

VILLAGE OF WAUCONDA, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
APRIL 30, 2019

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Prepared by the Finance Department

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INTRODUCTORY SECTION



October 23, 2019

The Honorable Mayor
Village Board of Trustees and
Residents of the Village of Wauconda

The Comprehensive Annual Financial Report (CAFR) of the Village of Wauconda for the fiscal year ended April 30, 2019 is hereby submitted. The purpose of the report is to provide the Mayor, Trustees, citizens, bond holders and other interested parties with useful information concerning the Village's operations and financial position. It has been prepared in accordance with standards prescribed by the Governmental Accounting Standards Board (GASB).

The CAFR is management's annual report to its taxpayers, governing body, investors and creditors. The responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Village. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and the results of operations of various funds and component units of the Village. All disclosures necessary to enable the reader to gain an understanding of the Village of Wauconda's financial activities have been included.

Management of the Village is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Village are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of the control should not exceed the benefits likely to be derived; and 2) the valuation of costs and benefits requires estimates by management.

Eder Casella & Co., Certified Public Accountants have issued an unmodified (clean) opinion on the Village of Wauconda's financial statements for fiscal year ended April 30, 2019. The independent auditor's report is presented at the front of the financial section of this report.

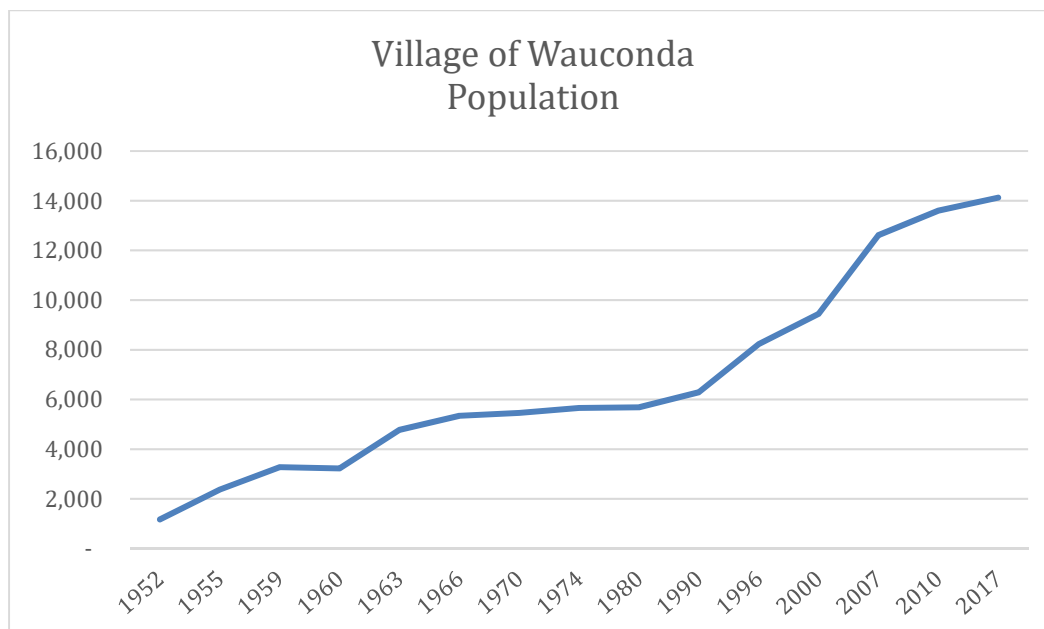
Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statement.

Profile of the Village of Wauconda

Wauconda is located in the southeastern part of Wauconda Township on the banks of a beautiful little lake known as Bangs Lake, named in honor of Justus and Mark Bangs, the first settlers of the area. The town of Wauconda was organized in the year of 1849, by a vote of the people of the County to divide said County into towns. There were 1,695 votes cast and all except three were in favor of the division.

The population of the Village grew from 9,448 in the 2000 census to 14,125 in 2017 special census. The Village is a non-home rule community since its population is less than 25,000. In Illinois, a non-home rule municipality can only exercise the powers specifically granted to it by state law. Since 1991, non-home rule governments in DuPage, Lake, McHenry, and Will Counties or non-home rule governments having a majority of their equalized assessed value in Cook County have been subject to the Property Tax Extension Limitation Law, referred to as the “Tax Cap”. The Equalized Assessed Valuation (EAV) of property is the assessed value multiplied by the state equalization factor. This gives the value of the property upon which the tax rate is calculated after deducting homestead exemptions, if applicable.

