Unit - Lombard Public Facilities Corporation	48,448,270	30,720,081	-	-

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

Change in Net Position

Net Position - Beginning as Restated

Net Position - Ending

Net (Expenses)/Revenues			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Totals	Lombard Public Facilities Corporation
(4,639,945)	-	(4,639,945)	-
(26,166,358)	-	(26,166,358)	-
(1,742,984)	-	(1,742,984)	-
(6,805,053)	-	(6,805,053)	-
(27,270)	-	(27,270)	-
(39,381,610)	-	(39,381,610)	-
-	(2,554,643)	(2,554,643)	-
-	4,231	4,231	-
-	(2,550,412)	(2,550,412)	-
(39,381,610)	(2,550,412)	(41,932,022)	-
-	-	-	(17,728,189)
9,407,488	-	9,407,488	-
3,989,921	-	3,989,921	-
3,264,805	-	3,264,805	-
1,980,377	-	1,980,377	-
654,723	-	654,723	-
16,943,151	5,189,994	22,133,145	-
5,442,835	-	5,442,835	-
682,210	202,644	884,854	395
386,468	633,454	1,019,922	1,051,623
530,750	(530,750)	-	-
43,282,728	5,495,342	48,778,070	1,052,018
3,901,118	2,944,930	6,846,048	(16,676,171)
55,728,353	90,917,768	146,646,121	(107,009,557)
59,629,471	93,862,698	153,492,169	(123,685,728)

VILLAGE OF LOMBARD, ILLINOIS**Balance Sheet - Governmental Funds
December 31, 2018**

	General	Debt Service	Capital Projects	Totals
ASSETS				
Cash and Investments	\$ 18,467,470	746,663	11,429,123	30,643,256
Receivables - Net of Allowances				
Property Taxes	9,469,952	4,621	-	9,474,573
Other Taxes	3,631,252	-	861,870	4,493,122
Accounts	656,838	-	90,129	746,967
Accrued Interest	80,641	4,146	62,521	147,308
Prepays/Deposits	1,851,003	-	-	1,851,003
Total Assets	34,157,156	755,430	12,443,643	47,356,229
LIABILITIES				
Accounts Payable	1,577,410	-	1,426,934	3,004,344
Accrued Payroll	818,098	-	902	819,000
Deposits Payable	259,838	-	-	259,838
Claims Payable	117,947	-	-	117,947
Total Liabilities	2,773,293	-	1,427,836	4,201,129
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	9,479,226	4,621	-	9,483,847
Total Liabilities and Deferred Inflows of Resources	12,252,519	4,621	1,427,836	13,684,976
FUND BALANCE				
Nonspendable	1,851,003	-	-	1,851,003
Restricted	4,610,742	750,809	5,820,177	11,181,728
Committed	7,853,817	-	2,641,651	10,495,468
Assigned	-	-	2,553,979	2,553,979
Unassigned	7,589,075	-	-	7,589,075
Total Fund Balances	21,904,637	750,809	11,015,807	33,671,253
Total Liabilities, Deferred Inflows of Resources and Fund Balances	34,157,156	755,430	12,443,643	47,356,229

VILLAGE OF LOMBARD, ILLINOIS

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

December 31, 2018

Total Governmental Fund Balances \$ 33,671,253

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

Capital assets used in governmental activities are not financial
resources and therefore, are not reported in the funds. 84,846,706

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

Deferred Items - IMRF	4,823,509
Deferred Items - Police Pension	1,730,895
Deferred Items - Firefighters' Pension	4,224,152
Deferred Items - RBP	(41,933)

Internal service funds are used by the Village to charge the costs of
vehicle and equipment management to individual funds.
The assets and liabilities of the internal service funds are included
in the governmental activities in the Statement of Net Position 11,315,901

Long-term liabilities are not due and payable in the current
period and therefore are not reported in the funds.

Compensated Absences Payable	(2,229,469)
Net Pension Liability - IMRF	(10,901,841)
Net Pension Liability - Police	(36,900,286)
Net Pension Liability - Firefighters' Pension	(24,273,625)
Total OPEB Liability - RBP	(5,974,427)
Debt Certificates Payable	(652,800)
Accrued Interest Payable	(8,564)

Net Position of Governmental Activities 59,629,471

VILLAGE OF LOMBARD, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended December 31, 2018

	General	Debt Service	Capital Projects	Totals
Revenues				
Taxes	\$ 18,365,016	732,742	199,556	19,297,314
Licenses and Permits	1,041,619	-	-	1,041,619
Intergovernmental	18,452,773	-	7,968,736	26,421,509
Charges for Services	4,456,110	-	-	4,456,110
Fines and Forfeits	1,195,160	-	-	1,195,160
Interest	282,063	12,493	207,626	502,182
Miscellaneous	189,487	-	196,981	386,468
Total Revenues	43,982,228	745,235	8,572,899	53,300,362
Expenditures				
Current				
General Government	8,013,157	-	-	8,013,157
Public Safety	29,754,052	-	-	29,754,052
Physical Environment	1,742,984	-	-	1,742,984
Public Works	4,177,623	-	-	4,177,623
Capital Outlay	-	-	6,687,886	6,687,886
Debt Service				
Principal Retirement	-	320,000	264,250	584,250
Interest and Fiscal Charges	-	23,425	11,638	35,063
Total Expenditures	43,687,816	343,425	6,963,774	50,995,015
Excess (Deficiency) of Revenues Over (Under) Expenditures	294,412	401,810	1,609,125	2,305,347
Other Financing Sources (Uses)				
Transfers In	622,720	-	1,549,398	2,172,118
Transfers (Out)	(1,549,398)	-	(91,970)	(1,641,368)
	(926,678)	-	1,457,428	530,750
Net Change in Fund Balances	(632,266)	401,810	3,066,553	2,836,097
Fund Balances - Beginning	22,536,903	348,999	7,949,254	30,835,156
Fund Balances - Ending	21,904,637	750,809	11,015,807	33,671,253

VILLAGE OF LOMBARD, ILLINOIS

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

For the Fiscal Year Ended December 31, 2018

Net Change in Fund Balances - Total Governmental Funds	\$ 2,836,097
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Amounts reported for governmental activities in the Statement of Activities
are different because:

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

Capital Outlays	200,549
Depreciation Expense	(2,954,426)

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

Change in Deferred Items - IMRF	8,404,861
Change in Deferred Items - Police Pension	5,182,292
Change in Deferred Items - Firefighters' Pension	7,238,846
Change in Deferred Items - RBP	(302,715)

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

(Increase) to Compensated Absences Payable	(17,591)
(Increase) to Net Pension Liability - IMRF	(8,109,913)
(Increase) to Net Pension Liability - Police Pension	(4,284,530)
(Increase) to Net Pension Liability - Firefighters' Pension	(5,550,110)
Decrease to Total OPEB Liability - RBP	369,039
Retirement of Debt	584,250

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

7,793

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

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

296,676

Changes in Net Position of Governmental Activities

3,901,118

VILLAGE OF LOMBARD, ILLINOIS

**Statement of Net Position - Proprietary Funds
December 31, 2018**

	Business-Type Activities - Enterprise			Governmental
	Waterworks and Sewerage	Nonmajor	Totals	Internal
		Parking System		Service Fleet Services
ASSETS				
Current Assets				
Cash and Investments	\$ 9,393,110	705,749	10,098,859	7,729,943
Receivables - Net of Allowances				
Accounts	2,853,310	-	2,853,310	3,820
Other Taxes	854,027	-	854,027	-
Accrued Interest	68,206	5,353	73,559	54,891
Prepays	357,248	-	357,248	-
Total Current Assets	<u>13,525,901</u>	<u>711,102</u>	<u>14,237,003</u>	<u>7,788,654</u>
Noncurrent Assets				
Capital Assets				
Nondepreciable Capital Assets	5,565,417	564,043	6,129,460	602,691
Depreciable Capital Assets	116,996,967	1,520,118	118,517,085	9,449,372
Accumulated Depreciation	(44,945,190)	(591,477)	(45,536,667)	(6,080,899)
	<u>77,617,194</u>	<u>1,492,684</u>	<u>79,109,878</u>	<u>3,971,164</u>
Equity Interest in Joint Venture	24,315,405	-	24,315,405	-
Total Noncurrent Assets	<u>101,932,599</u>	<u>1,492,684</u>	<u>103,425,283</u>	<u>3,971,164</u>
Total Assets	<u>115,458,500</u>	<u>2,203,786</u>	<u>117,662,286</u>	<u>11,759,818</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Items - IMRF	1,236,340	-	1,236,340	159,627
Deferred Items - RBP	28,757	-	28,757	5,279
Total Deferred Outflows of Resources	<u>1,265,097</u>	<u>-</u>	<u>1,265,097</u>	<u>164,906</u>
Total Assets and Deferred Outflows of Resources	<u>116,723,597</u>	<u>2,203,786</u>	<u>118,927,383</u>	<u>11,924,724</u>

	Business-Type Activities - Enterprise			Governmental
	Waterworks and Sewerage	Nonmajor	Totals	Internal
		Parking System		Service Fleet Services
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 1,486,545	7,390	1,493,935	10,630
Accrued Payroll	117,085	554	117,639	16,405
Deposits Payable	335,384	490	335,874	-
Interest Payable	136,359	-	136,359	-
Compensated Absences	49,582	582	50,164	13,918
Debt Certificates	1,081,575	-	1,081,575	-
IEPA Loan Payable	493,858	-	493,858	-
Total Current Liabilities	3,700,388	9,016	3,709,404	40,953
Noncurrent Liabilities				
Compensated Absences	198,329	2,327	200,656	55,672
Net Pension Liability - IMRF	2,595,413	-	2,595,413	335,100
Total OPEB Liability - RBP	867,955	-	867,955	159,338
General Obligation Bonds Payable	3,900,000	-	3,900,000	-
Debt Certificates Payable	416,625	-	416,625	-
IEPA Loan Payable	13,251,781	-	13,251,781	-
Total Noncurrent Liabilities	21,230,103	2,327	21,232,430	550,110
Total Liabilities	24,930,491	11,343	24,941,834	591,063
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Items - IMRF	88,002	-	88,002	11,362
Deferred Items - RBP	34,849	-	34,849	6,398
Total Deferred Inflows of Resources	122,851	-	122,851	17,760
Total Liabilities and Deferred Inflows of Resources	25,053,342	11,343	25,064,685	608,823
NET POSITION				
Net Investment in Capital Assets	58,473,355	1,492,684	59,966,039	3,971,164
Unrestricted	33,196,900	699,759	33,896,659	7,344,737
Total Net Position	91,670,255	2,192,443	93,862,698	11,315,901

VILLAGE OF LOMBARD, ILLINOIS

**Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds
For the Fiscal Year Ended December 31, 2018**

	Business-Type Activities - Enterprise			Governmental Activities
	Waterworks and Sewerage	Nonmajor	Totals	Internal Service Fleet Services
		Parking System		
Operating Revenues				
Charges for Services	\$ 17,453,749	220,241	17,673,990	2,240,182
Operating Expenses				
Administration	187,799	-	187,799	-
Operations	14,661,758	144,576	14,806,334	1,708,611
Sewerage Treatment	4,478,768	-	4,478,768	-
Depreciation	2,629,068	71,434	2,700,502	629,604
Total Operating Expenses	21,957,393	216,010	22,173,403	2,338,215
Operating Income (Loss)	(4,503,644)	4,231	(4,499,413)	(98,033)
Nonoperating Revenues				
Sales Tax	5,189,994	-	5,189,994	-
Interest Income	184,846	17,798	202,644	180,028
Connection Fees	88,510	-	88,510	-
Revenues from Joint Venture - GWA	544,944	-	544,944	-
Grant	37,294	-	37,294	-
Other Income	-	-	-	67,097
Disposal of Capital Assets	-	-	-	147,584
	6,045,588	17,798	6,063,386	394,709
Income Before Contributions and Transfers	1,541,944	22,029	1,563,973	296,676
Capital Contributions	1,911,707	-	1,911,707	-
Transfers Out	(527,030)	(3,720)	(530,750)	-
	1,384,677	(3,720)	1,380,957	-
Change in Net Position	2,926,621	18,309	2,944,930	296,676
Net Position - Beginning as Restated	88,743,634	2,174,134	90,917,768	11,019,225
Net Position - Ending	91,670,255	2,192,443	93,862,698	11,315,901

VILLAGE OF LOMBARD, ILLINOIS

**Statement of Cash Flows - Proprietary Funds
For the Fiscal Year Ended December 31, 2018**

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Waterworks and Sewerage	Nonmajor	Totals	Internal Service
		Parking System		Fleet Services
Cash Flows from Operating Activities				
Interfund Services Provided	\$ -	-	-	2,277,465
Receipts from Customers and Users	17,633,090	217,300	17,850,390	-
Payments to Employees	(2,353,994)	(29,051)	(2,383,045)	(307,164)
Payments to Suppliers	(18,801,459)	(113,782)	(18,915,241)	(1,067,658)
	<u>(3,522,363)</u>	<u>74,467</u>	<u>(3,447,896)</u>	<u>902,643</u>
Cash Flows from Noncapital Financing Activities				
Transfers Out	(527,030)	(3,720)	(530,750)	-
Sales Tax	5,189,994	-	5,189,994	-
Connection Fees	88,510	-	88,510	-
	<u>4,751,474</u>	<u>(3,720)</u>	<u>4,747,754</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities				
Purchase of Capital Assets	(5,097,991)	-	(5,097,991)	(540,878)
Principal Payments	(1,783,167)	-	(1,783,167)	-
Debt Issuance	7,614,981	-	7,614,981	-
Disposal of Capital Assets	-	-	-	173,899
	<u>733,823</u>	<u>-</u>	<u>733,823</u>	<u>(366,979)</u>
Cash Flows from Investing Activities				
Interest Received	184,846	17,798	202,644	180,028
Net Change in Cash and Cash Equivalents	2,147,780	88,545	2,236,325	715,692
Cash and Cash Equivalents - Beginning of Year	7,245,330	617,204	7,862,534	7,014,251
Cash and Cash Equivalents - End of Year	<u>9,393,110</u>	<u>705,749</u>	<u>10,098,859</u>	<u>7,729,943</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	(4,503,644)	4,231	(4,499,413)	(98,033)
Adjustments to Reconcile Operating Income to Net Income to Net Cash				
Provided by (Used in) Operating Activities:				
Depreciation Expense	2,629,068	71,434	2,700,502	629,604
Other Income (Loss)	37,294	-	37,294	67,097
Other Expense - IMRF/OPEB	(1,189,590)	-	(1,189,590)	347,292
(Increase) Decrease in Current Assets	142,047	(2,941)	139,106	(29,814)
Increase (Decrease) in Current Liabilities	(637,538)	1,743	(635,795)	(13,503)
Net Cash Provided by Operating Activities	<u>(3,522,363)</u>	<u>74,467</u>	<u>(3,447,896)</u>	<u>902,643</u>
Noncash Investing and Financing Activities				
Capital Contributions	1,911,707	-	1,911,707	-

VILLAGE OF LOMBARD, ILLINOIS

Statement of Fiduciary Net Position

December 31, 2018

	Pension Trust	Agency
ASSETS		
Cash and Cash Equivalents	\$ 1,192,470	812,318
Investments		
U.S. Treasuries	6,113,189	-
U.S. Agencies	35,346,421	-
Local Government Obligations	7,507,615	-
Corporate Bonds	11,290,842	-
Mutual Funds	55,396,078	-
Stock Equities	3,533,537	-
Illinois Funds	80,584	-
Illinois Metropolitan Investment Funds	2,402,089	-
Receivables		
Accrued Interest	503,488	85,447
Prepays	795	-
Total Assets	<u>123,367,108</u>	<u>897,765</u>
LIABILITIES		
Accounts Payable	57,998	-
Due to Bondholders	-	897,765
Total Liabilities	<u>57,998</u>	<u>897,765</u>
NET POSITION		
Net Position Restricted for Pensions	<u>123,309,110</u>	

VILLAGE OF LOMBARD, ILLINOIS

**Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended December 31, 2018**

	<u>Pension Trust</u>
Additions	
Contributions - Employer	\$ 6,475,444
Contributions - Plan Members	<u>1,287,251</u>
Total Contributions	<u>7,762,695</u>
Other Income	<u>203</u>
Investment Income	
Interest Earned	5,499,217
Net Change in Fair Value	<u>(10,036,011)</u>
	(4,536,794)
Less Investment Expenses	<u>(234,925)</u>
Net Investment Income	<u>(4,771,719)</u>
Total Additions	<u>2,991,179</u>
Deductions	
Administration	122,793
Benefits and Refunds	<u>8,262,421</u>
Total Deductions	<u>8,385,214</u>
Change in Fiduciary Net Position	(5,394,035)
Net Position Restricted for Pensions	
Beginning	<u>128,703,145</u>
Ending	<u><u>123,309,110</u></u>

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

REPORTING ENTITY

The Village’s financial reporting entity comprises the following:

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

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

Police Pension Employees Retirement System

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

REPORTING ENTITY – Continued

Firefighters' Pension Employees Retirement System

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

Discretely Presented Component Unit

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

Lombard Public Facilities Corporation

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Government-Wide Statements

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

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

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

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

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

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements

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

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

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

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

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

Governmental Funds

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

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

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements

December 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Governmental Funds – Continued

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

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

Proprietary Funds

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

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

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements

December 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or 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.