Village of Wauconda Census			
Years	Populations	Years	Populations
1952	1,173	1980	5,688
1955	2,373	1990	6,294
1959	3,275	1996	8,229
1960	3,227	2000	9,448
1963	4,775	2007	12,614
1966	5,343	2010	13,603
1970	5,460	2017	14,125
1974	5,662		



The Village operates under the Trustee Village form of government. The Village Board is made up of the Mayor and a six member Board of Trustees. The entire Board is responsible for policy making and is entrusted with legislative authority. The Village Administrator is responsible for carrying out the policies and ordinances approved by the Village Board, along with overseeing the day-to-day operations of the Village. Additionally, since the Village of Wauconda is a non-home rule community and it operates under the Appropriation Act, the Village Board is required to adopt and file an Appropriation Ordinance each fiscal year. This Appropriation Ordinance is based upon a budget prepared and approved each fiscal year. The budget serves as the spending plan for the Village of Wauconda.

Local Economy

The Village of Wauconda has been diligent in taking measures to address the challenges that this recovering but uncertain economy has to offer. This uncertainty affects the Village in many areas such as real estate and new business opportunities. The Village's 2018 Equalized Assessed Value grew 1.2% to \$386,807,881 after last year's 5.0% increase.

The General Fund revenues were more than budget and expenditures were less than budget, increasing fund balance by \$1,213,771 over the prior fiscal years. The General Fund balance was increased from \$3,119,190 to \$4,332,961. The Village's reserve policy for the General Fund states that the fund balance, at a minimum, should equal to 25% of budgeted operating expenditures. Budgeted operating expenditures (total budgeted expenditures of \$9,265,671 less \$743,100 of budgeted capital outlay) of \$8,522,571 times 25% results in a minimum fund balance target of \$2,130,643. The Village's ending General Fund balance of \$4,332,961 represents 203% of the minimum balance or 50% of budgeted operating expenditures. Of the \$4,332,961 fund balance, \$3,765,844 is unassigned, meaning the funds may be used for general government purposes and are not restricted.

With the Village subject to property tax caps, property tax revenues from year-to-year are relatively flat. Tax caps limit levy growth, exclusive of new construction or annexed property, to 5% or the rate of inflation, whichever is less. The rate of inflation for the 2017 year (levied in 2018) was 2.1%. The Village collected \$3.7 million for the Police Pension and General Funds in fiscal year 2019. Sales and use tax revenues produce the second largest amount of revenue for the General Fund totaling \$2.41 million, up 14.8% from the prior year's \$2.10 million. The other main generator of General Fund revenue is state income tax that is shared with the Village by the State of Illinois. Income tax revenues increased 17.9% from \$1.23 million to \$1.45 million. Overall, General Fund revenues increased 7.7% from \$9.10 million in 2018 to \$9.80 million in 2019, largely from increases in state shared revenue sources such as sales and income tax as well as charges for services.

Overall General Fund expenditures came in under budget. Budgeted expenditures in the fund were \$9.27 million. Actual expenditures amounted to approximately \$8.76 million, which was under budget by \$0.51 million. Although the Village experienced an abnormal increase in revenues during the year many Illinois local governments, including Wauconda, are facing multi-year increases in revenues that lag the increasing expenditures. Significant costs like infrastructure, pensions, health insurance and wages increases will weigh heavily on future budgets.

For fiscal year 2019, the Water and Sewer Fund showed an operating gain of \$327,800, up from the prior year loss of \$1,904,935. Charges for service in fiscal year 2019 reached \$5,227,147, 108% of the budgeted amount of \$4,825,732. An increase of 17.5% in water rates and an increase of 4.0% in sewer rates were implemented for residential customers in July 2018 in accordance with the required annual adjustment specified in the Village Code. The increase in the water rate is due to the additional cost associated with bringing Lake Michigan water to the Village. Water and Sewer Fund operating expenditures were \$179,353 slightly less than budgeted. The Net Position was reduced during the year by \$3,014,499. The overall decrease in Net Position was due to planned expenditures for the construction of the external CLCJAWA water main that will be bringing Lake Michigan water to the Village.

Major Initiatives

Lake Michigan Water Project. In fiscal year 2019 the Village continued its efforts toward the completion of the Lake Michigan Water Project in order to position the Village for delivery of water in Q2 of fiscal year 2020. The Lake Michigan water project includes two primary components: 1) internal system improvements to facilitate the distribution of the single source of water throughout the Village; and 2) external improvements (outside Wauconda) to construct a transmission water main to deliver Lake Michigan water from the CLCJAWA system to Wauconda.

The internal project is broken down into three phases. Phase 1, consisting of replacing and improving water mains and installing pressure regulation stations, was completed in 2015 at an approximate cost of \$5.1 million. Phase 2 continued this work in 2016 and was completed in fall 2017 at an approximate cost of \$4.9 million. Phase 3 concludes the internal improvements to the distribution system, which includes the construction of an elevated storage tank on Bonner Road and construction of a ground storage tank and booster station on Gilmer Road for a combined estimate of \$4.3 million. This Phase 3 was completed in Q4 of fiscal year 2019.

The external improvements are broken into five segments and were managed by CLCJAWA. Construction on the external system concluded in October 2019. The Village officially received water from CLCJAWA on October 3, 2019.

To date, of the approximately \$48 million in total project costs, roughly \$22 million in costs is being paid for by revenues generated from water rates with the remaining \$26 million being financed through property taxes. The Village's bonding authority was granted by a 2012 voter referendum approved by a 2-1 margin, which authorized the Village to issue up to \$41 million in general obligation bonds to pay for the Lake Michigan Water Project. This voter approved referendum afforded the Village the opportunity to pay for the Lake Michigan Water Project using a combination of property taxes and revenues generated by water rates.

Awards and Acknowledgements

In order to be awarded a Certificate of Achievement through the Government Finance Officers Association, the Village must publish an easily readable and efficiently organized comprehensive annual financial report (CAFR). This report satisfies both generally accepted accounting principles and applicable legal requirements.

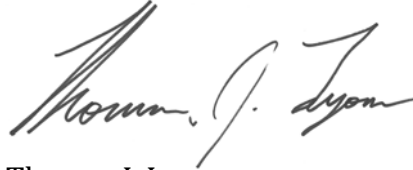
A certificate of achievement is valid for a period of one year. We believe that our current comprehensive annual financial report meets the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for the certificate. The preparation of this comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire Village staff and particularly the staff of the Finance Department. Each staff member has our sincere appreciation for the contributions made in the preparation of this report.

In closing, without the leadership and support of the governing body of the Village, preparation of this report would not have been possible.

Sincerely,

A handwritten signature in cursive script, appearing to read "Kevin Timony".

Kevin Timony
Village Administrator

A handwritten signature in cursive script, appearing to read "Thomas J. Lyons".

Thomas J. Lyons
Finance Director/Treasurer

**Village of Wauconda
List of Principal Officials**

April 30, 2019

Legislative

Lincoln Knight, Mayor

Village Board of Trustees

Chuck Black

Richard Morino

Tim Howe

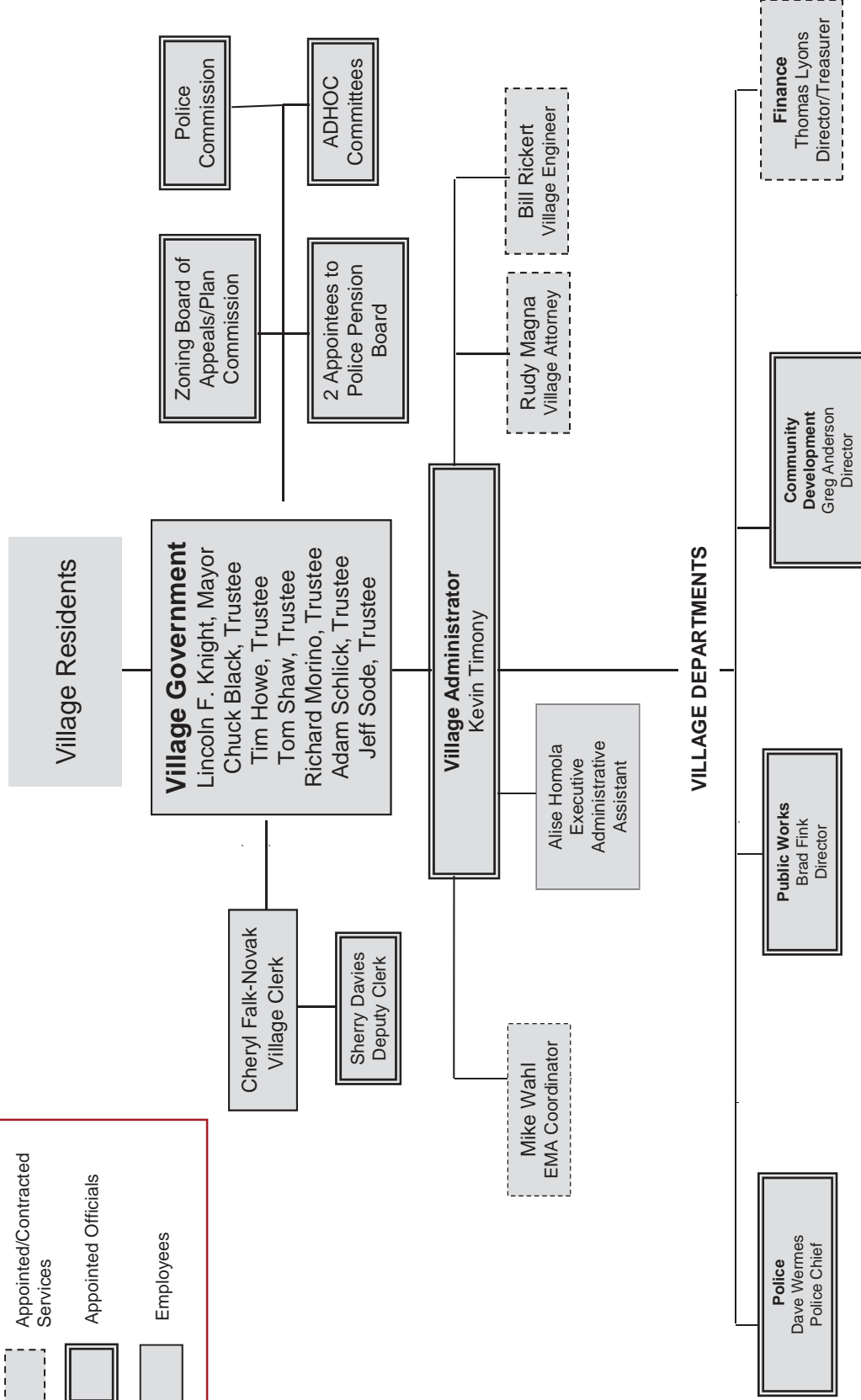
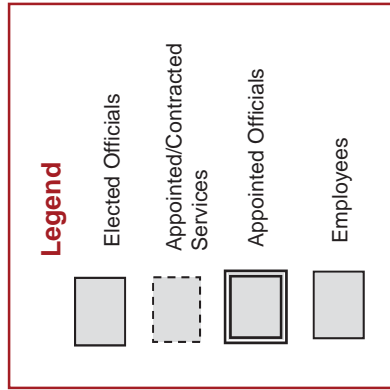
Adam Schlick