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

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

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

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

Measurement Focus

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

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Measurement Focus – Continued

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

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

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

Basis of Accounting

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

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

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting – Continued

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

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

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

Cash and Investments

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

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements

December 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Internal service fund services provided and used are not eliminated in the process of consolidation. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Receivables

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

Prepays/Deposits

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

Capital Assets

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

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

VILLAGE OF LOMBARD, ILLINOIS

**Notes to the Financial Statements
December 31, 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Capital Assets – Continued

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

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

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

Deferred Outflows/Inflows of Resources

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

Compensated Absences

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

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Long-Term Obligations

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

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

Net Position

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

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

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

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

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

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

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

DEFICIT FUND EQUITY

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

NOTE 3 – DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

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

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

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

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

VILLAGE OF LOMBARD, ILLINOIS

**Notes to the Financial Statements
December 31, 2018**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

Deposits. At year-end, the carrying amount of the Village’s deposits for governmental and business-type activities totaled \$13,991,845 and the bank balances totaled \$13,878,493.

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

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
Illinois Funds	\$ 13,555,518	13,555,518	-	-	-
Illinois Metropolitan Investment Fund	19,123,941	19,123,941	-	-	-
Municipal Bonds	1,800,754	1,288,954	511,800	-	-
	<u>34,480,213</u>	<u>33,968,413</u>	<u>511,800</u>	<u>-</u>	<u>-</u>

The Village has the following recurring fair value measurements as of December 31, 2018:

Investments by Fair Value Level	Totals	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
Municipal Bonds	\$ 1,800,754	-	1,800,754	-

Investments Measured at the Net Asset Value (NAV)	
Illinois Funds	13,555,518
IMET	19,123,941
Total Investments at the (NAV)	<u>32,679,459</u>
Total Investments Measured at Fair Value	<u>34,480,213</u>

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

VILLAGE OF LOMBARD, ILLINOIS

**Notes to the Financial Statements
December 31, 2018**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

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

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

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

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

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

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

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

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

Deposits. At year-end, the carrying amount of the Fund's deposits totaled \$221,676 and the bank balances totaled \$226,542.

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

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Treasuries	\$ 4,559,349	879,216	3,270,539	409,594	-
U.S. Agencies	24,226,008	745,866	8,714,980	14,765,162	-
Local Government Obligations	4,838,714	592,412	2,555,423	1,428,592	262,287
Illinois Funds	77,374	77,374	-	-	-
Illinois Metropolitan Investment Fund	1,253,645	1,253,645	-	-	-
	<u>34,955,090</u>	<u>3,548,513</u>	<u>14,540,942</u>	<u>16,603,348</u>	<u>262,287</u>

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

The Fund has the following recurring fair value measurements as of December 31, 2018:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level	Totals			
Debt Securities				
U.S. Treasuries	\$ 4,559,349	4,559,349	-	-
U.S. Agencies	24,226,008	-	24,226,008	-
Local Government Obligations	4,838,714	-	4,838,714	-
Equity Securities				
Mutual Funds	29,237,686	29,237,686	-	-
Total Investments by Fair Value Level	62,861,757	33,797,035	29,064,722	-
Investments Measured at the Net Asset Value (NAV)				
Illinois Funds	77,374			
IMET	1,253,645			
Total Investments at the (NAV)	1,331,019			
Total Investments Measured at Fair Value	64,192,776			

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

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

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

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

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

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

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

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	50%	1.3%
Equity	50%	6.3% - 8.4%
Cash and Cash Equivalents	0%	0.0%

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements

December 31, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

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

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

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

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

At year-end, the Fund is in compliance with the guideline outlined above. In addition to the securities and fair values previously listed, the Fund also has \$29,237,686 invested in mutual funds. At year-end, the Pension Plan does not have any investments over 5 percent of net plan position available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in January 2019 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2018 are listed in the table above.

Rate of Return

For the year ended December 31, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 4.10%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

Deposits. At year-end, the carrying amount of the Fund's deposits totaled \$970,794 and the bank balances totaled \$971,589.

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

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Treasuries	\$ 1,553,840	151,740	1,402,100	-	-
U.S. Agencies	11,120,413	659,412	6,835,923	3,625,078	-
Local Government Obligations	2,668,901	100,000	1,675,740	687,265	205,896
Corporate Bonds	11,290,842	603,108	9,458,109	1,229,625	-
Illinois Funds	3,210	3,210	-	-	-
Illinois Metropolitan Investment Fund	1,148,444	1,148,444	-	-	-
	<u>27,785,650</u>	<u>2,665,914</u>	<u>19,371,872</u>	<u>5,541,968</u>	<u>205,896</u>

VILLAGE OF LOMBARD, ILLINOIS

**Notes to the Financial Statements
December 31, 2018**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

The Fund has the following recurring fair value measurements as of December 31, 2018:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level	Totals			
Debt Securities				
U.S. Treasuries	\$ 1,553,840	1,553,840	-	-
U.S. Agencies	11,120,413	-	11,120,413	-
Local Government Obligations	2,668,901	-	2,668,901	-
Corporate Bonds	11,290,842	-	11,290,842	-
Equity Securities				
Mutual Funds	26,158,392	26,158,392	-	-
Stock	3,533,537	3,533,537	-	-
Total Investments by Fair Value Level	56,325,925	31,245,769	25,080,156	-
Investments Measured at the Net Asset Value (NAV)				
Illinois Funds	3,210			
IMET	1,148,444			
Total Investments at the (NAV)	1,151,654			
Total Investments Measured at Fair Value	57,477,579			

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

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements

December 31, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

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

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

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

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

A Federal Reserve Bank or branch office

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

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

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

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

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

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in January 2019 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2018 are listed in the table above.

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

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

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

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

At year-end, the Fund is in compliance with the guideline outlined above. In addition to the securities and fair values previously listed, the Fund also has \$26,158,392 invested in mutual funds and \$3,533,537 invested in stock equities. At year-end, the Pension Plan does not have any investments over 5 percent of net plan position available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

Rate of Return

For the year ended December 31, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 3.45%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

PROPERTY TAXES

Property taxes for 2017 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by DuPage County and are payable in two installments, on or about June 1 and September 1. The County collects such taxes and remits them periodically.

VILLAGE OF LOMBARD, ILLINOIS

**Notes to the Financial Statements
December 31, 2018**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances as Restated	Increases	Decreases	Ending Balances
Capital Assets - Not Being Depreciated				
Land	\$ 31,310,306	-	-	31,310,306
Construction in Progress	3,406,572	271,227	1,701,700	1,976,099
	<u>34,716,878</u>	<u>271,227</u>	<u>1,701,700</u>	<u>33,286,405</u>
Other Capital Assets				
Land Improvements	1,476,703	-	-	1,476,703
Buildings	8,805,086	-	-	8,805,086
Vehicles and Equipment	12,048,200	540,878	447,614	12,141,464
Other Infrastructure	109,977,309	1,631,022	-	111,608,331
	<u>132,307,298</u>	<u>2,171,900</u>	<u>447,614</u>	<u>134,031,584</u>
Less Accumulated Depreciation				
Land Improvements	417,962	-	-	417,962
Buildings	4,540,964	294,181	-	4,835,145
Vehicles and Equipment	7,395,747	816,247	421,299	7,790,695
Other Infrastructure	62,982,715	2,473,602	-	65,456,317
	<u>75,337,388</u>	<u>3,584,030</u>	<u>421,299</u>	<u>78,500,119</u>
Total Other Capital Assets	<u>56,969,910</u>	<u>(1,412,130)</u>	<u>26,315</u>	<u>55,531,465</u>
Total Capital Assets	<u>91,686,788</u>	<u>(1,140,903)</u>	<u>1,728,015</u>	<u>88,817,870</u>
			Governmental Funds	84,846,706
			Internal Service Funds	<u>3,971,164</u>
				<u>88,817,870</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 277,977
Public Safety	2,590,366
Public Works	<u>86,083</u>
	2,954,426
Internal Services	<u>629,604</u>
	<u>3,584,030</u>

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

VILLAGE OF LOMBARD, ILLINOIS

**Notes to the Financial Statements
December 31, 2018**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS – Continued

Business-Type Activities

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

	Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets - Not Being Depreciated				
Land	\$ 2,281,009	-	-	2,281,009
Construction in Progress	20,751,925	3,803,393	20,706,867	3,848,451
	<u>23,032,934</u>	<u>3,803,393</u>	<u>20,706,867</u>	<u>6,129,460</u>
Other Capital Assets				
Land Improvements	1,520,118	-	-	1,520,118
Buildings	2,506,025	-	-	2,506,025
Vehicles and Equipment	293,739	-	105,700	188,039
Water and Sewerage Infrastructure	90,389,731	23,913,172	-	114,302,903
	<u>94,709,613</u>	<u>23,913,172</u>	<u>105,700</u>	<u>118,517,085</u>
Less Accumulated Depreciation				
Land Improvements	520,043	71,434	-	591,477
Buildings	1,666,944	45,438	-	1,712,382
Vehicles and Equipment	293,739	1,842,019	105,700	2,030,058
Water and Sewerage Infrastructure	40,461,139	741,611	-	41,202,750
	<u>42,941,865</u>	<u>2,700,502</u>	<u>105,700</u>	<u>45,536,667</u>
Total Other Capital Assets	<u>51,767,748</u>	<u>21,212,670</u>	<u>-</u>	<u>72,980,418</u>
Total Capital Assets	<u>74,800,682</u>	<u>25,016,063</u>	<u>20,706,867</u>	<u>79,109,878</u>

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

Waterworks and Sewerage	\$ 2,629,068
Parking	<u>71,434</u>
	<u><u>2,700,502</u></u>

VILLAGE OF LOMBARD, ILLINOIS

**Notes to the Financial Statements
December 31, 2018**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND TRANSFERS

Interfund transfers for the year consisted of the following:

	Transfers In		
	General	Capital Projects	Totals
Transfers Out			
General	\$ -	1,549,398	1,549,398
Waterworks and Sewerage	527,030	-	527,030
Capital Projects	91,970	-	91,970
Nonmajor Business-Type	3,720	-	3,720
	<u>622,720</u>	<u>1,549,398</u>	<u>2,172,118</u>

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

LONG-TERM DEBT

Alternate Revenue Source Bonds

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

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

VILLAGE OF LOMBARD, ILLINOIS

**Notes to the Financial Statements
December 31, 2018**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Limited Tax Debt Certificates Payable

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

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Limited Tax Debt Certificates of 2008, due in annual installments of \$160,000 to \$360,000 through January 1, 2018, plus interest at 3.75% to 4.00%.	Waterworks and Sewerage	\$ 175,000	-	175,000	-
General Obligation Limited Tax Debt Certificates of 2009, due in annual installments of \$115,000 to \$170,000 through July 1, 2019, plus interest at 3.00% to 4.00%.	Debt Service	655,000	-	320,000	335,000
General Obligation Limited Tax Debt Certificates of 2013, due in annual installments of \$505,000 to \$848,000 through April 2, 2020, plus interest at 1.48% to 2.47%.	Waterworks and Sewerage Cap.Projects/ Debt Service	2,743,950	-	1,245,750	1,498,200
		582,050	-	264,250	317,800
		<u>4,156,000</u>	<u>-</u>	<u>2,005,000</u>	<u>2,151,000</u>

VILLAGE OF LOMBARD, ILLINOIS

**Notes to the Financial Statements
December 31, 2018**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

IEPA Loans Payable

The Village has entered into a loan agreement with the IEPA to provide low interest financing for waterworks and sewerage improvements. Final repayment schedule for the IEPA Loan Payable of 2016 and the IEPA Loan Payable of 2017 are not available at the time of the issuance of this report. IEPA loans currently outstanding are as follows:

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
Illinois Environmental Protection Agency (IEPA) Loan Payable of 2016, due in semi-annual installments of \$22,059 to \$123,970 through December 29, 2036, plus interest at 1.86%.	Waterworks and Sewerage	\$ 10,393,075	1,111,022	362,417	11,141,680
Illinois Environmental Protection Agency (IEPA) Loan Payable of 2017, due in semi-annual installments through May 23, 2039, plus interest at 1.76%.	Waterworks and Sewerage	-	2,603,959	-	2,603,959
		<u>10,393,075</u>	<u>3,714,981</u>	<u>362,417</u>	<u>13,745,639</u>

VILLAGE OF LOMBARD, ILLINOIS

**Notes to the Financial Statements
December 31, 2018**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Long-Term Liability Activity

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

Type of Debt	Beginning Balances as Restated	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences					
General	\$ 2,211,878	35,182	17,591	2,229,469	445,894
Internal Service	67,495	4,190	2,095	69,590	13,918
Net Pension Liability - IMRF					
General	2,791,928	8,109,913	-	10,901,841	-
Internal Service	-	335,100	-	335,100	-
Net Pension Liability					
Police Pension	32,615,756	4,284,530	-	36,900,286	-
Firefighters' Pension	18,723,515	5,550,110	-	24,273,625	-
Total OPEB Liability - RBP					
General	6,343,466	-	369,039	5,974,427	-
Internal Service	-	159,338	-	159,338	-
Debt Certificates	1,237,050	-	584,250	652,800	564,425
	<u>63,991,088</u>	<u>18,478,363</u>	<u>972,975</u>	<u>81,496,476</u>	<u>1,024,237</u>
Business-Type Activities					
Compensated Absences	247,328	6,984	3,492	250,820	50,164
Net Pension Liability - IMRF	1,144,707	1,450,706	-	2,595,413	-
Total OPEB Liability - RBP	897,633	-	29,678	867,955	-
General Obligation Bonds	-	3,900,000	-	3,900,000	-
Debt Certificates Payable	2,918,950	-	1,420,750	1,498,200	1,081,575
IEPA Loan Payable	10,393,075	3,714,981	362,417	13,745,639	493,858
	<u>15,601,693</u>	<u>9,072,671</u>	<u>1,816,337</u>	<u>22,858,027</u>	<u>1,625,597</u>

VILLAGE OF LOMBARD, ILLINOIS

**Notes to the Financial Statements
December 31, 2018**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Long-Term Liability Activity – Continued

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

Debt Service Requirements to Maturity

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

Fiscal Year	Governmental Activities		Business-Type Activities			
	Debt Certificates		General Obligation Bonds		Debt Certificates	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 564,425	16,032	-	134,261	1,081,575	27,966
2020	88,375	1,091	-	185,900	416,625	5,145
2021	-	-	910,000	167,700	-	-
2022	-	-	950,000	125,750	-	-
2023	-	-	1,000,000	77,000	-	-
2024	-	-	1,040,000	26,000	-	-
Totals	652,800	17,123	3,900,000	716,611	1,498,200	33,111

Non-Commitment Debt

Special Assessment Debt

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Non-Commitment Debt – Continued

Industrial Development Revenue Bonds

The Village has issued Industrial Development Revenue Bonds (IDRB) to provide financial assistance to private organizations for the construction and acquisition of industrial and commercial facilities deemed to be in the public interest and to provide financing for low interest mortgages to qualified applicants. The bonds are secured solely by the property or mortgages financed and are payable solely from the payments received on the underlying mortgage loans on the property. The Village is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds outstanding are not recorded as a liability in these financial statements. As of December 31, 2018, there was one IDRB outstanding. The aggregate principal amount payable for the bond series is \$4,946,676.