Tom Shaw

Jeff Sode

Cheryl Falk-Novak, Village Clerk

VILLAGE OF WAUCONDA ORGANIZATIONAL CHART OCTOBER 2019





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Village of Wauconda
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

April 30, 2018

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Board of Trustees
Village of Wauconda, 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

Village of Wauconda

as of and for the year ended April 30, 2019, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Village of Wauconda as of April 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 18 to the financial statements, the District implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* and GASB Statement No 85, *Omnibus 2017*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The introductory section, supplemental data, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements

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

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

Eder, Casella & Co.

EDER, CASELLA & CO.
Certified Public Accountants

McHenry, Illinois
October 23, 2019

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF WAUCONDA, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2019

As management of Village of Wauconda (Village), we offer readers of the Village's statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended April 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information found in the notes to the financial statements.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Village exceed its liabilities and deferred inflows of resources at April 30, 2019 by \$67,186,156 (total net position).
- The Village's total net position decreased by \$2,890,522, which is made up of a net position adjustment of \$(1,377,784) and a decrease from current year activities of \$1,512,738.
- At April 30, 2019, the Village's governmental funds reported combined ending fund balances of \$5,092,292, for a total increase of \$1,541,069.
- At April 30, 2019, the unassigned fund balance for the General Fund was \$3,765,844, or 43% of total General Fund expenditures.
- The Village's total general long-term debt decreased by \$704,035. Long-term debt from business-type activities increased \$1,747,320 due to additional IEPA Loans converted to General obligation debt for the Lake Michigan Water project. These new issuances were offset by scheduled payments, creating the increase in total Village debt.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

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

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

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

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

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

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

The Village maintains four 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 which is considered to be a major fund. This statement also includes the Motor Fuel Tax, Debt Service and TIF Funds, all of which are considered to be major funds due to public interest.

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

Proprietary Funds. The Village maintains one proprietary fund type: enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses an enterprise fund to account for the Water and Sewer Division.

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

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

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

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

Notes to the Financial Statements. The notes provide additional information 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 21 through 51 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's appropriation to actual for the General Fund, Motor Fuel Tax Fund and Tax Increment Financing Fund along with information concerning the Village's Illinois Municipal Retirement Fund and police pension obligations. Required supplementary information can be found on pages 52 through 62 of this report. Supplemental information can be found on pages 63 through 81 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Village, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$67,186,156 at April 30, 2019.