Legal Debt Margin

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

Assessed Valuation - 2018	<u>\$ 1,540,330,543</u>
Legal Debt Limit - 8.625% of Assessed Value	<u>132,853,509</u>
Amount of Debt Applicable to Limit	
Limited Tax Debt Certificates of 2009	335,000
Limited Tax Debt Certificates of 2013	<u>1,816,000</u>
	<u>2,151,000</u>
Legal Debt Margin	<u>130,702,509</u>

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION CLASSIFICATIONS

Net investment in capital assets was comprised of the following as of December 31, 2018:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 88,817,870
Less Capital Related Debt - Debt Certificates Outstanding	<u>(652,800)</u>
Net Investment in Capital Assets	<u><u>88,165,070</u></u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	79,109,878
Less Capital Related Debt	
General Obligation Bonds	(3,900,000)
IEPA Loans Outstanding	(13,745,639)
Debt Certificates Outstanding	<u>(1,498,200)</u>
Net Investment in Capital Assets	<u><u>59,966,039</u></u>

FUND BALANCE CLASSIFICATIONS

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

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

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

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

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

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

VILLAGE OF LOMBARD, ILLINOIS

**Notes to the Financial Statements
December 31, 2018**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE CLASSIFICATIONS – Continued

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

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

	General	Debt Service	Capital Projects	Totals
Fund Balances				
Nonspendable				
Prepays	\$ 695,728	-	-	695,728
Deposits - IPBC	1,155,275	-	-	1,155,275
	<u>1,851,003</u>	-	-	<u>1,851,003</u>
Restricted				
Liability Insurance	1,877,002	-	-	1,877,002
IMRF/Social Security	1,085,692	-	-	1,085,692
Special Service Areas	10,599	-	-	10,599
Hotel/Motel Taxes	1,008,975	-	-	1,008,975
Grants/Donations	4,603	-	-	4,603
Cable Equipment	74,196	-	-	74,196
Recycling	103,955	-	-	103,955
Public Safety	445,720	-	-	445,720
Debt Service	-	750,809	-	750,809
Capital Projects	-	-	5,820,177	5,820,177
	<u>4,610,742</u>	<u>750,809</u>	<u>5,820,177</u>	<u>11,181,728</u>
Committed				
Technology	3,737,648	-	-	3,737,648
Emergency Reserve	1,833,041	-	-	1,833,041
Revenue Stabilization	1,283,128	-	-	1,283,128
Pension Stabilization	1,000,000	-	-	1,000,000
Building Reserve	-	-	2,641,651	2,641,651
	<u>7,853,817</u>	-	<u>2,641,651</u>	<u>10,495,468</u>
Assigned				
Capital Projects	-	-	2,553,979	2,553,979
Unassigned				
	<u>7,589,075</u>	-	-	<u>7,589,075</u>
Total Fund Balances	<u>21,904,637</u>	<u>750,809</u>	<u>11,015,807</u>	<u>33,671,253</u>

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements

December 31, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION RESTATED

Net position was restated due to an error in the prior year OPEB liability to business-type activities and the writing off of infrastructure under the Village's capital asset threshold. The following is a summary of the net position as originally reported and as restated:

Net Position	As Reported	As Restated	Increase (Decrease)
Governmental Activities	\$ 59,749,609	55,728,353	(4,021,256)
Business-Type Activities	91,815,401	90,917,768	(897,633)
Waterworks and Sewerage	89,641,267	88,743,634	(897,633)
Waterworks and Sewerage - Operations and Maintenance Account	33,662,486	32,764,853	(897,633)

NOTE 4 – OTHER INFORMATION

RISK MANAGEMENT

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

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

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 4 – OTHER INFORMATION – Continued

RISK MANAGEMENT – Continued

Changes in the balances of claims liabilities are as follows:

	Dec. 31, 2018	Dec. 31, 2017
Claims Payable - Beginning	\$ 158,910	265,596
Incurred Claims	(913,334)	(1,044,687)
Claims Paid	872,371	938,001
Claims Payable - Ending	<u>117,947</u>	<u>158,910</u>

CONTINGENT LIABILITIES

Deferred Compensation Plan

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

DuPage Water Commission

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

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

Litigation

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

Grants

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 4 – OTHER INFORMATION – Continued

COMMITMENTS

Tax Abatements

The Village of Lombard has entered into various tax rebate agreements with local corporations under Village code. Under these agreements, the Village rebates a portion of sales, hotel, and places for eating taxes. For the fiscal year ended December 31, 2018, the Village rebated a total of \$1,029,056 in taxes under these agreements.

During the fiscal year ended December 31, 2018, the Village and Lombard Public Facilities Corporation entered into an agreement to remit 40% of Tax Increment Fund IV property taxes for a maximum of \$3.7 million. For the fiscal year ended December 31, 2018, the Village rebated \$36,114 to be paid in fiscal year 2019 under the agreement.

JOINT VENTURES

Glenbard Wastewater Authority

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

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

The two members of the Authority and their percentage shares as of December 31, 2018 are as follows:

Village of Lombard	58.79%
Village of Glen Ellyn	<u>41.21%</u>
	<u><u>100.00%</u></u>

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

The Village's share of the capital assets is \$28,755,359. The Village has allocated its share of operating expenses based upon metered wastewater flows, which approximated 58.79% for the year ended December 31, 2018. Separate financial statements for the Authority may be obtained at 21W551 Bemis Road, Glen Ellyn, Illinois 60137.

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 4 – OTHER INFORMATION – Continued

JOINT VENTURES – Continued

Glenbard Wastewater Authority – Continued

Summary Financial Information of Joint Venture

Summary of Financial Position as of December 31, 2018:

Assets/Deferred Outflows		Liabilities/Deferred Inflows and Net Position	
Current Assets	\$ 891,665	Current Liabilities	\$ 2,935,222
Restricted Assets	7,123,488	Long-Term Liabilities	16,332,685
Capital Assets - Net	48,911,990	Deferred Inflows	<u>125,366</u>
Deferred Outflows	<u>704,968</u>	Total Liabilities and Deferred Inflows	<u>19,393,273</u>
Total Assets and Deferred Outflows	<u><u>57,632,111</u></u>	Net Position	<u>38,238,838</u>
		Total Liabilities, Deferred Inflows and Net Position	<u><u>57,632,111</u></u>

Summary of Results of Operations as of December 31, 2018:

Operating Revenues	
Charges to the Villages	<u>\$ 7,431,990</u>
Operating Expenses	
Personnel Services	1,583,762
IMRF Pension Expense	(148,555)
Contractual Services	1,902,831
Commodities and Maintenance	1,122,117
Depreciation	<u>2,495,940</u>
Total Operating Expenses	<u>6,956,095</u>
Operating Income	475,895
Nonoperating Revenues (Expenses)	<u>450,982</u>
Change in Net Position	926,877
Net Position	
Beginning	<u>37,311,961</u>
Ending	<u><u>38,238,838</u></u>

VILLAGE OF LOMBARD, ILLINOIS

**Notes to the Financial Statements
December 31, 2018**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS

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

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

IMRF	\$ 799,582
Police Pension	2,713,755
Firefighters' Pension	<u>1,175,191</u>
	<u>4,688,528</u>

Illinois Municipal Retirement Fund (IMRF)

Plan Descriptions

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

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

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

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

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

Plan Membership. As of December 31, 2018, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	276
Inactive Plan Members Entitled to but not yet Receiving Benefits	128
Active Plan Members	<u>107</u>
Total	<u><u>511</u></u>

Contributions. As set by statute, the Village's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year-ended December 31, 2018, the Village's contribution was 26.12% of covered payroll.

Net Pension Liability. The Village's net pension liability was measured as of December 31, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2018, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	3.39% to 14.25%
Cost of Living Adjustments	2.50%
Inflation	2.50%

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

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Actuarial Assumptions – Continued.

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

Discount Rate

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

Discount Rate Sensitivity

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability	\$ 23,809,891	13,832,354	5,616,186

VILLAGE OF LOMBARD, ILLINOIS

**Notes to the Financial Statements
December 31, 2018**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2017	\$ 77,828,309	73,891,674	3,936,635
Changes for the Year:			
Service Cost	763,832	-	763,832
Interest on the Total Pension Liability	5,690,435	-	5,690,435
Difference Between Expected and Actual Experience of the Total Pension Liability	1,095,844	-	1,095,844
Changes of Assumptions	2,199,136	-	2,199,136
Contributions - Employer	-	2,073,703	(2,073,703)
Contributions - Employees	-	357,237	(357,237)
Net Investment Income	-	(4,450,515)	4,450,515
Benefit Payments, including Refunds of Employee Contributions	(4,675,525)	(4,675,525)	-
Other (Net Transfer)	-	1,873,103	(1,873,103)
Net Changes	5,073,722	(4,821,997)	9,895,719
Balances at December 31, 2018	82,902,031	69,069,677	13,832,354

VILLAGE OF LOMBARD, ILLINOIS

**Notes to the Financial Statements
December 31, 2018**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

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

For the year ended December 31, 2018, the Village recognized pension expense of \$799,582. At December 31, 2018, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 690,716	-	690,716
Change in Assumptions	1,287,615	(469,010)	818,605
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	4,610,791	-	4,610,791
Total Deferred Amounts Related to IMRF	<u>6,589,122</u>	<u>(469,010)</u>	<u>6,120,112</u>

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

Fiscal Year	Net Deferred Outflows of Resources
2019	\$ 2,428,686
2020	1,157,719
2021	538,015
2022	1,995,692
2023	-
Thereafter	-
Total	<u>6,120,112</u>

VILLAGE OF LOMBARD, ILLINOIS

**Notes to the Financial Statements
December 31, 2018**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan

Plan Descriptions

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

Plan Membership. At December 31, 2018, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	69
Inactive Plan Members Entitled to but not yet Receiving Benefits	8
Active Plan Members	<u>64</u>
Total	<u><u>141</u></u>

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

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Plan Descriptions – Continued

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

Contributions. Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended December 31, 2018, the Village's contribution was 56.53% of covered payroll.

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

VILLAGE OF LOMBARD, ILLINOIS

**Notes to the Financial Statements
December 31, 2018**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of December 31, 2018, using the following actuarial methods and assumptions:

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

Mortality rates were based on the RP-2014 Mortality Table with a blue collar adjustment, using generational improvement scale MP-2018 (base year 2013). The other non-economic actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance (GRS) in 2017.

Discount Rate

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

VILLAGE OF LOMBARD, ILLINOIS

**Notes to the Financial Statements
December 31, 2018**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Discount Rate Sensitivity

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability	\$ 51,202,957	36,900,286	25,244,754

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2017	\$ 100,105,602	67,489,846	32,615,756
Changes for the Year:			
Service Cost	1,164,524	-	1,164,524
Interest on the Total Pension Liability	6,924,280	-	6,924,280
Difference Between Expected and Actual Experience of the Total Pension Liability	(3,184,547)	-	(3,184,547)
Changes of Assumptions	1,192,158	-	1,192,158
Contributions - Employer	-	3,611,517	(3,611,517)
Contributions - Employees	-	663,899	(663,899)
Net Investment Income	-	(2,375,274)	2,375,274
Benefit Payments, including Refunds of Employee Contributions	(4,703,671)	(4,703,671)	-
Administrative Expense	-	(88,257)	88,257
Net Changes	1,392,744	(2,891,786)	4,284,530
Balances at December 31, 2018	101,498,346	64,598,060	36,900,286

VILLAGE OF LOMBARD, ILLINOIS

**Notes to the Financial Statements
December 31, 2018**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

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

For the year ended December 31, 2018, the Village recognized pension expense of \$2,713,755. At December 31, 2018, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 241,361	(3,036,013)	(2,794,652)
Change in Assumptions	2,124,888	(2,811,196)	(686,308)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	5,211,855	-	5,211,855
Total Deferred Amounts Related to Police Pension	<u>7,578,104</u>	<u>(5,847,209)</u>	<u>1,730,895</u>

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

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2019	\$ 1,275,494
2020	(405,247)
2021	(94,133)
2022	954,781
2023	-
Thereafter	<u>-</u>
Total	<u><u>1,730,895</u></u>

VILLAGE OF LOMBARD, ILLINOIS

**Notes to the Financial Statements
December 31, 2018**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters’ Pension Plan

Plan Descriptions

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

Plan Membership. At December 31, 2018, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	51
Inactive Plan Members Entitled to but not yet Receiving Benefits	5
Active Plan Members	<u>64</u>
Total	<u><u>120</u></u>

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

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters' Pension Plan – Continued

Plan Descriptions – Continued

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

Contributions. Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended December 31, 2018, the Village's contribution was 43.44% of covered payroll.

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters' Pension Plan – Continued

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of December 31, 2018, using the following actuarial methods and assumptions:

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

Mortality rates were based on the RP-2014 Mortality Table with a blue collar adjustment, using generational improvement scale MP-2018 (base year 2013). The other non-economic actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance (GRS) in 2017.

Discount Rate

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

VILLAGE OF LOMBARD, ILLINOIS

**Notes to the Financial Statements
December 31, 2018**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters’ Pension Plan – Continued

Discount Rate Sensitivity

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability	\$ 36,144,202	24,273,625	14,600,822

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2017	\$ 79,936,814	61,213,299	18,723,515
Changes for the Year:			
Service Cost	1,363,890	-	1,363,890
Interest on the Total Pension Liability	5,566,493	-	5,566,493
Difference Between Expected and Actual Experience of the Total Pension Liability	(1,297,838)	-	(1,297,838)
Changes of Assumptions	974,066	-	974,066
Contributions - Employer	-	2,863,927	(2,863,927)
Contributions - Employees	-	623,352	(623,352)
Net Investment Income	-	(2,396,242)	2,396,242
Benefit Payments, including Refunds of Employee Contributions	(3,558,750)	(3,558,750)	-
Administrative Expense	-	(34,536)	34,536
Net Changes	3,047,861	(2,502,249)	5,550,110
Balances at December 31, 2018	82,984,675	58,711,050	24,273,625

VILLAGE OF LOMBARD, ILLINOIS

**Notes to the Financial Statements
December 31, 2018**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters’ Pension Plan – Continued

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

For the year ended December 31, 2018, the Village recognized pension expense of \$1,175,191. At December 31, 2018, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 649,705	(1,353,542)	(703,837)
Change in Assumptions	2,991,743	(2,480,655)	511,088
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	4,416,901	-	4,416,901
Total Deferred Amounts Related to Firefighters' Pension	<u>8,058,349</u>	<u>(3,834,197)</u>	<u>4,224,152</u>

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

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2019	\$ 1,806,305
2020	1,079,584
2021	718,218
2022	931,033
2023	(264,734)
Thereafter	<u>(46,254)</u>
Total	<u>4,224,152</u>

VILLAGE OF LOMBARD, ILLINOIS

**Notes to the Financial Statements
December 31, 2018**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plan

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

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

Plan Membership. As of December 31, 2018, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	62
Inactive Plan Members Entitled to but not yet Receiving Benefits	-
Active Plan Members	<u>208</u>
Total	<u><u>270</u></u>

Total OPEB Liability

The Village’s total OPEB liability was measured as of December 31, 2018, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

VILLAGE OF LOMBARD, ILLINOIS

**Notes to the Financial Statements
December 31, 2018**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Total OPEB Liability – Continued

Inflation	2.50%
Salary Increases	3.00%
Discount Rate	4.10%
Healthcare Cost Trend Rates	7.50% in fiscal year 2018, decreasing to an ultimate rate of 5.00% in 2023 and after.
Retirees' Share of Benefit-Related Costs	100%

Mortality rates were based on the RP-2014 blue collar base rates projected to 2017 using scale MP2017 for Police and Fire. For all others the RP2014 base rates projected to 2017 using scale MP2017 was used.

Change in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at December 31, 2017	<u>\$ 7,241,099</u>
Changes for the Year:	
Service Cost	286,476
Interest on the Total Pension Liability	241,269
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	-
Changes of Assumptions or Other Inputs	(312,173)
Benefit Payments	<u>(454,951)</u>
Net Changes	<u>(239,379)</u>
Balance at December 31, 2018	<u><u>7,001,720</u></u>

VILLAGE OF LOMBARD, ILLINOIS

**Notes to the Financial Statements
December 31, 2018**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

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

The following presents the total OPEB liability, calculated using a Single Discount Rate of 4.10%, as well as what the total OPEB liability would be if it were calculated using a Single Discount Rate that is one percentage point lower or one percentage point higher:

	1% Decrease (3.10%)	Current Discount Rate (4.10%)	1% Increase (5.10%)
Total OPEB Liability	\$ 7,532,758	7,001,720	6,512,377

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

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

	(7.50% decreasing to 4.00%)	Healthcare Cost Trend Rates (8.50% decreasing to 5.00%)	(9.50% decreasing to 6.00%)
Total OPEB Liability	\$ 6,386,650	7,001,720	7,710,253

VILLAGE OF LOMBARD, ILLINOIS

**Notes to the Financial Statements
December 31, 2018**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

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

For the year ended December 31, 2018, the Village recognized OPEB expense of \$351,423. At December 31, 2018, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ -	-	-
Change in Assumptions	231,981	(281,125)	(49,144)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	-	-
Total Deferred Amounts Related to OPEB	<u>231,981</u>	<u>(281,125)</u>	<u>(49,144)</u>

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

Fiscal Year	Net Deferred (Intflows) of Resources
2019	\$ (2,247)
2020	(2,247)
2021	(2,247)
2022	(2,247)
2023	(2,247)
Thereafter	<u>(37,909)</u>
Total	<u><u>(49,144)</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

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

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

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

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

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

- Budgetary Comparison Schedule
 - General Fund

Notes to the Required Supplementary Information

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

VILLAGE OF LOMBARD, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information

Schedule of Employer Contributions

December 31, 2018

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

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	25 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.75%
Salary Increases	3.75% - 14.50%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012)

Note:

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

VILLAGE OF LOMBARD, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Employer Contributions
December 31, 2018**

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

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	21 Years
Asset Valuation Method	Market Value
Inflation	2.50%
Salary Increases	3.50% - 11.00%
Investment Rate of Return	7.00%
Retirement Age	See the Notes to the Financial Statements
Mortality	RP 2014 mortality table with a blue collar adjustment, with generational improvement scale MP-2018 (base year 2013)

Note:

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

VILLAGE OF LOMBARD, ILLINOIS

Firefighters' Pension Fund

**Required Supplementary Information
Schedule of Employer Contributions
December 31, 2018**

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

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	21 Years
Asset Valuation Method	Market Value
Inflation	2.50%
Salary Increases	3.50% - 12.50%
Investment Rate of Return	7.00%
Retirement Age	See the Notes to the Financial Statements
Mortality	RP 2014 mortality table with a blue collar adjustment, with generational improvement scale MP-2018 (base year 2013)

Note:

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

VILLAGE OF LOMBARD, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information

Schedule of Changes in the Employer's Net Pension Liability

December 31, 2018

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

Note:

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

12/31/2016	12/31/2017	12/31/2018
830,041	819,812	763,832
5,565,299	5,698,024	5,690,435
(237,225)	233,077	1,095,844
(361,558)	(2,226,914)	2,199,136
(4,320,449)	(4,518,863)	(4,675,525)
1,476,108	5,136	5,073,722
76,347,065	77,823,173	77,828,309
77,823,173	77,828,309	82,902,031
1,392,045	1,253,498	2,073,703
352,751	369,970	357,237
4,423,634	12,084,849	(4,450,515)
(4,320,449)	(4,518,863)	(4,675,525)
469,833	(1,396,871)	1,873,103
2,317,814	7,792,583	(4,821,997)
63,781,277	66,099,091	73,891,674
66,099,091	73,891,674	69,069,677
11,724,082	3,936,635	13,832,354
84.93%	94.94%	83.31%
7,577,819	7,718,851	7,938,590
154.72%	51.00%	174.24%

VILLAGE OF LOMBARD, ILLINOIS

Police Pension Fund

Required Supplementary Information Schedule of Changes in the Employer's Net Pension Liability December 31, 2018

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

Note:

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

12/31/2016	12/31/2017	12/31/2018
1,531,546	1,531,174	1,164,524
6,688,180	6,796,831	6,924,280
622,457	(659,841)	(3,184,547)
(3,244,715)	(2,555,004)	1,192,158
(3,880,431)	(4,210,233)	(4,703,671)
1,717,037	902,927	1,392,744
97,485,638	99,202,675	100,105,602
99,202,675	100,105,602	101,498,346
2,936,167	3,080,872	3,611,517
695,084	699,450	663,899
3,223,224	6,681,876	(2,375,274)
(3,880,431)	(4,210,233)	(4,703,671)
(42,302)	(66,007)	(88,257)
2,931,742	6,185,958	(2,891,786)
58,372,146	61,303,888	67,489,846
61,303,888	67,489,846	64,598,060
37,898,787	32,615,756	36,900,286
61.80%	67.42%	63.64%
6,589,512	6,423,894	6,388,679
575.14%	507.73%	577.59%

VILLAGE OF LOMBARD, ILLINOIS

Firefighters' Pension Fund

**Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
December 31, 2018**

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

Note:

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

12/31/2016	12/31/2017	12/31/2018
1,562,481	1,643,565	1,363,890
5,171,731	5,329,656	5,566,493
1,174,979	1,170	(1,297,838)
(2,512,331)	(1,530,549)	974,066
(2,991,521)	(3,290,005)	(3,558,750)
2,405,339	2,153,837	3,047,861
75,377,638	77,782,977	79,936,814
77,782,977	79,936,814	82,984,675
2,034,905	2,237,228	2,863,927
583,561	658,618	623,352
2,827,910	7,095,084	(2,396,242)
(2,991,521)	(3,290,005)	(3,558,750)
(50,476)	(42,572)	(34,536)
2,404,379	6,658,353	(2,502,249)
52,150,567	54,554,946	61,213,299
54,554,946	61,213,299	58,711,050
23,228,031	18,723,515	24,273,625
70.14%	76.58%	70.75%
6,357,452	6,449,094	6,592,100
365.37%	290.33%	368.22%

VILLAGE OF LOMBARD, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Investment Returns
December 31, 2018**

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

Note:

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

VILLAGE OF LOMBARD, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information

Schedule of Investment Returns

December 31, 2018

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

Note:

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

VILLAGE OF LOMBARD, ILLINOIS

Retiree Benefits Plan

**Required Supplementary Information
Schedule of Changes in the Employer's Total OPEB Liability
December 31, 2018**

	2017	2018
Total OPEB Liability		
Service Cost	\$ 250,008	286,476
Interest	263,184	241,269
Changes in Benefit Terms	-	-
Differences Between Expected and Actual Experience	-	-
Change of Assumptions or Other Inputs	289,583	(312,173)
Benefit Payments	(429,209)	(454,951)
Net Change in Total OPEB Liability	373,566	(239,379)
Total OPEB Liability - Beginning	6,867,533	7,241,099
Total OPEB Liability - Ending	7,241,099	7,001,720
Covered Payroll	\$ 17,601,304	17,601,304
Total OPEB Liability as a Percentage of Covered Payroll	41.14%	39.78%

Notes:

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

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

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

Fiscal Year	Healthcare Trend
2019	7.00%
2020	6.50%
2021	6.00%
2022	5.50%
2023	5.00%
Ultimate	5.00%

In 2018, there was no change in the healthcare trend rates from the prior year.

VILLAGE OF LOMBARD, ILLINOIS

General Fund

**Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2018**

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 18,691,560	18,691,560	18,365,016
Licenses and Permits	1,191,470	1,191,470	1,041,619
Intergovernmental	18,354,390	18,354,390	18,452,773
Charges for Services	4,346,920	4,346,920	4,456,110
Fines and Forfeits	944,150	944,150	1,195,160
Interest	84,300	84,300	282,063
Miscellaneous	48,100	48,100	189,487
Total Revenues	43,660,890	43,660,890	43,982,228
Expenditures			
General Government	8,537,611	8,537,611	8,013,157
Public Safety	29,359,990	29,359,990	29,754,052
Physical Environment	1,731,730	1,731,730	1,742,984
Public Works	4,553,739	4,553,739	4,177,623
Total Expenditures	44,183,070	44,183,070	43,687,816
Excess (Deficiency) of Revenues Over (Under) Expenditures	(522,180)	(522,180)	294,412
Other Financing Sources (Uses)			
Transfers In	577,410	577,410	622,720
Transfers Out	-	-	(1,549,398)
	577,410	577,410	(926,678)
Net Change in Fund Balance	55,230	55,230	(632,266)
Fund Balance - Beginning			22,536,903
Fund Balance - Ending			21,904,637

OTHER SUPPLEMENTARY INFORMATION

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

Such statements and schedules include:

- Budgetary Comparison Schedules – Major Governmental Funds
- Combining Statements – Enterprise Funds – By Accounts
- Budgetary Comparison Schedules – Enterprise Funds – By Accounts
- Combining Statements – Internal Service Fund – By Accounts
- Budgetary Comparison Schedules – Internal Service Fund – By Accounts
- Combining Statements – Pension Trust Funds
- Budgetary Comparison Schedules – Pension Trust Funds
- Statement of Changes in Assets and Liabilities – Agency Fund

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

GENERAL FUND

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

DEBT SERVICE FUND

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

CAPITAL PROJECTS FUND

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

ENTERPRISE FUNDS

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

Waterworks and Sewerage Fund

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

Parking System Fund

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

INTERNAL SERVICE FUND

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

Fleet Services Fund

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

TRUST AND AGENCY FUNDS

PENSION TRUST FUNDS

Police Pension Fund

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

Firefighters' Pension Fund

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

AGENCY FUND

Special Assessments Fund

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

VILLAGE OF LOMBARD, ILLINOIS

General Fund

**Schedule of Revenues - Budget and Actual
For the Fiscal Year Ended December 31, 2018**

	Budget		Actual
	Original	Final	
Taxes			
Property Taxes	\$ 8,550,180	8,550,180	8,598,945
Road and Bridge Taxes	59,650	59,650	75,801
Personal Property Replacement Taxes	162,100	162,100	149,760
Amusement Tax	561,850	561,850	412,612
Places for Eating Tax	3,260,620	3,260,620	3,264,805
Utility Tax	3,869,480	3,869,480	3,790,365
Hotel/Motel Tax	2,151,680	2,151,680	1,980,377
Foreign Fire Insurance Tax	55,000	55,000	68,969
Auto Rental Tax	16,800	16,800	17,647
Pull Tabs/Jar Games	4,200	4,200	5,735
	<u>18,691,560</u>	<u>18,691,560</u>	<u>18,365,016</u>
Licenses and Permits			
Liquor Licenses	225,250	225,250	219,973
Cigarette Licenses	7,050	7,050	7,575
Restaurant/Food Handler Permits	12,200	12,200	12,075
Coin Operated Device Licenses	21,580	21,580	20,400
Amusement Licenses	6,600	6,600	6,710
Commercial Recyclers Licenses	100	100	150
Alarm User Licenses	39,200	39,200	38,110
Going Out of Business Licenses	80	80	150
Other Business Licenses	14,500	14,500	18,815
Oversized Vehicle Permits	16,900	16,900	29,765
Building Permits	356,530	356,530	245,306
Occupancy Permits	25,600	25,600	45,335
Residential Driveway Permits	24,000	24,000	16,808
Electrical Permits	148,800	148,800	102,307
Plumbing Permits	72,600	72,600	62,461
Water Permits	8,000	8,000	2,850
Sewer Permits	5,200	5,200	7,248
HVAC Permits	46,600	46,600	32,808

VILLAGE OF LOMBARD, ILLINOIS

General Fund

**Schedule of Revenues - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2018**

	Budget		Actual
	Original	Final	
Licenses and Permits (Cont.)			
Hazardous Materials Permits	\$ 2,100	2,100	3,975
Sign Permits	13,030	13,030	9,065
Fire Suppression System Permits	22,000	22,000	31,593
Fire Alarm System Permits	23,000	23,000	21,194
Wrecking Permits	6,000	6,000	6,925
Contractor Registration	90,400	90,400	89,475
Renewal Permits	1,800	1,800	9,144
Community Development Permits	2,200	2,200	300
P.E.S. Fill and Grading Permits	150	150	208
Miscellaneous Permits	-	-	894
	<u>1,191,470</u>	<u>1,191,470</u>	<u>1,041,619</u>
Intergovernmental			
Sales Tax	11,905,360	11,905,360	11,647,887
Business District #1 Tax	755,370	755,370	773,673
Local Use Tax	1,125,660	1,125,660	1,256,788
State Income Tax	3,981,910	3,981,910	4,186,047
District 87 Reimbursements	51,500	51,500	51,583
DUMEG Reimbursements	24,900	24,900	24,306
Miscellaneous Grants	499,390	499,390	498,845
Police Training	1,300	1,300	11,207
Fire Training	9,000	9,000	2,437
	<u>18,354,390</u>	<u>18,354,390</u>	<u>18,452,773</u>
Charges for Services			
Tree Planting Fees	6,800	6,800	13,000
Weed Cutting/Debris Fees	3,500	3,500	2,010
Sale of Plans, Specs, Maps	2,200	2,200	-
Miscellaneous Public Works Fees	-	-	650
Administrative Fees	104,000	104,000	87,913
Community Development Plan Review	8,000	8,000	4,536
P.E.S. Site Plan Review	64,000	64,000	112,883
After Hours Site Inspection Fees	1,300	1,300	7,115
Public Hearing Fees	26,000	26,000	27,305

VILLAGE OF LOMBARD, ILLINOIS

General Fund

**Schedule of Revenues - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2018**

	Budget		Actual
	Original	Final	
Charges for Services (Cont.)			
Public Hearing Sign Fees	\$ 2,000	2,000	2,125
Fingerprinting	5,100	5,100	3,225
Child Safety Seat Class	800	800	1,390
Police Records Copy	7,000	7,000	8,081
Impounding Fees	1,300	1,300	1,025
False Alarm Fees	14,000	14,000	29,800
Fire Tollway Repsonse	5,000	5,000	11,750
Emergency Medical Services	1,688,280	1,688,280	1,825,089
Glenbard Fire Protection	343,000	343,000	345,824
Elevator Inspections	91,800	91,800	80,685
Building Plan Review	140,000	140,000	96,601
Franchise Fees/Cable TV	822,580	822,580	784,668
Telecommunications/IMF	303,220	303,220	286,587
Refuse Surcharge	124,000	124,000	126,059
COBRA Reimbursements	583,040	583,040	597,789
	<u>4,346,920</u>	<u>4,346,920</u>	<u>4,456,110</u>
Fines and Forfeits			
Circuit Court Fines	455,000	455,000	539,864
E-Ticket Fines	4,200	4,200	4,034
Administrative Towing	190,000	190,000	214,742
Overweight/Overdimension Vehicles	38,000	38,000	2,776
Pre-Trial Diversion	15,000	15,000	13,750
Liquor Violations	100	100	-
Tobacco Violations	600	600	300
Parking Fines	108,000	108,000	128,935
Community Development Violations	4,000	4,000	(963)
DUI User Fees	35,000	35,000	37,114
Narcotic Fines	250	250	1,153
State Forfeits	9,000	9,000	44,493
Federal Forfeits	85,000	85,000	208,962
	<u>944,150</u>	<u>944,150</u>	<u>1,195,160</u>

VILLAGE OF LOMBARD, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued For the Fiscal Year Ended December 31, 2018

	Budget		Actual
	Original	Final	
Interest			
Investment Income	\$ 84,300	84,300	282,063
Miscellaneous			
NSF Charges	200	200	100
Sale of Assets	-	-	5,345
Police Donations	800	800	945
Fire Donations	450	450	150
Damage to Village Property	15,000	15,000	83,875
Reimbursements for Scrap Metal	1,100	1,100	2,785
Change in Terminal Reserve	-	-	67,420
Discounts Available	50	50	105
Miscellaneous Hotel/Motel	1,500	1,500	1,525
Miscellaneous Liability Insurance	2,000	2,000	-
Miscellaneous Technology Reserve	1,000	1,000	3,948
Miscellaneous Community Recycling	1,000	1,000	30
Miscellaneous Foreign Fire Insurance	-	-	849
Other	25,000	25,000	22,410
	48,100	48,100	189,487
Total Revenues	43,660,890	43,660,890	43,982,228

VILLAGE OF LOMBARD, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended December 31, 2018**

	Budget		Actual
	Original	Final	
General Government			
Legislative Department			
Personnel	\$ 1,241,550	1,241,550	1,232,956
Commodities	227,250	227,250	196,357
Contractual	1,777,551	1,777,551	1,727,222
	<u>3,246,351</u>	<u>3,246,351</u>	<u>3,156,535</u>
Executive Department			
Personnel	1,309,180	1,309,180	1,312,221
Commodities	148,700	148,700	134,160
Contractual	1,341,400	1,341,400	1,228,217
Miscellaneous	45,140	45,140	6,663
	<u>2,844,420</u>	<u>2,844,420</u>	<u>2,681,261</u>
Finance Department			
Personnel	912,970	912,970	956,863
Commodities	55,150	55,150	41,302
Contractual	751,380	751,380	692,994
Miscellaneous	727,340	727,340	484,202
	<u>2,446,840</u>	<u>2,446,840</u>	<u>2,175,361</u>
Total General Government	<u>8,537,611</u>	<u>8,537,611</u>	<u>8,013,157</u>
Public Safety			
Police Department			
Personnel	9,272,130	9,272,130	9,058,614
Commodities	260,180	260,180	232,710
Contractual	2,923,570	2,923,570	2,544,698
Police Pension Contributions	2,979,200	2,979,200	3,611,516
Miscellaneous	559,000	559,000	497,996
	<u>15,994,080</u>	<u>15,994,080</u>	<u>15,945,534</u>

VILLAGE OF LOMBARD, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2018**

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Fire Department			
Personnel	\$ 8,625,060	8,625,060	8,503,722
Commodities	596,920	596,920	560,472
Contractual	1,268,320	1,268,320	957,913
Firefighters' Pension Contributions	2,232,000	2,232,000	2,863,928
Miscellaneous	643,610	643,610	922,483
	<u>13,365,910</u>	<u>13,365,910</u>	<u>13,808,518</u>
Total Public Safety	<u>29,359,990</u>	<u>29,359,990</u>	<u>29,754,052</u>
Physical Environment			
Community Development Department			
Personnel	1,497,200	1,497,200	1,451,749
Commodities	31,220	31,220	22,303
Contractual	167,260	167,260	236,894
Miscellaneous	36,050	36,050	32,038
	<u>1,731,730</u>	<u>1,731,730</u>	<u>1,742,984</u>
Total Physical Environment	<u>1,731,730</u>	<u>1,731,730</u>	<u>1,742,984</u>
Public Works			
Public Works Department	2,375,880	2,375,880	2,308,659
Personnel	445,030	445,030	306,476
Commodities	1,005,369	1,005,369	839,338
Contractual	727,460	727,460	723,150
	<u>4,553,739</u>	<u>4,553,739</u>	<u>4,177,623</u>
Total Public Works	<u>4,553,739</u>	<u>4,553,739</u>	<u>4,177,623</u>
Total Expenditures	<u><u>44,183,070</u></u>	<u><u>44,183,070</u></u>	<u><u>43,687,816</u></u>

VILLAGE OF LOMBARD, ILLINOIS

Debt Service Fund

**Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2018**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 755,950	755,950	732,742
Interest			
Investment Income	-	-	12,493
Total Revenues	<u>755,950</u>	<u>755,950</u>	<u>745,235</u>
Expenditures			
Debt Service			
Principal Retirement	320,000	320,000	320,000
Interest and Fiscal Charges	24,000	24,000	23,425
Total Expenditures	<u>344,000</u>	<u>344,000</u>	<u>343,425</u>
Net Change in Fund Balance	<u>411,950</u>	<u>411,950</u>	401,810
Fund Balance - Beginning			<u>348,999</u>
Fund Balance - Ending			<u>750,809</u>