The following table presents a summary of the Village's net position for the years ended April 30, 2019 and 2018:

	Governmental Activities		Business-Type Activities		Total	
	4/30/2019	4/30/2018	4/30/2019	4/30/2018	4/30/2019	4/30/2018
Assets						
Current and Other Assets	\$ 10,080,183	\$ 8,358,112	\$ 14,097,196	\$ 17,235,395	\$ 24,177,379	\$ 25,593,507
Capital Assets	36,966,329	37,609,604	60,893,849	59,177,161	97,860,178	96,786,765
Total Assets	\$ 47,046,512	\$ 45,967,716	\$ 74,991,045	\$ 76,412,556	\$ 122,037,557	\$ 122,380,272
Deferred Outflows of Resources	\$ 1,620,557	\$ 1,216,388	\$ 1,004,631	\$ 223,293	\$ 2,625,188	\$ 1,439,681
Liabilities						
Current Liabilities	\$ 543,807	\$ 375,499	\$ 929,271	\$ 732,401	\$ 1,473,078	\$ 1,107,900
Non-Current Liabilities	17,432,522	15,692,982	31,799,412	28,616,177	49,231,934	44,309,159
Total Liabilities	\$ 17,976,329	\$ 16,068,481	\$ 32,728,683	\$ 29,348,578	\$ 50,705,012	\$ 45,417,059
Deferred Inflows of Resources	\$ 5,115,556	\$ 6,075,420	\$ 1,656,021	\$ 2,250,796	\$ 6,771,577	\$ 8,326,216
Net Position						
Net Investment in Capital						
Assets	\$ 32,519,207	\$ 32,497,022	\$ 37,634,634	\$ 37,665,269	\$ 70,153,841	\$ 70,162,291
Restricted	1,056,615	457,330	4,194,165	5,134,687	5,250,780	5,592,017
Unrestricted	(8,000,638)	(7,914,149)	(217,827)	2,236,519	(8,218,465)	(5,677,630)
Total Net Position	\$ 25,575,184	\$ 25,040,203	\$ 41,610,972	\$ 45,036,475	\$ 67,186,156	\$ 70,076,678

By far, the largest portion of the Village's net position, 104%, reflects its net investment in capital assets (e.g., land, construction in progress, buildings, and equipment); less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Village's net position, 1%, represents resources that are subject to external restrictions on how they may be used (e.g. Highways and Streets, Capital Projects, Marine, etc.). The remaining deficit balance of unrestricted net position was negative for the current year.

The Village's net position decreased by \$2,890,522 during the current fiscal year, which included a net position adjustment of \$(1,377,784).

Governmental Activities. Governmental activities increased the Village's net position by \$534,981, including a net position adjustment of \$(966,780). Key differences from the prior year are as follows:

	Village of Wauconda's Change in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018
Revenues						
Program Revenues						
Charges for Services	\$ 1,272,007	\$ 1,114,669	\$ 5,227,147	\$ 4,718,851	\$ 6,499,154	\$ 5,833,520
Operating Grants and Contributions	419,527	507,949	-	-	419,527	507,949
Capital Grants and Contributions	-	25,802	-	-	-	25,802
General Revenues						
Property Taxes	4,596,654	4,914,293	1,528,314	607,281	6,124,968	5,521,574
Sales Taxes	1,985,629	2,097,781	-	-	1,985,629	2,097,781
Use Taxes	425,932	-	-	-	425,932	-
Income Taxes	1,449,436	1,229,689	-	-	1,449,436	1,229,689
Utility Taxes	468,419	456,578	-	-	468,419	456,578
Other Taxes	277,705	271,184	-	-	277,705	271,184
Other	101,867	612,441	2,703,885	910,764	2,805,752	1,523,205
Total Revenues	\$ 10,997,176	\$ 11,230,386	\$ 9,459,346	\$ 6,236,896	\$ 20,456,522	\$ 17,467,282
Expenses						
General Government	\$ 1,324,316	\$ 1,973,901	\$ -	\$ -	\$ 1,324,316	\$ 1,973,901
Public Safety	5,810,932	5,850,903	-	-	5,810,932	5,850,903
Public Works	2,371,517	2,565,671	-	-	2,371,517	2,565,671
Interest and Fees	149,171	140,230	-	-	149,171	140,230
Water and Sewer	-	-	12,321,028	7,318,648	12,321,028	7,318,648
Total Expenses	\$ 9,655,936	\$ 10,530,705	\$ 12,321,028	\$ 7,318,648	\$ 21,976,964	\$ 17,849,353
Increase/(Decrease) in Net Position						
Before Transfers	\$ 1,341,240	\$ 699,681	\$ (2,861,682)	\$ (1,081,752)	\$ (1,520,442)	\$ (382,071)
Transfers	152,817	152,330	(152,817)	(152,330)	-	-
Gain/(Loss) on Sale of Capital Assets	7,704	(10,163)	-	9,993	7,704	(170)
Increase/(Decrease) in Net Position	\$ 1,501,761	\$ 841,848	\$ (3,014,499)	\$ (1,224,089)	\$ (1,512,738)	\$ (382,241)
Net Position - Beginning of Year	25,040,203	24,643,952	45,036,475	45,905,833	70,076,678	70,549,785
Net Position Adjustment (Note 7)	(966,780)	(445,597)	(411,004)	354,731	(1,377,784)	(90,866)
Net Position - End of Year	\$ 25,575,184	\$ 25,040,203	\$ 41,610,972	\$ 45,036,475	\$ 67,186,156	\$ 70,076,678

There was a significant decrease in property tax revenue offset by a decrease in general government expenses.

Business-Type Activities. Business-type activities decreased the Village's net position by \$3,425,503, including a net position adjustment of \$(411,004). This decrease was mainly due a 6.1 million dollar contingent liability payment to the Central Lake County Joint Action Water Agency (CLCJAWA). This current year payment was offset by a reimbursement from CLCJAWA for prior years' expense in the amount of 1.7 million dollars.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

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

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

At April 30, 2019, the Village's governmental funds reported combined ending fund balances of \$5,092,292, an increase of \$1,541,069 in comparison with the prior year. Approximately 76% of this total amount constitutes unassigned fund balance, which is available for spending at the Village's discretion. The remaining fund balance (24%) constitutes fund balance restricted to indicate that it is not available for new spending because it has already been restricted, committed for specific purposes or is nonspendable.

The General Fund is the chief operating fund of the Village. At April 30, 2019, the fund balance of the General Fund was \$4,332,961, of which \$3,866,950 is unassigned. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 44% of total General Fund expenditures.

The General Fund's fund balance increased by \$1,213,771 during the year ended April 30, 2019.

The Motor Fuel Tax Fund reported a surplus of \$125,686 which brought the ending balance in the fund to \$312,732.

The Tax Increment Finance District (TIF) Fund, created in 2013, shows a fund balance of \$384,110. Revenue from incremental property taxes was \$204,212.

The Debt Service fund reported an ending fund balance of \$62,489.

Proprietary Funds. The Village'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. The Waterworks and Sewerage Fund accounts for all of the operations of the municipal water and sewer system. The spread between purchase and sale rates for water and sewer services 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 fund at a breakeven rate; however, there continues to be a significant operating loss in the current year due to an outstanding project with the Central Lake County Joint Action Water Agency.

Fiduciary Funds (Police Pension and Agency Fund). At April 30, 2019, the Police Pension Fund's net position amounted to \$16,116,324. All amounts within this fund are restricted for the purpose of the administration of the fund. The agency fund relates to the special service area within the Village. This agency fund accounts for the collection of property taxes within the special service area for the payment of debt related to that special service area.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund actual revenue exceeded budgeted revenue by \$684,191. This difference was primarily due to more than expected intergovernmental revenues. Actual expenditures were under budgeted expenditures by \$508,093. This difference was due to less than expected public safety current expenditures and less than expected public works capital expenditures.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The Village's investment in capital assets for its governmental and business-type activities as of April 30, 2019 amounts to \$97,860,178 (net of accumulated depreciation). This investment includes land, land improvements, construction in progress, buildings, machinery and equipment, and infrastructure.

	Village of Wauconda's Capital Assets (net of depreciation)					
	Governmental Activities		Business-Type Activities		Total	
	4/30/2019	4/30/2018	4/30/2019	4/30/2018	4/30/2019	4/30/2018
Land	\$ 19,284,750	\$ 19,284,750	\$ -	\$ -	\$ 19,284,750	\$ 19,284,750
Land Improvements	211,310	244,667	46,650	52,138	257,960	296,805
Construction in Progress	2,936	-	16,823,521	15,913,849	16,826,457	15,913,849
Buildings	1,272,478	1,336,842	21,646,447	21,145,764	22,918,925	22,482,606
Machinery and Equipment	1,384,591	1,113,841	920,011	1,138,953	2,304,602	2,252,794
Infrastructure	14,810,264	15,629,504	21,457,220	20,926,457	36,267,484	36,555,961
Total	<u>\$ 36,966,329</u>	<u>\$ 37,609,604</u>	<u>\$ 60,893,849</u>	<u>\$ 59,177,161</u>	<u>\$ 97,860,178</u>	<u>\$ 96,786,765</u>

Major capital asset events during the year ended April 30, 2019 included the following:

- Additions of \$2,853,236 to Construction in Progress of business-type activities due to the Lake Michigan Water project.