VILLAGE OF LOMBARD, ILLINOIS

Capital Projects Fund

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2018

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 203,660	203,660	199,556
Intergovernmental	7,684,980	7,684,980	7,968,736
Interest	2,500	2,500	207,626
Miscellaneous	166,400	166,400	196,981
Total Revenues	<u>8,057,540</u>	<u>8,057,540</u>	<u>8,572,899</u>
Expenditures			
Capital Outlay	7,113,310	7,113,310	6,687,886
Debt Service			
Principal Retirement	164,250	870,580	264,250
Interest and Fiscal Charges	7,390	29,280	11,638
Total Expenditures	<u>7,284,950</u>	<u>8,013,170</u>	<u>6,963,774</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>772,590</u>	<u>44,370</u>	<u>1,609,125</u>
Other Financing Sources (Uses)			
Transfers In	-	-	1,549,398
Transfers (Out)	(46,660)	(46,660)	(91,970)
	<u>(46,660)</u>	<u>(46,660)</u>	<u>1,457,428</u>
Net Change in Fund Balance	<u>725,930</u>	<u>(2,290)</u>	3,066,553
Fund Balance - Beginning			<u>7,949,254</u>
Fund Balance - Ending			<u>11,015,807</u>

VILLAGE OF LOMBARD, ILLINOIS

Capital Projects Fund

**Schedule of Revenues - Budget and Actual
For the Fiscal Year Ended December 31, 2018**

	Budget		Actual
	Original	Final	
Taxes			
Utility Tax	\$ 203,660	203,660	199,556
Intergovernmental			
Sales Tax	4,535,200	4,535,200	4,521,591
Motor Fuel Tax Allotments	1,000,000	1,000,000	1,110,724
TIF Revenue	1,829,670	1,829,670	1,913,645
TIF1 West of Grace	55,870	55,870	61,339
TIF2 East of Grace	264,240	264,240	271,151
TIF4 Butterfield/Yorktown	-	-	90,286
	<u>7,684,980</u>	<u>7,684,980</u>	<u>7,968,736</u>
Interest			
Investment Income	<u>2,500</u>	<u>2,500</u>	<u>207,626</u>
Miscellaneous			
Contributions from Property Owners	11,000	11,000	15,031
Other	<u>155,400</u>	<u>155,400</u>	<u>181,950</u>
	<u>166,400</u>	<u>166,400</u>	<u>196,981</u>
Total Revenues	<u>8,057,540</u>	<u>8,057,540</u>	<u>8,572,899</u>

VILLAGE OF LOMBARD, ILLINOIS

Capital Projects Fund

**Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended December 31, 2018**

	Budget		Actual
	Original	Final	
Capital Outlay			
General Capital Projects	\$ 3,179,320	3,179,320	2,904,737
Grant Capital Projects	150,000	150,000	-
Facilities Capital Projects	289,000	289,000	290,351
Building Reserve Capital Projects	-	-	27,170
Motor Fuel Tax Capital Projects	1,800,000	1,800,000	1,621,632
TIF Downtown Capital Projects	1,688,780	1,688,780	1,799,871
TIF1 West of Grace Capital Projects	560	560	698
TIF2 East of Grace Capital Projects	5,650	5,650	858
TIF4 Butterfield/Yorktown Capital Projects	-	-	42,569
Total Capital Outlay	<u>7,113,310</u>	<u>7,113,310</u>	<u>6,687,886</u>
Debt Service			
Principal Retirement	164,250	870,580	264,250
Interest and Fiscal Charges	7,390	29,280	11,638
Total Debt Service	<u>171,640</u>	<u>899,860</u>	<u>275,888</u>

VILLAGE OF LOMBARD, ILLINOIS

Waterworks and Sewerage Fund

**Schedule of Revenues, Expenses and Changes in Net Position - By Account
For the Fiscal Year Ended December 31, 2018**

	Operation and Maintenance	Capital Reserve	Total
Operating Revenues			
Charges for Services	\$ 16,130,231	1,323,518	17,453,749
Operating Expenses			
Administration	187,799	-	187,799
Operations	9,851,831	4,809,927	14,661,758
Sewerage Treatment	4,478,768	-	4,478,768
Depreciation	787,049	1,842,019	2,629,068
Total Operating Expenses	15,305,447	6,651,946	21,957,393
Operating Income (Loss)	824,784	(5,328,428)	(4,503,644)
Nonoperating Revenues			
Sales Tax	-	5,189,994	5,189,994
Interest Income	92,743	92,103	184,846
Connection Fees	-	88,510	88,510
Revenues from Joint Venture - GWA	544,944	-	544,944
Grant	-	37,294	37,294
	637,687	5,407,901	6,045,588
Income Before Contributions and Transfers	1,462,471	79,473	1,541,944
Capital Contributions	1,911,707	-	1,911,707
Transfers Out	(527,030)	-	(527,030)
	1,384,677	-	1,384,677
Change in Net Position	2,847,148	79,473	2,926,621
Net Position - Beginning as Restated	32,764,853	55,978,781	88,743,634
Net Position - Ending	35,612,001	56,058,254	91,670,255

VILLAGE OF LOMBARD, ILLINOIS

Waterworks and Sewerage Fund - Operation and Maintenance Account

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2018**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 16,955,230	16,955,230	16,130,231
Operating Expenses			
Administration	1,491,790	1,491,790	187,799
Operations	10,469,330	10,469,330	9,851,831
Sewerage Treatment	4,253,470	4,253,470	4,478,768
Depreciation	-	-	787,049
Total Operating Expenses	16,214,590	16,214,590	15,305,447
Operating Income	740,640	740,640	824,784
Nonoperating Revenues			
Interest Income	35,000	35,000	92,743
Revenues from Joint Venture - GWA	-	-	544,944
	35,000	35,000	637,687
Income Before Contributions and Transfers	775,640	775,640	1,462,471
Capital Contributions	-	-	1,911,707
Transfers Out	(527,030)	(527,030)	(527,030)
	(527,030)	(527,030)	1,384,677
Change in Net Position	248,610	248,610	2,847,148
Net Position - Beginning as Restated			32,764,853
Net Position - Ending			35,612,001

VILLAGE OF LOMBARD, ILLINOIS

Waterworks and Sewerage Fund - Operation and Maintenance Account

**Schedule of Operating Revenues - Budget and Actual
For the Fiscal Year Ended December 31, 2018**

	Budget		Actual
	Original	Final	
Charges for Services			
Water Sales-Metered			
Operating	\$ 9,325,710	9,325,710	8,827,362
Hydrant	21,850	21,850	21,408
Water Sales - Unmetered	1,300	1,300	2,572
Fill Station Sales	950	950	493
Transmission Fees - Illinois American Water	11,500	11,500	12,192
Water Turn-on Fees	23,000	23,000	12,580
Service Charge	726,670	726,670	751,594
Cross Connection Service Charge	58,170	58,170	59,369
Sewer Charges - Metered	6,586,620	6,586,620	6,235,077
Sewer Charges - Unmetered	34,200	34,200	34,074
Penalty Charge	125,000	125,000	134,278
Meter Sales	23,500	23,500	19,824
Illinois American Water Readings	1,960	1,960	1,635
Villa Park Sewer Charges	4,600	4,600	1,434
Hydrant Meter Rental Fees	4,000	4,000	6,278
NSF Charges	1,200	1,200	700
Lien Filing Fees	1,000	1,000	(109)
Miscellaneous Fees	4,000	4,000	9,470
Total Operating Revenues	16,955,230	16,955,230	16,130,231

VILLAGE OF LOMBARD, ILLINOIS

Waterworks and Sewerage Fund - Operation and Maintenance Account

**Schedule of Operating Expenses - Budget and Actual
For the Fiscal Year Ended December 31, 2018**

	Budget		Actual
	Original	Final	
Administration			
Water and Sewer Administration			
Personnel	\$ 831,300	831,300	(388,684)
Commodities	6,000	6,000	13,946
Contractual	118,250	118,250	127,461
	<u>955,550</u>	<u>955,550</u>	<u>(247,277)</u>
Utility Billing and Account Maintenance			
Personnel	250,700	250,700	236,495
Commodities	41,800	41,800	34,713
Contractual	128,580	128,580	133,903
	<u>421,080</u>	<u>421,080</u>	<u>405,111</u>
General Services			
Personnel	99,180	99,180	13,981
Commodities	15,980	15,980	15,984
	<u>115,160</u>	<u>115,160</u>	<u>29,965</u>
Total Administration	<u>1,491,790</u>	<u>1,491,790</u>	<u>187,799</u>
Operations			
Water Pumping and Treatment			
Personnel	318,830	318,830	318,672
Commodities	208,830	208,830	210,482
Contractual	42,750	42,750	42,364
Miscellaneous	50,200	50,200	40,853
	<u>620,610</u>	<u>620,610</u>	<u>612,371</u>

VILLAGE OF LOMBARD, ILLINOIS

Waterworks and Sewerage Fund - Operation and Maintenance Account

Schedule of Operating Expenses - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2018

	Budget		Actual
	Original	Final	
Operations (Cont.)			
Lake Michigan Water			
Lake Water - Purchased Water	\$ 6,927,890	6,927,890	6,561,719
Water Distribution			
Personnel	665,160	665,160	654,748
Commodities	124,450	124,450	109,409
Contractual	98,530	98,530	31,510
Miscellaneous	161,460	161,460	153,144
	<u>1,049,600</u>	<u>1,049,600</u>	<u>948,811</u>
Water Meter Reading and Maintenance			
Personnel	138,120	138,120	141,554
Commodities	28,900	28,900	39,394
Contractual	82,150	82,150	47,226
Miscellaneous	7,140	7,140	7,150
	<u>256,310</u>	<u>256,310</u>	<u>235,324</u>
Sanitary Sewer Maintenance			
Personnel	593,040	593,040	576,931
Commodities	61,350	61,350	37,146
Contractual	120,080	120,080	85,033
Miscellaneous	193,110	193,110	154,110
	<u>967,580</u>	<u>967,580</u>	<u>853,220</u>
Lift/Pump Station Maintenance			
Personnel	307,200	307,200	306,548
Commodities	22,500	22,500	23,025
Contractual	23,660	23,660	23,903
Miscellaneous	7,450	7,450	15,065
	<u>360,810</u>	<u>360,810</u>	<u>368,541</u>

VILLAGE OF LOMBARD, ILLINOIS

Waterworks and Sewerage Fund - Operation and Maintenance Account

**Schedule of Operating Expenses - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2018**

	Budget		Actual
	Original	Final	
Operations (Cont.)			
Storm Sewer System Maintenance			
Personnel	\$ 261,630	261,630	262,513
Commodities	15,800	15,800	4,795
Contractual	9,100	9,100	4,537
	<u>286,530</u>	<u>286,530</u>	<u>271,845</u>
 Total Operations	 <u>10,469,330</u>	 <u>10,469,330</u>	 <u>9,851,831</u>
 Sewage Treatment			
Contract Services - GWWA	<u>4,253,470</u>	<u>4,253,470</u>	<u>4,478,768</u>

VILLAGE OF LOMBARD, ILLINOIS

Waterworks and Sewerage Fund - Capital Reserve Account

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2018

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 1,539,060	1,539,060	1,323,518
Operating Expenses			
Operations	6,047,209	9,047,209	4,809,927
Depreciation	-	-	1,842,019
Total Operating Expenses	6,047,209	9,047,209	6,651,946
Operating (Loss)	(4,508,149)	(7,508,149)	(5,328,428)
Nonoperating Revenues			
Sales Tax	5,197,020	5,197,020	5,189,994
Interest Income	50,000	50,000	92,103
Connection Fees	100,000	100,000	88,510
Grant	6,564,800	6,564,800	37,294
	11,911,820	11,911,820	5,407,901
Change in Net Position	7,403,671	4,403,671	79,473
Net Position - Beginning			55,978,781
Net Position - Ending			56,058,254

VILLAGE OF LOMBARD, ILLINOIS

Waterworks and Sewerage Fund - Capital Reserve Account

**Schedule of Operating Expenses - Budget and Actual
For the Fiscal Year Ended December 31, 2018**

	Budget		Actual
	Original	Final	
Operations			
Capital Improvements	\$ 11,145,200	14,145,200	9,907,918
Less Nonoperating Items			
Capital Assets Capitalized	(5,097,991)	(5,097,991)	(5,097,991)
Total Operations	<u>6,047,209</u>	<u>9,047,209</u>	<u>4,809,927</u>

VILLAGE OF LOMBARD, ILLINOIS

Parking System Fund

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2018**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Special A Parking Permit	\$ 3,600	3,600	4,718
Commuter Parking Permits	86,930	86,930	75,535
Daily Fee Parking	102,620	102,620	108,355
Bicycle Locker Rental Fees	460	460	445
Parking Fines	27,600	27,600	31,043
Immobilization Fees	240	240	145
Total Operating Revenues	<u>221,450</u>	<u>221,450</u>	<u>220,241</u>
Operating Expenses			
Operations			
Personnel	34,270	34,270	42,836
Commodities	3,550	3,550	2,273
Contractual	134,400	134,400	99,467
Depreciation	-	-	71,434
Total Operating Expenses	<u>172,220</u>	<u>172,220</u>	<u>216,010</u>
Operating Income	49,230	49,230	4,231
Nonoperating Revenues			
Interest Income	<u>5,050</u>	<u>5,050</u>	<u>17,798</u>
Income (Loss) Before Transfers	54,280	54,280	22,029
Transfers Out	<u>(3,720)</u>	<u>(3,720)</u>	<u>(3,720)</u>
Change in Net Position	<u>50,560</u>	<u>50,560</u>	18,309
Net Position - Beginning			<u>2,174,134</u>
Net Position - Ending			<u>2,192,443</u>

VILLAGE OF LOMBARD, ILLINOIS

Fleet Services Fund

**Schedule of Revenues, Expenses and Changes in Net Position - By Accounts
For the Fiscal Year Ended December 31, 2018**

	Operation and Maintenance	Capital Reserve	Totals
Operating Revenues			
Charges for Services	\$ 1,006,254	1,233,928	2,240,182
Operating Expenses			
Operations	1,345,735	362,876	1,708,611
Depreciation	-	629,604	629,604
Total Operating Expenses	1,345,735	992,480	2,338,215
Operating Income (Loss)	(339,481)	241,448	(98,033)
Nonoperating Revenues			
Interest Income	3,907	176,121	180,028
Other Income	44,895	22,202	67,097
Disposal of Capital Assets	-	147,584	147,584
	48,802	345,907	394,709
Change in Net Position	(290,679)	587,355	296,676
Net Position - Beginning	680,537	10,338,688	11,019,225
Net Position - Ending	389,858	10,926,043	11,315,901

VILLAGE OF LOMBARD, ILLINOIS

Fleet Services Fund - Operation and Maintenance Account

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2018**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 1,120,390	1,120,390	1,006,254
Operating Expenses			
Operations			
Personnel	466,410	612,410	801,409
Commodities	612,900	612,900	494,002
Contractual	120,900	120,900	50,324
Total Operating Expenses	1,200,210	1,346,210	1,345,735
Operating (Loss)	(79,820)	(225,820)	(339,481)
Nonoperating Revenues			
Interest Income	-	-	3,907
Other Income	60,920	60,920	44,895
	60,920	60,920	48,802
Change in Net Position	(18,900)	(164,900)	(290,679)
Net Position - Beginning			680,537
Net Position - Ending			389,858

VILLAGE OF LOMBARD, ILLINOIS

Fleet Services Fund - Capital Reserve Account

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2018

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 1,306,230	1,306,230	1,233,928
Operating Expenses			
Operations	332,700	363,700	362,876
Depreciation	-	-	629,604
Total Operating Expenses	332,700	363,700	992,480
Operating Income	973,530	942,530	241,448
Nonoperating Revenues			
Interest Income	35,000	35,000	176,121
Other Income	-	-	22,202
Disposal of Capital Assets	130,500	130,500	147,584
	165,500	165,500	345,907
Change in Net Position	1,139,030	1,108,030	587,355
Net Position - Beginning			10,338,688
Net Position - Ending			10,926,043

VILLAGE OF LOMBARD, ILLINOIS

Fleet Services Fund - Capital Reserve Account

**Schedule of Operating Expenses - Budget and Actual
For the Fiscal Year Ended December 31, 2018**

	Budget		Actual
	Original	Final	
Operations			
Automotive Equipment	\$ 833,700	864,700	903,754
Less Nonoperating Items			
Capital Assets Capitalized	(501,000)	(501,000)	(540,878)
Total Operations	332,700	363,700	362,876

VILLAGE OF LOMBARD, ILLINOIS

Pension Trust Funds

Combining Statement of Fiduciary Net Position
December 31, 2018

	Police Pension	Firefighters' Pension	Totals
ASSETS			
Cash and Cash Equivalents	\$ 221,676	970,794	1,192,470
Investments			
U.S. Treasuries	4,559,349	1,553,840	6,113,189
U.S. Agencies	24,226,008	11,120,413	35,346,421
Local Government Obligations	4,838,714	2,668,901	7,507,615
Corporate Bonds	-	11,290,842	11,290,842
Mutual Funds	29,237,686	26,158,392	55,396,078
Stock Equities	-	3,533,537	3,533,537
Illinois Funds	77,374	3,210	80,584
Illinois Metropolitan Investment Funds	1,253,645	1,148,444	2,402,089
Receivables - Accrued Interest	228,370	275,118	503,488
Prepays	-	795	795
Total Assets	64,642,822	58,724,286	123,367,108
LIABILITIES			
Accounts Payable	44,762	13,236	57,998
NET POSITION			
Net Position Restricted for Pensions	64,598,060	58,711,050	123,309,110

VILLAGE OF LOMBARD, ILLINOIS

Pension Trust Funds

**Combining Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended December 31, 2018**

	Police Pension	Firefighters' Pension	Totals
Additions			
Contributions - Employer	\$ 3,611,517	2,863,927	6,475,444
Contributions - Plan Members	663,899	623,352	1,287,251
Total Contributions	<u>4,275,416</u>	<u>3,487,279</u>	<u>7,762,695</u>
Other Income	<u>96</u>	<u>107</u>	<u>203</u>
Investment Income			
Interest Earned	2,757,674	2,741,543	5,499,217
Net Change in Fair Value	(5,001,739)	(5,034,272)	(10,036,011)
	<u>(2,244,065)</u>	<u>(2,292,729)</u>	<u>(4,536,794)</u>
Less Investment Expenses	(131,305)	(103,620)	(234,925)
Net Investment Income	<u>(2,375,370)</u>	<u>(2,396,349)</u>	<u>(4,771,719)</u>
Total Additions	<u>1,900,142</u>	<u>1,091,037</u>	<u>2,991,179</u>
Deductions			
Administration	88,257	34,536	122,793
Benefits and Refunds			
Benefits	4,696,041	3,558,750	8,254,791
Refunds	7,630	-	7,630
Total Deductions	<u>4,791,928</u>	<u>3,593,286</u>	<u>8,385,214</u>
Change in Fiduciary Net Position	(2,891,786)	(2,502,249)	(5,394,035)
Net Position Restricted for Pensions			
Beginning	<u>67,489,846</u>	<u>61,213,299</u>	<u>128,703,145</u>
Ending	<u>64,598,060</u>	<u>58,711,050</u>	<u>123,309,110</u>

VILLAGE OF LOMBARD, ILLINOIS

Police Pension Fund

**Schedule of Changes in Fiduciary Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2018**

	Budget		Actual
	Original	Final	
Additions			
Contributions - Employer	\$ 2,979,200	2,979,200	3,611,517
Contributions - Plan Members	653,020	653,020	663,899
Total Contributions	<u>3,632,220</u>	<u>3,632,220</u>	<u>4,275,416</u>
Other Income	-	-	96
Investment Income			
Interest Earned	3,680,000	3,680,000	2,757,674
Net Change in Fair Value	-	-	(5,001,739)
	<u>3,680,000</u>	<u>3,680,000</u>	<u>(2,244,065)</u>
Less Investment Expenses	-	-	(131,305)
Net Investment Income	<u>3,680,000</u>	<u>3,680,000</u>	<u>(2,375,370)</u>
Total Additions	<u>7,312,220</u>	<u>7,312,220</u>	<u>1,900,142</u>
Deductions			
Administration	196,720	196,720	88,257
Benefits and Refunds			
Benefits	4,508,790	4,595,790	4,696,041
Refunds	-	-	7,630
Total Deductions	<u>4,705,510</u>	<u>4,792,510</u>	<u>4,791,928</u>
Change in Fiduciary Net Position	<u>2,606,710</u>	<u>2,519,710</u>	(2,891,786)
Net Position Restricted for Pensions			
Beginning			<u>67,489,846</u>
Ending			<u>64,598,060</u>

VILLAGE OF LOMBARD, ILLINOIS

Firefighters' Pension Fund

**Schedule of Changes in Fiduciary Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2018**

	Budget		Actual
	Original	Final	
Additions			
Contributions - Employer	\$ 2,232,000	2,232,000	2,863,927
Contributions - Plan Members	583,560	583,560	623,352
Total Contributions	<u>2,815,560</u>	<u>2,815,560</u>	<u>3,487,279</u>
Other Income	-	-	107
Investment Income			
Interest Earned	3,959,750	3,959,750	2,741,543
Net Change in Fair Value	-	-	(5,034,272)
	<u>3,959,750</u>	<u>3,959,750</u>	<u>(2,292,729)</u>
Less Investment Expenses	-	-	(103,620)
Net Investment Income	<u>3,959,750</u>	<u>3,959,750</u>	<u>(2,396,349)</u>
Total Additions	<u>6,775,310</u>	<u>6,775,310</u>	<u>1,091,037</u>
Deductions			
Administration	140,670	140,670	34,536
Benefits and Refunds			
Benefits	<u>3,929,510</u>	<u>3,929,510</u>	<u>3,558,750</u>
Total Deductions	<u>4,070,180</u>	<u>4,070,180</u>	<u>3,593,286</u>
Change in Fiduciary Net Position	<u>2,705,130</u>	<u>2,705,130</u>	(2,502,249)
Net Position Restricted for Pensions			
Beginning			<u>61,213,299</u>
Ending			<u>58,711,050</u>

VILLAGE OF LOMBARD, ILLINOIS

Agency Fund

**Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended December 31, 2018**

	Beginning Balances	Additions	Deductions	Ending Balances
SPECIAL ASSESSMENTS FUND				
Assets				
Cash and Investments	\$ 903,085	-	90,767	812,318
Accounts Receivable	2,958	82,489	-	85,447
Total Assets	906,043	82,489	90,767	897,765
Liabilities				
Due to Bondholders	906,043	82,489	90,767	897,765

VILLAGE OF LOMBARD, ILLINOIS**Consolidated Year-End Financial Report****December 31, 2018**

CSFA #	Program Name	State	Federal	Other	Total
444-26-1565	Tobacco Enforcement Program	\$ -	9,177	-	9,177
494-00-1005	Local Federal Bridge Program	-	-	-	-
494-00-1488	Motor Fuel Tax Program	1,621,630	-	-	1,621,630
494-10-0343	State and Community Highway Safety/ National Priority Safety Program	-	68,955	-	68,955
494-420495	Local Surface Transportation Program	-	-	-	-
532-60-0379	USEPA Capitalization Grants for Drinking Water State Revolving Funds	1,981,277	622,682	1,084,838	3,688,797
546-00-1408	Edward Byrne Memorial Justice Assistance Grant Program (JAG) FFY15	-	116,500	-	116,500
	Other Grant Programs and Activities	-	417,599	45,149	462,748
	All Other Costs Not Allocated	-	-	66,285,940	66,285,940
	Totals	3,602,907	1,234,913	67,415,927	72,253,747

STATISTICAL SECTION

(Unaudited)

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

VILLAGE OF LOMBARD, ILLINOIS

**Net Position by Component - Last Ten Fiscal Years
December 31, 2018 (Unaudited)**

	Fiscal Year Ended 5/31/2010	Fiscal Year Ended 5/31/2011	Fiscal Year Ended 5/31/2012	Seven Months Ended 12/31/2012	Fiscal Year Ended 12/31/2013	Fiscal Year Ended 12/31/2014	Fiscal Year Ended 12/31/2015	Fiscal Year Ended 12/31/2016	Fiscal Year Ended 12/31/2017	Fiscal Year Ended 12/31/2018
Governmental Activities										
Net Investment in Capital Assets	\$ 86,983,496	84,504,289	84,533,294	88,172,217	88,985,049	89,079,482	91,631,301	95,126,395	95,368,627	88,165,070
Restricted	7,375,868	7,521,136	7,522,946	8,678,133	8,470,057	8,708,131	7,925,287	8,782,371	9,912,080	11,173,164
Unrestricted	15,124,980	16,798,455	21,646,376	17,997,708	17,200,029	18,260,845	(33,630,621)	(46,498,842)	(45,531,098)	(39,708,763)
Total Governmental Activities Net Position	109,484,344	108,823,880	113,702,616	114,848,058	114,655,135	116,048,458	65,925,967	57,409,924	59,749,609	59,629,471
Business-Type Activities										
Net Investment in Capital Assets	41,469,700	41,493,753	44,080,283	45,485,179	48,108,389	48,339,710	50,519,132	55,170,413	61,488,657	59,966,039
Unrestricted	32,142,773	31,459,925	30,701,570	32,610,492	31,789,271	33,172,256	29,332,987	29,461,493	30,326,744	33,896,659
Total Business-Type Activities Net Position	73,612,473	72,953,678	74,781,853	78,095,671	79,897,660	81,511,966	79,852,119	84,631,906	91,815,401	93,862,698
Primary Government										
Net Investment in Capital Assets	128,453,196	125,998,042	128,613,577	133,657,396	137,093,438	137,419,192	142,150,433	150,296,808	156,857,284	148,131,109
Restricted	7,375,868	7,521,136	7,522,946	8,678,133	8,470,057	8,708,131	7,925,287	8,782,371	9,912,080	11,173,164
Unrestricted	47,267,753	48,258,380	52,347,946	50,608,200	48,989,300	51,433,101	(4,297,634)	(17,037,349)	(15,204,354)	(5,812,104)
Total Primary Government Net Position	183,096,817	181,777,558	188,484,469	192,943,729	194,552,795	197,560,424	145,778,086	142,041,830	151,565,010	153,492,169

Data Source: Village Records

The Village implemented GASB Statement 68 in Fiscal Year 2015.

VILLAGE OF LOMBARD, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years
December 31, 2018 (Unaudited)

	Fiscal Year Ended 5/31/2010	Fiscal Year Ended 5/31/2011	Fiscal Year Ended 5/31/2012	Seven Months Ended 12/31/2012	Fiscal Year Ended 12/31/2013	Fiscal Year Ended 12/31/2014	Fiscal Year Ended 12/31/2015	Fiscal Year Ended 12/31/2016	Fiscal Year Ended 12/31/2017	Fiscal Year Ended 12/31/2018
Expenses										
Governmental Activities										
General Government	\$ 8,894,086	8,572,429	9,328,731	4,131,738	10,618,566	11,061,834	9,954,809	7,714,255	8,364,526	7,830,805
Public Safety	21,233,173	22,690,384	22,978,172	15,408,311	24,910,856	26,028,142	33,846,421	43,002,575	22,251,838	29,757,920
Physical Environment	2,157,260	1,603,323	1,642,693	921,050	1,447,328	1,513,731	1,538,966	1,629,603	1,651,411	1,742,984
Public Works	16,029,284	18,139,707	12,491,561	11,772,540	14,176,035	12,483,872	11,461,604	12,103,052	12,176,367	10,751,043
Interest on Long-Term Debt	416,192	411,904	322,932	166,539	244,159	183,751	120,882	86,322	50,903	27,270
Total Governmental Activities Expenses	48,729,995	51,417,747	46,764,089	32,400,178	51,396,944	51,271,330	56,922,682	64,535,807	44,495,045	50,110,022
Business-Type Activities										
Waterworks and Sewerage	14,172,783	15,625,693	16,397,317	10,218,545	16,959,526	16,907,384	23,120,131	17,150,317	18,914,412	21,957,393
Parking	110,744	124,683	117,847	52,609	91,534	51,754	125,721	87,494	152,930	216,010
Total Business-Type Activities Expenses	14,283,527	15,750,376	16,515,164	10,271,154	17,051,060	16,959,138	23,245,852	17,237,811	19,067,342	22,173,403
Total Primary Government Expenses	63,013,522	67,168,123	63,279,253	42,671,332	68,448,004	68,230,468	80,168,534	81,773,618	63,562,387	72,283,425
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	5,937,181	3,356,232	3,645,459	2,204,963	3,301,022	3,627,609	3,728,640	3,368,010	4,403,260	3,190,860
Public Safety	2,520,534	2,704,693	2,655,212	1,535,287	2,722,478	2,864,881	2,369,503	2,647,107	2,884,513	3,502,029
Operating Grants/Contributions	255,277	476,661	1,231,404	841,056	179,303	251,040	232,866	232,736	240,648	588,378
Capital Grants/Contributions	3,752,732	3,796,667	4,516,688	3,227,305	3,392,405	3,447,663	3,042,778	7,629,033	3,205,407	3,447,145
Total Governmental Activities Program Revenues	12,465,724	10,334,253	12,048,763	7,808,611	9,595,208	10,191,193	9,373,787	13,876,886	10,733,828	10,728,412
Business-Type Activities										
Charges for Services										
Waterworks and Sewerage	11,658,799	12,598,393	13,666,637	9,625,045	14,284,278	14,350,288	14,845,277	16,254,939	16,492,569	17,453,749
Parking	188,682	194,749	195,755	115,846	193,885	175,093	186,835	221,529	224,759	220,241
Operating Grants/Contributions	-	-	-	-	414,180	-	-	-	341,381	37,294
Capital Grants/Contributions	406,924	266,990	1,436,538	166,889	-	827,973	189,232	58,292	252,866	1,911,707
Total Business-Type Activities Program Revenues	12,254,405	13,060,132	15,298,930	9,907,780	14,892,343	15,353,354	15,221,344	16,534,760	17,311,575	19,622,991
Total Primary Government Program Revenues	24,720,129	23,394,385	27,347,693	17,716,391	24,487,551	25,544,547	24,595,131	30,411,646	28,045,403	30,351,403

	Fiscal Year Ended 5/31/2010	Fiscal Year Ended 5/31/2011	Fiscal Year Ended 5/31/2012	Seven Months Ended 12/31/2012	Fiscal Year Ended 12/31/2013	Fiscal Year Ended 12/31/2014	Fiscal Year Ended 12/31/2015	Fiscal Year Ended 12/31/2016	Fiscal Year Ended 12/31/2017	Fiscal Year Ended 12/31/2018
Net (Expenses) Revenues										
Governmental Activities	\$ (41,083,494)	(34,715,326)	(24,591,567)	(41,801,736)	(41,080,137)	(41,080,137)	(47,548,895)	(50,658,921)	(33,761,217)	(39,381,610)
Business-Type Activities	(2,690,244)	(1,216,234)	(363,374)	(2,158,717)	(1,605,784)	(1,605,784)	(8,024,508)	(703,051)	(1,755,767)	(2,550,412)
Total Primary Government Net Revenues (Expenses)	<u>(43,773,738)</u>	<u>(35,931,560)</u>	<u>(24,954,941)</u>	<u>(43,960,453)</u>	<u>(42,685,921)</u>	<u>(42,685,921)</u>	<u>(55,573,403)</u>	<u>(51,361,972)</u>	<u>(35,516,984)</u>	<u>(41,932,022)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property	8,238,342	8,329,478	8,394,681	8,571,427	8,851,990	8,807,994	8,963,744	9,033,526	9,146,994	9,407,488
Utility	4,876,228	4,905,762	4,816,683	2,697,489	4,647,765	4,729,429	4,227,330	4,148,253	3,969,776	3,989,921
Places for Eating	1,414,854	1,458,204	1,533,839	931,591	1,550,672	1,575,624	1,687,638	1,678,787	3,230,111	3,264,805
Hotel/Motel	1,576,336	1,670,469	1,754,103	1,124,695	1,867,534	1,939,853	2,009,401	1,962,433	2,042,521	1,980,377
Other	726,863	788,380	811,772	484,686	823,168	739,725	818,553	800,369	732,995	654,723
Intergovernmental - Unrestricted										
Sales	15,434,335	16,674,191	16,842,804	7,583,455	17,711,202	18,535,018	16,366,591	17,216,410	14,079,367	16,943,151
Income/Use Tax - Unrestricted	3,869,045	4,073,198	4,331,205	2,433,235	4,932,421	4,953,509	5,668,814	5,204,594	5,063,514	5,442,835
Investment Income	712,471	338,351	114,233	89,579	79,631	(23,122)	324,455	214,042	293,212	682,210
Miscellaneous	2,222,290	1,305,349	468,412	172,906	594,625	724,920	355,529	1,342,640	608,017	386,468
Transfers - Internal Activities	567,870	504,340	526,330	354,840	549,805	490,510	575,832	541,824	525,850	530,750
Total Governmental Activities	<u>39,638,634</u>	<u>40,047,722</u>	<u>39,594,062</u>	<u>24,443,903</u>	<u>41,608,813</u>	<u>42,473,460</u>	<u>40,997,887</u>	<u>42,142,878</u>	<u>39,692,357</u>	<u>43,282,728</u>
Business-Type Activities										
Intergovernmental - Unrestricted										
Sales	2,937,619	2,433,274	3,301,320	3,921,901	2,792,960	2,019,659	5,062,424	4,446,536	7,849,684	5,189,994
Investment Income	185,850	60,354	8,261	21,781	13,245	41,100	146,984	101,869	83,639	202,643
Miscellaneous	23,700	42,161	261,158	88,350	1,704,306	1,649,841	1,731,085	1,476,257	1,531,789	633,454
Transfers - Internal Activities	(567,870)	(504,340)	(526,330)	(354,840)	(549,805)	(490,510)	(575,832)	(541,824)	(525,850)	(530,750)
Total Business-Type Activities	<u>2,579,299</u>	<u>2,031,449</u>	<u>3,044,409</u>	<u>3,677,192</u>	<u>3,960,706</u>	<u>3,220,090</u>	<u>6,364,661</u>	<u>5,482,838</u>	<u>8,939,262</u>	<u>5,495,341</u>
Total Primary Government	<u>42,217,933</u>	<u>42,079,171</u>	<u>42,638,471</u>	<u>28,121,095</u>	<u>45,569,519</u>	<u>45,693,550</u>	<u>47,362,548</u>	<u>47,625,716</u>	<u>48,631,619</u>	<u>48,778,069</u>
Changes in Net Position										
Governmental Activities	(1,444,860)	5,332,396	15,002,495	(17,357,833)	528,676	1,393,323	(6,551,008)	(8,516,043)	5,931,140	3,901,118
Business-Type Activities	(110,945)	815,215	2,681,035	1,518,475	2,354,922	1,614,306	(1,659,847)	4,779,787	7,183,495	2,944,929
Total Primary Government	<u>(1,555,805)</u>	<u>6,147,611</u>	<u>17,683,530</u>	<u>(15,839,358)</u>	<u>2,883,598</u>	<u>3,007,629</u>	<u>(8,210,855)</u>	<u>(3,736,256)</u>	<u>13,114,635</u>	<u>6,846,047</u>

Data Source: Village Records

VILLAGE OF LOMBARD, ILLINOIS

**Fund Balances of Governmental Funds - Last Ten Fiscal Years
December 31, 2018 (Unaudited)**

	Fiscal Year Ended 5/31/2010	Fiscal Year Ended 5/31/2011	Fiscal Year Ended 5/31/2012	Seven Months Ended 12/31/2012
General Fund				
Reserved	\$ 5,364,007	5,806,440	-	-
Unreserved	11,124,121	12,041,263	-	-
Nonspendable	-	-	268,971	301,944
Restricted	-	-	4,806,203	5,900,173
Committed	-	-	5,677,588	6,467,312
Unassigned	-	-	7,382,548	7,152,026
Total General Fund	16,488,128	17,847,703	18,135,310	19,821,455
All Other Governmental Funds				
Reserved	2,291,093	1,973,581	-	-
Unreserved, Reported in:				
Special Revenues Funds	-	-	-	-
Debt Service Funds	(184,272)	(53,628)	-	-
Capital Projects Funds	2,786,349	3,217,900	-	-
Restricted	-	-	2,716,743	2,912,227
Committed	-	-	-	-
Assigned	-	-	6,485,958	1,261,407
Unassigned	-	-	(60,707)	-
Total All Other Governmental Funds	4,893,170	5,137,853	9,141,994	4,173,634
Total All Governmental Funds	21,381,298	22,985,556	27,277,304	23,995,089

Data Source: Village Records
The Village implemented GASB 54 in Fiscal Year 2012.