For further information, please see Note 4 on page 31 of this report.

Long-Term Debt. At April 30, 2019, the Village had total outstanding debt of \$34,899,212, an increase of \$1,043,285 from the prior year. The increase is a result of additional General obligation debt to assist with the funding of the Lake Michigan Water Project, offset by required debt payments. The following is a comparative statement of outstanding debt:

	Governmental Activities		Business-Type Activities		Total	
	4/30/2019	4/30/2018	4/30/2019	4/30/2018	4/30/2019	4/30/2018
Alternative Revenue Bonds	\$ 1,240,000	\$ 1,375,000	\$ 4,455,000	\$ 4,715,000	\$ 5,695,000	\$ 6,090,000
General Obligation Bonds	3,400,000	3,965,000	23,144,174	20,843,425	26,544,174	24,808,425
IEPA Loan	-	-	2,660,038	2,937,314	2,660,038	2,937,314
Installment Contracts	-	4,035	-	16,153	-	20,188
Total	<u>\$ 4,640,000</u>	<u>\$ 5,344,035</u>	<u>\$ 30,259,212</u>	<u>\$ 28,511,892</u>	<u>\$ 34,899,212</u>	<u>\$ 33,855,927</u>

The Village maintains an Aa2 rating from Moody's for general obligation debt. State statutes limit the amount of general obligation debt a non-home rule governmental entity may issue to 8.625% of its total assessed valuation. The current debt limit for the Village is \$33,362,180.

Additional information on the Village's long-term debt can be found in Note 5 on pages 32 through 34 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Village's elected and appointed officials considered many factors when setting the 2020 fiscal year budget, tax rates and fees to be charged for its governmental and business-type activities. A top factor is the economy, which has been slowly improving. Every year a five-year budget is compiled, allowing the Village Board to plan accordingly. The budget process involves making conservative revenue projections and taking into consideration all uncontrollable costs, contractual agreements and Village objectives and goals.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Village's finances for all those with an interest in the Village's finances. If you have questions concerning any of the information provided in this report or requests for additional financial information, contact the Village at the following address:

Village of Wauconda
101 North Main Street
Wauconda, IL 60084

BASIC FINANCIAL STATEMENTS

VILLAGE OF WAUCONDA, ILLINOIS
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF NET POSITION
APRIL 30, 2019

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 4,162,553	\$ 6,934,520	\$ 11,097,073
Deposit with Paying Agent	18,263	88,380	106,643
Receivables (Net of Allowance for Estimated Uncollectible Amounts)			
Accounts Receivable - Billed	-	61,431	61,431
Accounts Receivable - Unbilled	-	646,877	646,877
Property Taxes	4,476,903	1,467,362	5,944,265
IMET Receivable	-	115,120	115,120
Due from Other Governmental Units	815,369	-	815,369
Other Receivables	215,349	-	215,349
Prepaid items	146,630	589,341	735,971
Restricted Cash and Investments	245,116	4,194,165	4,439,281
Capital Assets			
Land, Construction in Progress, and Other Non-Depreciable Assets	19,287,686	16,823,521	36,111,207
Other Capital Assets, Net of Depreciation	17,678,643	44,070,328	61,748,971
TOTAL ASSETS	\$ 47,046,512	\$ 74,991,045	\$ 122,037,557
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized Charge on Bond Refunding	\$ 192,878	\$ -	\$ 192,878
OPEB Expense/Revenue - IMRF	4,570	5,677	10,247
OPEB Expense/Revenue - Police	8,783	-	8,783
Pension Expense/Revenue - IMRF	798,407	998,954	1,797,361
Pension Expense/Revenue - Police Pension	615,919	-	615,919
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 1,620,557	\$ 1,004,631	\$ 2,625,188
LIABILITIES			
Accounts Payable	\$ 313,869	\$ 702,320	\$ 1,016,189
Accrued Payroll	108,673	33,467	142,140
Accrued Interest	32,819	187,079	219,898
Deposits Payable	88,446	6,405	94,851
Non-Current Liabilities			
Due Within One Year	735,000	1,341,638	2,076,638
Due in More Than One Year	16,697,522	30,457,774	47,155,296
TOTAL LIABILITIES	\$ 17,976,329	\$ 32,728,683	\$ 50,705,012
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	\$ 4,476,903	\$ 1,467,362	\$ 5,944,265
Pension Expense/Revenue - IMRF	146,174	188,659	334,833
Pension Expense/Revenue - Police Pension	492,479	-	492,479
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 5,115,556	\$ 1,656,021	\$ 6,771,577
NET POSITION			
Net Investment in Capital Assets	\$ 32,519,207	\$ 37,634,634	\$ 70,153,841
Restricted for:			
CLCJAWA Intergovernmental Agreement	-	4,194,165	4,194,165
Public Safety	245,116	-	245,116
Debt Service	62,489	-	62,489
Highways and Streets	312,732	-	312,732
Marine	2,741	-	2,741
Illinois Municipal Retirement Fund	49,427	-	49,427
TIF District	384,110	-	384,110
Unrestricted/(Deficit)	(8,000,638)	(217,827)	(8,218,465)
TOTAL NET POSITION	\$ 25,575,184	\$ 41,610,972	\$ 67,186,156