Fiscal Year Ended 12/31/2013	Fiscal Year Ended 12/31/2014	Fiscal Year Ended 12/31/2015	Fiscal Year Ended 12/31/2016	Fiscal Year Ended 12/31/2017	Fiscal Year Ended 12/31/2018
-	-	-	-	-	-
-	-	-	-	-	-
339,072	588,720	857,860	1,565,759	1,745,588	1,851,003
5,355,457	4,585,568	3,972,654	3,806,465	3,807,634	4,610,742
4,652,500	6,900,547	7,811,170	7,337,681	8,432,807	7,853,817
9,315,747	6,718,345	6,387,092	6,508,942	8,550,874	7,589,075
19,662,776	18,793,180	19,028,776	19,218,847	22,536,903	21,904,637
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,224,579	4,197,575	4,000,625	5,009,343	6,120,803	6,570,986
-	-	-	1,119,423	1,119,423	2,641,651
2,026,548	2,045,276	3,059,395	4,859,378	1,058,027	2,553,979
-	-	-	-	-	-
5,251,127	6,242,851	7,060,020	10,988,144	8,298,253	11,766,616
24,913,903	25,036,031	26,088,796	30,206,991	30,835,156	33,671,253

VILLAGE OF LOMBARD, ILLINOIS

General Governmental Revenues By Source - Last Ten Fiscal Years December 31, 2018 (Unaudited)

Source	Fiscal Year Ended 5/31/2010	Fiscal Year Ended 5/31/2011	Fiscal Year Ended 5/31/2012**	Seven Months Ended 12/31/2012
Taxes	\$ 36,136,003	37,899,682	22,679,765	14,857,162
Licenses and Permits	1,484,412	1,562,251	1,643,974	784,380
Intergovernmental	4,008,009	4,273,328	21,003,206	13,011,247
Charges for Services	5,941,275	3,491,624	3,688,442	2,440,906
Fines and Forfeits	1,032,028	1,007,050	968,255	514,964
Interest	547,773	294,773	86,442	74,744
Miscellaneous	2,222,290	1,305,349	468,412	172,906
Totals	51,371,790	49,834,057	50,538,496	31,856,309

Data Source: Village Records

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

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

Fidcal Year Ended 12/31/2013	Fidcal Year Ended 12/31/2014	Fidcal Year Ended 12/31/2015	Fidcal Year Ended 12/31/2016	Fidcal Year Ended 12/31/2017	Fidcal Year Ended 12/31/2018
23,856,270	24,937,522	22,021,814	17,623,368	19,122,397	19,297,314
1,140,082	1,199,891	1,286,559	1,121,197	1,455,518	1,041,619
20,100,190	20,042,333	20,995,901	25,748,881	22,588,936	26,421,509
4,040,224	4,406,641	3,960,748	4,017,724	4,806,728	4,456,110
843,194	885,958	850,836	876,196	1,025,527	1,195,160
68,630	(29,353)	231,760	143,285	217,348	502,182
594,625	724,920	355,529	1,342,640	608,017	386,468
50,643,215	52,167,912	49,703,147	50,873,291	49,824,471	53,300,362

VILLAGE OF LOMBARD, ILLINOIS

**General Governmental Expenditures By Function - Last Ten Fiscal Years
December 31, 2018 (Unaudited)**

Function	Fiscal Year Ended 5/31/2010	Fiscal Year Ended 5/31/2011	Fiscal Year Ended 5/31/2012	Seven Months Ended 12/31/2012
General Government	\$ 8,498,956	8,596,448	9,412,734	4,754,465
Public Safety	21,130,160	22,611,697	22,880,848	15,366,469
Physical Environment	2,157,260	1,603,323	1,642,693	921,050
Public Works	4,032,720	4,028,129	4,683,711	3,231,974
Capital Outlay	12,983,004	14,280,244	5,536,645	10,045,487
Debt Service				
Principal Retirement	2,931,513	2,139,335	2,230,970	1,020,885
Interest and Fiscal Charges	425,808	380,271	385,477	153,034
Totals	52,159,421	53,639,447	46,773,078	35,493,364

Data Source: Village Records

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

Fiscal Year Ended 12/31/2013	Fiscal Year Ended 12/31/2014	Fiscal Year Ended 12/31/2015	Fiscal Year Ended 12/31/2016	Fiscal Year Ended 12/31/2017	Fiscal Year Ended 12/31/2018
9,893,544	10,107,819	7,661,812	7,924,067	8,067,440	8,013,157
24,771,528	25,825,972	25,444,257	26,853,707	27,030,606	29,754,052
1,447,328	1,513,731	1,538,966	1,629,603	1,651,411	1,742,984
4,054,885	4,146,281	4,044,581	4,146,747	4,174,088	4,177,623
9,518,569	8,496,713	8,487,921	5,291,519	7,380,053	6,687,886
2,056,400	2,227,060	1,900,775	1,350,400	1,350,575	584,250
281,952	218,718	147,902	100,877	67,983	35,063
52,024,206	52,536,294	49,226,214	47,296,920	49,722,156	50,995,015

VILLAGE OF LOMBARD, ILLINOIS

**Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years
December 31, 2018 (Unaudited)**

	Fiscal Year Ended 5/31/2010	Fiscal Year Ended 5/31/2011	Fiscal Year Ended 5/31/2012**	Seven Months Ended 12/31/2012
Revenues				
Taxes	\$ 36,136,003	37,899,682	22,679,765	14,857,162
Licenses and Permits	1,484,412	1,562,251	1,643,974	784,380
Intergovernmental	4,008,009	4,273,328	21,003,206	13,011,247
Charges for Services	5,941,275	3,491,624	3,688,442	2,440,906
Fines and Forfeits	1,032,028	1,007,050	968,255	514,964
Interest	547,773	294,773	86,442	74,744
Miscellaneous	2,222,290	1,305,349	468,412	172,906
Total Revenues	51,371,790	49,834,057	50,538,496	31,856,309
Expenditures				
General Government	8,498,956	8,596,448	9,412,734	4,754,465
Public Safety	21,130,160	22,611,697	22,880,848	15,366,469
Physical Environment	2,157,260	1,603,323	1,642,693	921,050
Public Works	4,032,720	4,028,129	4,683,711	3,231,974
Capital Outlay	12,983,004	14,280,244	5,536,645	10,045,487
Debt Service				
Principal	2,931,513	2,139,335	2,230,970	1,020,885
Interest and Fiscal Charges	425,808	380,271	385,477	153,034
Total Expenditures	52,159,421	53,639,447	46,773,078	35,493,364
Excess of Revenues Over (Under) Expenditures	(787,631)	(3,805,390)	3,765,418	(3,637,055)
Other Financing Sources (Uses)				
Issuance of Debt	2,800,000	4,530,000	-	-
Transfers In	1,117,870	504,340	526,330	354,840
Transfers Out	(550,000)	-	-	-
	3,367,870	5,034,340	526,330	354,840
Net Change in Fund Balances	2,580,239	1,228,950	4,291,748	(3,282,215)
Debt Service as a Percentage of Noncapital Expenditures	7.01%	4.97%	5.70%	3.63%

Data Source: Village Records

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

Fiscal Year Ended 12/31/2013	Fiscal Year Ended 12/31/2014	Fiscal Year Ended 12/31/2015	Fiscal Year Ended 12/31/2016	Fiscal Year Ended 12/31/2017	Fiscal Year Ended 12/31/2018
23,856,270	24,937,522	22,021,814	17,623,368	19,122,397	19,297,314
1,140,082	1,199,891	1,286,559	1,121,197	1,455,518	1,041,619
20,100,190	20,042,333	20,995,901	25,748,881	22,588,936	26,421,509
4,040,224	4,406,641	3,960,748	4,017,724	4,806,728	4,456,110
843,194	885,958	850,836	876,196	1,025,527	1,195,160
68,630	(29,353)	231,760	143,285	217,348	502,182
594,625	724,920	355,529	1,342,640	608,017	386,468
50,643,215	52,167,912	49,703,147	50,873,291	49,824,471	53,300,362
9,893,544	10,107,819	7,661,812	7,924,067	8,067,440	8,013,157
24,771,528	25,825,972	25,444,257	26,853,707	27,030,606	29,754,052
1,447,328	1,513,731	1,538,966	1,629,603	1,651,411	1,742,984
4,054,885	4,146,281	4,044,581	4,146,747	4,174,088	4,177,623
9,518,569	8,496,713	8,487,921	5,291,519	7,380,053	6,687,886
2,056,400	2,227,060	1,900,775	1,350,400	1,350,575	584,250
281,952	218,718	147,902	100,877	67,983	35,063
52,024,206	52,536,294	49,226,214	47,296,920	49,722,156	50,995,015
(1,380,991)	(368,382)	476,933	3,576,371	102,315	2,305,347
1,750,000	490,510	-	-	-	-
549,805	-	575,832	1,707,349	525,850	2,172,118
-	-	-	(1,165,525)	-	(1,641,368)
2,299,805	490,510	575,832	541,824	525,850	530,750
918,814	122,128	1,052,765	4,118,195	628,165	2,836,097
4.71%	4.93%	4.51%	3.09%	3.00%	1.22%

VILLAGE OF LOMBARD, ILLINOIS

**Sales Tax Base and Number of Principal Payers - Taxable Sales by Category - Last Ten Calendar Years
December 31, 2018 (Unaudited)**

	2009	2010	2011	2012
General Merchandise	\$ 2,152,591	2,131,859	2,093,390	2,063,495
Food	825,669	794,468	831,723	784,138
Drinking and Eating Places	1,222,878	1,255,879	1,319,069	1,401,705
Apparel	493,527	495,865	515,269	520,252
Furniture & H.H. & Radio	726,043	669,252	686,490	816,820
Lumber, Building, Hardware	198,755	205,581	242,502	255,213
Automobile and Filling Stations	1,200,285	1,307,234	1,515,675	1,636,324
Drugs and Miscellaneous Retail	1,519,117	1,703,507	1,780,790	1,888,398
Agriculture and All Others	1,236,937	1,168,129	1,565,438	1,107,902
Manufacturers	279,503	373,622	272,207	299,178
Totals	9,855,305	10,105,396	10,822,553	10,773,425
Total Number of Payers	1,205	1,247	1,741	1,226
Village Direct Sales Tax Rate	2.00%	2.00%	2.00%	2.00%

Data Source: Illinois Department of Revenue

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

2013	2014	2015	2016	2017	2018
1,879,633	1,835,831	1,864,064	1,834,716	1,771,392	1,644,742
789,686	777,661	882,930	789,328	868,701	1,131,528
1,381,278	1,410,990	1,485,984	1,553,358	1,509,367	1,501,610
522,665	491,891	489,318	541,685	623,537	580,022
1,075,702	1,200,192	1,233,931	1,407,719	1,476,905	1,518,113
288,171	202,593	200,601	205,604	215,289	214,036
1,692,416	1,703,973	1,612,979	1,679,340	1,661,078	1,718,754
1,829,114	1,802,817	1,554,013	2,000,563	1,913,736	1,673,635
1,195,219	1,480,694	2,133,961	1,579,555	1,597,305	1,764,161
298,918	337,756	234,324	274,800	249,877	256,261
10,952,802	11,244,398	11,692,105	11,866,668	11,887,187	12,002,862
1,217	1,230	1,272	1,261	1,275	1,264
2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

VILLAGE OF LOMBARD, ILLINOIS

**Direct and Overlapping Sales Tax Rates - Last Ten Fiscal Years
December 31, 2018 (Unaudited)**

<u>Fiscal Year Ended</u>	<u>Village Direct Rate</u>	<u>State Rate</u>
5/31/2010	2.00%	6.25%
5/31/2011	2.00%	6.25%
5/31/2012	2.00%	6.25%
12/31/2012*	2.00%	6.25%
12/31/2013	2.00%	6.25%
12/31/2014	2.00%	6.25%
12/31/2015	2.00%	6.25%
12/31/2016	2.00%	6.00%
12/31/2017	2.00%	6.00%
12/31/2018	2.00%	6.00%

Data Source: Village and County Records

* For the seven months ended December 31, 2012.

VILLAGE OF LOMBARD, ILLINOIS

**Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years
December 31, 2018 (Unaudited)**

Tax Levy Year	Residential Property	Farm	Commercial Property
2009	\$ 1,211,585,390	\$ 420	\$ 454,694,856
2010	1,127,102,871	462	416,349,551
2011	1,043,358,360	23	380,587,701
2012	946,060,870	-	358,952,872
2013	881,175,298	-	338,283,194
2014	870,626,683	-	329,667,597
2015	882,424,333	-	362,080,187
2016	931,670,039	-	383,249,331
2017	992,795,708	-	400,597,255
2018	1,044,399,138	-	411,636,899

Data Source: Office of the DuPage County Clerk

Industrial Property	Total	Railroad	Total Assessed Value	Estimated Actual Value	Total Direct Tax Rates
\$ 85,256,800	\$ 1,751,537,466	\$ 430,788	\$ 1,751,968,254	\$ 5,255,904,762	0.4657
77,680,750	1,621,133,634	531,409	1,621,665,043	4,864,995,129	0.5053
76,579,705	1,500,525,789	562,578	1,501,088,367	4,503,265,101	0.5595
68,591,270	1,373,605,012	632,992	1,374,238,004	4,122,714,012	0.6307
65,424,010	1,284,882,502	776,655	1,285,659,157	3,856,977,471	0.6742
67,025,110	1,267,319,390	808,262	1,268,127,652	3,804,382,956	0.6917
68,736,210	1,313,240,730	966,159	1,314,206,889	3,942,620,667	0.6747
73,714,620	1,388,633,990	982,368	1,389,616,358	4,168,849,074	0.6453
79,245,500	1,472,638,463	1,001,928	1,473,640,391	4,420,921,173	0.6250
83,219,140	1,539,255,177	1,075,366	1,540,330,543	4,620,991,629	0.6151

VILLAGE OF LOMBARD, ILLINOIS

**Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years
December 31, 2018 (Unaudited)**

	2009	2010	2011	2012
Village of Lombard:				
General Corporate	0.0266	0.0748	0.1380	0.0904
Police Pension	0.1292	0.1405	0.1422	0.1763
Public Benefit	0.0498	0.0495	0.0499	0.0493
Firefighters' Pension	0.0920	0.0999	0.1011	0.1278
IMRF	0.0513	0.0464	0.0299	0.0549
Liability Insurance	0.0722	0.0614	0.0766	0.0878
Social Security	0.0446	0.0328	0.0218	0.0442
Total Direct Tax Rates	0.4657	0.5053	0.5595	0.6307
Library	0.1654	0.2024	0.2228	0.2513
DuPage County	0.1554	0.1659	0.1773	0.1929
DuPage County Forest Preserve	0.1217	0.1321	0.1414	0.1542
York Township	0.0660	0.0737	0.0810	0.0928
Lombard Park District	0.3165	0.3462	0.3760	0.4195
Community College No. 502	0.2127	0.2349	0.2495	0.2681
High School District No. 87	1.6749	1.8378	2.0199	2.2868
School District No. 44	2.8490	3.1767	3.5118	3.9416
DuPage County Airport Authority	0.0148	0.0158	0.0169	0.0168
Total Direct and Overlapping Tax Rates	6.0421	6.6908	7.3561	8.2547

Data Source: Office of the DuPage County Clerk

2013	2014	2015	2016	2017	2018
0.0898	0.1010	0.0077	0.0000	0.0000	0.0707
0.2042	0.2004	0.2227	0.2174	0.2033	0.1823
0.0500	0.0496	0.0470	0.0492	0.0498	0.0004
0.1512	0.1586	0.1543	0.1569	0.1525	0.1381
0.0603	0.0609	0.0676	0.0635	0.0603	0.0571
0.0700	0.0720	0.1284	0.1141	0.1172	0.1249
0.0487	0.0492	0.0470	0.0442	0.0419	0.0416
0.6742	0.6917	0.6747	0.6453	0.6250	0.6151
0.2743	0.2832	0.2763	0.4908	0.4754	0.4683
0.2040	0.2057	0.1971	0.1848	0.1749	0.1673
0.1657	0.1691	0.1622	0.1514	0.1306	0.1278
0.1017	0.1049	0.1002	0.0952	0.0924	0.0909
0.4543	0.4664	0.4546	0.4374	0.4249	0.4175
0.2956	0.2975	0.2786	0.2626	0.2431	0.2317
2.4877	2.5824	2.5173	2.4030	2.3402	2.2834
4.2995	4.4326	4.3039	4.1201	3.9701	3.8832
0.0178	0.0196	0.0188	0.0176	0.1660	0.0146
8.9748	9.2531	8.9837	8.8082	8.6426	8.2998

VILLAGE OF LOMBARD, ILLINOIS

**Principal Property Tax Payers - Current Fiscal Year and Nine Fiscal Years Ago
December 31, 2018 (Unaudited)**

Taxpayer	2018			2009		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value
CH VII Marquette MF Chicago	\$ 20,798,530	1	1.35%			
F&F Realty	19,328,570	2	1.25%	\$ 14,704,800	2	0.84%
Clover Creek Apartment	18,930,080	3	1.23%			
YTC Mall Owner LLC	18,044,190	4	1.17%			
Highland Pointe LLC	14,641,960	5	0.95%			
Three Galleria Towers	12,766,400	6	0.83%			
Oak Creek Center LL LLC	12,605,450	7	0.82%			
RRE Martins Point Holding	10,186,790	8	0.66%			
YTC Butterfield Owner LLC	10,175,840	9	0.66%			
800 Park View LLC	7,507,780	10	0.49%			
SMII Oak Creek LP				17,501,870	1	1.00%
TA Associate Realty				14,072,910	3	0.80%
Red Mortgage Capital				14,026,650	4	0.80%
Butterfield Road Assoc.				13,743,790	5	0.78%
Woodlake Parkview Investment				9,515,780	6	0.54%
Yorktown Joint Venture				9,272,160	7	0.53%
AIMCO				8,750,900	8	0.50%
St. Paul Insurance Co.				8,696,750	9	0.50%
Avalon IL Value III LLC				8,106,660	10	0.46%
	<u>144,985,590</u>		<u>9.41%</u>	<u>118,392,270</u>		<u>6.76%</u>

Data Source: Village Records

Note: Ten Largest Taxpayers as percent of Village's 2017 EAV (\$1,473,640,931).

VILLAGE OF LOMBARD, ILLINOIS

**Property Tax Levies and Collections - Last Ten Fiscal Years
December 31, 2018 (Unaudited)**

Fiscal Year Ended	Tax Levy Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
5/31/2010	2009	\$ 8,158,916	\$ 8,127,315	99.61%	\$ 555	\$ 8,127,870	99.62%
5/31/2011	2010	8,205,437	8,179,909	99.69%	1,742	8,181,651	99.71%
5/31/2012	2011	8,398,591	-	0.00%	-	-	0.00%
12/31/2012*	2011	8,398,591	8,362,665	99.57%	-	8,362,665	99.57%
12/31/2013	2012	8,667,319	8,655,270	99.86%	-	8,655,270	99.86%
12/31/2014	2013	8,667,914	8,629,546	99.56%	-	8,629,546	99.56%
12/31/2015	2014	8,845,190	8,756,121	98.99%	-	8,756,121	98.99%
12/31/2016	2015	8,866,954	8,851,327	99.82%	-	8,851,327	99.82%
12/31/2017	2016	8,967,194	8,952,364	99.83%	-	8,952,364	99.83%
12/31/2018	2017	9,210,252	9,190,506	99.79%	-	9,190,506	99.79%

Data Source: Village Records

* For the seven months ended December 31, 2012.

VILLAGE OF LOMBARD, ILLINOIS

**Ratios of Outstanding Debt By Type - Last Ten Fiscal Years
December 31, 2018 (Unaudited)**

Fiscal Year Ended	Governmental Activities		
	General Obligation Bonds	Debt Certificates	Tax Increment Bonds
5/31/2010	\$ -	\$ 9,233,450	\$ -
5/31/2011	-	11,624,115	-
5/31/2012	-	9,393,145	-
12/31/2012*	-	8,372,260	-
12/31/2013	-	8,065,860	-
12/31/2014	-	5,838,800	-
12/31/2015	-	3,938,025	-
12/31/2016	-	2,587,625	-
12/31/2017	-	1,237,050	-
12/31/2018	-	652,800	-

Data Source: Village's Records

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

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

N/A - Not Available

* For the seven months ended December 31, 2012.

General Obligation (ARS) Bonds	Business-Type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	Waterworks and Sewerage Debt Certificates	Waterworks and Sewerage IEPA Loan			
\$ -	\$ 7,426,550	\$ -	\$ 16,660,000	N/A	\$ 379.55
-	7,865,885	-	19,490,000	N/A	451.52
-	6,061,855	-	15,455,000	N/A	356.15
-	5,137,740	-	13,510,000	N/A	311.33
-	11,181,140	-	19,247,000	N/A	443.53
-	8,902,200	-	14,741,000	N/A	339.69
-	6,929,975	-	10,868,000	N/A	250.44
-	4,857,375	4,069,322	11,514,322	N/A	265.34
-	2,918,950	10,393,075	14,549,075	N/A	335.27
3,900,000	1,498,200	13,745,639	19,796,639	N/A	456.20

VILLAGE OF LOMBARD, ILLINOIS

**Schedule of Direct and Overlapping Bonded Debt
December 31, 2018 (Unaudited)**

Governmental Unit	Gross Debt	Percentage to Debt Applicable to Village (2)	Village's Share of Debt
Village of Lombard (1)	\$ 652,800	100.00%	\$ 652,800
School Districts:			
High School District No. 87	60,375,000	19.15%	11,561,813
Elementary School District No. 41	22,935,000	1.72%	394,482
Elementary School District No. 44	10,467,500	82.91%	8,678,604
Elementary School District No. 45	31,623,730	32.25%	10,198,653
Elementary School District No. 89	11,150,000	8.43%	939,945
High School District No. 88	80,685,000	13.87%	11,191,010
High School District No. 99	19,915,438	0.70%	139,408
Community College District No. 502	200,635,000	3.98%	7,985,273
Elementary School District No. 4	5,630,000	5.55%	312,465
Elementary School District No. 15	38,395,000	0.99%	380,111
Elementary School District No. 58	12,579,958	1.13%	142,154
Total School Districts	494,391,626		51,923,916
Other Agencies:			
DuPage County	153,876,293	3.85%	5,924,237
DuPage County Forest Preserve	102,861,124	3.85%	3,960,153
Lombard Park District	12,530,000	97.63%	12,233,039
Butterfield Park District	3,440,000	22.80%	784,320
Glen Ellyn Park District	3,350,000	1.44%	48,240
York Center Park District	310,000	39.31%	121,861
Total Other Agencies	276,367,417		23,071,851
Total Overlapping Debt	770,759,043		74,995,767
Total Direct and Overlapping Debt	771,411,843		75,648,567

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

(1) Includes Special Service Areas

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

VILLAGE OF LOMBARD, ILLINOIS

**Schedule of Legal Debt Margin
December 31, 2018 (Unaudited)**

Assessed Valuation - 2018		<u>\$ 1,540,330,543</u>
Legal Debt Limit - 8.625% of Assessed Valuation		132,853,509
Amount of Debt Applicable to Debt Limit		
Limited Tax Debt Certificates of 2009	335,000	
Limited Tax Debt Certificates of 2013	1,816,000	<u>2,151,000</u>
Legal Debt Margin		<u>130,702,509</u>

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

VILLAGE OF LOMBARD, ILLINOIS

Demographic and Economic Statistics - Last Ten Fiscal Years December 31, 2018 (Unaudited)

Fiscal Year Ended	Population	Personal Income (in Thousands)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
5/31/2010	43,894	\$ N/A	\$ N/A	36.7	5,703	8.8%
5/31/2011	43,165	N/A	N/A	40.9	6,434	8.3%
5/31/2012	43,395	N/A	N/A	39.1	6,443	8.5%
12/31/2012*	43,395	N/A	N/A	39.1	6,730	7.5%
12/31/2013	43,395	N/A	N/A	39.1	7,009	7.4%
12/31/2014	43,395	N/A	N/A	39.1	6,895	5.8%
12/31/2015	43,395	N/A	N/A	40.5	6,883	4.7%
12/31/2016	43,395	N/A	N/A	40.5	6,610	4.6%
12/31/2017	43,395	N/A	N/A	40.5	6,455	4.0%
12/31/2018	43,395	N/A	N/A	40.5	5,422	3.1%

Data Sources

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

N/A - Not Available

* For the seven months ended December 31, 2012.

VILLAGE OF LOMBARD, ILLINOIS

**Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago
December 31, 2018 (Unaudited)**

Employer	2018			2009		
	Employees	Rank	Percentage of Total Village Employment	Employees	Rank	Percentage of Total Village Employment
Lombard Elem Dist 44	500	1	4.57%			
Von Maur	275	2	2.52%			
Beacon Hill	259	3	2.37%			
Village of Lombard	247	4	2.26%			
Lombard District 45	231	5	2.11%			
Westin Lombard Yorktown	190	6	1.74%			
Aspect Software				1,000	1	4.48%
Acosta Sales & Marketing Company				500	2	2.24%
Highest Property Management Co.				400	3	1.79%
Adjustable Forms, Inc.				350	4	1.57%
Dial America Marketing, Inc.				310	5	1.39%
Carson Pirie Scott & Co.				300	6	1.34%
Imperial Service Systems				300	6	1.34%
West Suburban Bank				300	6	1.34%
J.C. Penney Co. Inc.				275	9	1.23%
Credit Union 1				250	10	1.12%
	<u>1,702</u>		<u>15.57%</u>	<u>3,985</u>		<u>17.86%</u>

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

All available data for 2018 and 2009 has been included.

VILLAGE OF LOMBARD, ILLINOIS

**Full-Time Equivalent Village Government Employees by Function - Last Ten Fiscal Years
December 31, 2018 (Unaudited)**

Function	Fiscal Year Ended 5/31/2010	Fiscal Year Ended 5/31/2011	Fiscal Year Ended 5/31/2012	Seven Months Ended 12/31/2012	Fiscal Year Ended 12/31/2013	Fiscal Year Ended 12/31/2014	Fiscal Year Ended 12/31/2015	Fiscal Year Ended 12/31/2016	Fiscal Year Ended 12/31/2017	Fiscal Year Ended 12/31/2018
Village Manager's Office	7	8	7	7	12	11	10	9	9	9
Finance	16	15	16	16	14	13	13	13	12	12
Public Works	31	33	32	32	33	37	39	38	38	35
Police	99	95	90	88	90	89	89	89	85	83
Fire	69	70	71	71	71	71	71	71	71	71
Community Development	23	20	19	19	16	17	18	18	19	17
Water and Sewer	25	23	23	23	24	23	22	21	21	20
Totals	270	264	258	256	260	261	262	259	255	247

Data Source: Village Records

VILLAGE OF LOMBARD, ILLINOIS

**Operating Indicators by Function/Program - Last Ten Fiscal Years
December 31, 2018 (Unaudited)**

Function/Program	Fiscal Year Ended 5/31/2010	Fiscal Year Ended 5/31/2011	Fiscal Year Ended 5/31/2012	Seven Months Ended 12/31/2012
Public Works				
Forestry				
Number of Parkway Trees Planted	362	203	241	355
Number of Parkway Trees Trimmed	3,845	3,339	2,997	241
Number of Parkway Trees Removed	212	190	253	496
Wood Chips Produced (Cubic Yards)	995	836	902	560
Fleet Services				
Number of Repair Work Orders	3,083	2,159	2,134	1,112
Amount of Repair Costs (Parts & Labor)	\$630,053	\$602,477	\$624,524	\$354,959
Gallons of Fuel Pumped	129,785	128,903	118,750	72,752
Fuel Cost	\$295,790	\$341,530	\$380,153	\$228,664
Public Safety				
Fire (1)				
Number of Fire Calls	2,813	3,043	3,131	1,990
Number of EMS Calls	4,251	4,436	4,593	2,911
ISO Rating	3	3	3	3
Police				
Number of Incidents	49,935	48,619	47,382	26,555
Number of Crimes	1,205	1,240	1,126	1,281
Crimes/1,000 Residents	28.0	28.7	26.1	27.9
Community Development				
Number of Building Permits Issued	2,773	2,887	2,993	2,125
Number of Building Inspections	4,782	4,707	5,047	3,449
Number of Code Enforcement Cases	984	929	932	441
Number of Tickets Issued	28	19	18	6
Finance				
Number of Utility Bills Issued	77,540	77,968	76,717	42,433
Number of Utility Accounts Shut Off	788	1,058	910	500
Ambulance Billing	\$1,323,579	\$2,044,650	\$1,997,685	\$1,339,896
Number of Accounts Payable Checks	5,331	4,264	3,868	2,501
Highways and Streets				
Contract Asphalt Patching/Grinding/Overlay	\$799,531	\$857,521	\$1,169,513	\$1,264,669
Concrete Street Rehabilitation	\$578,736	\$1,394,953	\$898,867	\$957,467
In-House Grind/Overlay	\$288,934	\$182,920	\$260,952	\$261,278
Water and Sewer				
Total Distribution Pumpage (1,000 Gallons)	1,450,928	1,511,756	1,536,368	934,701
% Unaccounted for Water	5.28%	N/A	3.96%	6.05%
Sanitary Sewer Overflows	2	3	2	1

N/A - Not Available

Data Source: Village Records

Fiscal Year Ended 12/31/2013	Fiscal Year Ended 12/31/2014	Fiscal Year Ended 12/31/2015	Fiscal Year Ended 12/31/2016	Fiscal Year Ended 12/31/2017	Fiscal Year Ended 12/31/2018
382	409	478	871	827	643
2,414	2,462	3,343	3,093	3,954	3,438
481	1,186	1,450	293	438	550
799	2,262	636	408	540	552
1,777	2,978	1,737	2,700	1,670	1,828
\$721,320	\$712,814	\$760,819	\$738,756	\$712,161	\$749,924
122,685	123,966	114,997	125,039	124,748	131,679
\$389,142	\$375,736	\$230,240	\$183,266	\$222,169	\$292,878
3,124	3,384	1,631	1,695	1,695	2,013
4,801	5,091	4,778	5,004	4,969	5,412
3	3	3	3	3	3
43,809	44,781	45,846	52,360	61,110	57,271
1,761	1,014	1,329	1,120	1,080	1,187
40.6	23.7	30.9	25.9	25.1	27.5
2,487	2,463	2,511	2,584	2,645	2,582
5,732	5,122	4,674	4,986	5,247	5,641
814	653	989	1,035	1,209	2,123
16	6	11	11	11	6
79,137	75,191	74,725	75,479	77,058	87,624
567	401	449	470	299	278
\$2,086,897	\$2,508,610	\$2,317,300	\$2,294,400	\$2,355,400	\$6,701,410
3,538	3,325	2,978	2,589	2,538	2,583
\$1,403,705	\$1,033,911	\$934,323	\$772,081	\$1,193,540	\$1,104,465
\$873,183	\$973,007	\$580,283	\$605,994	\$535,983	\$694,605
\$126,270	\$321,512	\$227,927	\$219,222	\$139,757	\$101,556
1,452,666	1,482,604	1,342,976	1,367,284	1,349,096	1,333,467
11.92%	6.24%	10.30%	10.10%	10.00%	11.00%
6	5	3	1	-	6

VILLAGE OF LOMBARD, ILLINOIS

**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years
December 31, 2018 (Unaudited)**

Function/Program	Fiscal Year Ended 5/31/2010	Fiscal Year Ended 5/31/2011	Fiscal Year Ended 5/31/2012	Seven Months Ended 12/31/2012
Police				
Stations	1	1	1	1
Department Vehicles	39	37	37	37
Fire Stations	2	2	2	2
Public Works				
Streets (Miles)	155	155	155	155
Streetlights	2,946	2,954	3,113	3,094
Traffic Signals (Village Owned)	37	37	38	38
Water and Sewer				
Water Mains (Miles)	181.8	181.8	181.8	181.8
Fire Hydrants	2,698	2,698	2,698	2,475

Data Source: Village Records

Fiscal Year Ended 12/31/2013	Fiscal Year Ended 12/31/2014	Fiscal Year Ended 12/31/2015	Fiscal Year Ended 12/31/2016	Fiscal Year Ended 12/31/2017	Fiscal Year Ended 12/31/2018
1 37	1 36	1 36	1 36	1 36	1 34
2	2	2	2	2	2
155 3,113	155 3,105	150 3,132	147 3,389	148 3,376	148 3,728
38	37	37	36	36	38
186.0 2,770	186.0 2,797	186.0 2,798	180.0 2,786	181.8 2,766	184.0 2,765