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

VILLAGE OF WAUCONDA, ILLINOIS
 GOVERNMENT-WIDE FINANCIAL STATEMENTS
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED APRIL 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities						
General Government	\$ 1,324,316	\$ 621,339	\$ -	\$ (702,977)	\$ -	\$ (702,977)
Public Safety	5,810,932	650,432	-	(5,160,500)	-	(5,160,500)
Public Works	2,371,517	236	419,527	(1,951,754)	-	(1,951,754)
Interest and Fees on Long-Term Debt	149,171	-	-	(149,171)	-	(149,171)
	<u>\$ 9,655,936</u>	<u>\$ 1,272,007</u>	<u>\$ 419,527</u>	<u>\$ (7,964,402)</u>	<u>\$ -</u>	<u>\$ (7,964,402)</u>
Business-Type Activities						
Water & Sewer	\$ 12,321,028	\$ 5,227,147	\$ -	\$ -	\$ (7,093,881)	\$ (7,093,881)
	<u>\$ 12,321,028</u>	<u>\$ 5,227,147</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,093,881)</u>	<u>\$ (7,093,881)</u>
Total Primary Government	<u>\$ 21,976,964</u>	<u>\$ 6,499,154</u>	<u>\$ 419,527</u>	<u>\$ (7,964,402)</u>	<u>\$ (7,093,881)</u>	<u>\$ (15,058,283)</u>
		General Revenues				
		Taxes				
				\$ 4,596,654	\$ 1,528,314	\$ 6,124,968
				1,985,629	-	1,985,629
				425,932	-	425,932
				1,449,436	-	1,449,436
				468,419	-	468,419
				277,705	-	277,705
				72,417	227,948	300,365
				7,704	-	7,704
				-	1,737,457	1,737,457
				29,450	738,480	767,930
				152,817	(152,817)	-
				<u>\$ 9,466,163</u>	<u>\$ 4,079,382</u>	<u>\$ 13,545,545</u>
				\$ 1,501,761	\$ (3,014,499)	\$ (1,512,738)
				25,040,203	45,036,475	70,076,678
				<u>(966,780)</u>	<u>(411,004)</u>	<u>(1,377,784)</u>
				<u>\$ 25,575,184</u>	<u>\$ 41,610,972</u>	<u>\$ 67,186,156</u>

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

VILLAGE OF WAUCONDA, ILLINOIS
 FUND FINANCIAL STATEMENTS
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 APRIL 30, 2019

	General Fund	Special Revenue Funds		Debt Service Fund	Total Governmental Funds
		Motor Fuel Tax Fund	TIF Fund		
ASSETS					
Cash and Investments	\$ 3,441,856	\$ 274,098	\$ 384,110	\$ 62,489	\$ 4,162,553
Deposit with Paying Agent	-	18,263	-	-	18,263
Receivables (Net of Allowance for Estimated Uncollectible Amounts)					
Property Taxes	3,774,443	-	-	702,460	4,476,903
Due from Other Governmental Units	784,104	31,265	-	-	815,369
Other Receivables	215,349	-	-	-	215,349
Prepaid Items	146,630	-	-	-	146,630
Restricted Cash and Investments	245,116	-	-	-	245,116
TOTAL ASSETS	\$ 8,607,498	\$ 323,626	\$ 384,110	\$ 764,949	\$ 10,080,183
LIABILITIES					
Accounts Payable	\$ 302,975	\$ 10,894	\$ -	\$ -	\$ 313,869
Accrued Payroll	108,673	-	-	-	108,673
Deposits Payable	88,446	-	-	-	88,446
TOTAL LIABILITIES	\$ 500,094	\$ 10,894	\$ -	\$ -	\$ 510,988
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Property Taxes	3,774,443	\$ -	\$ -	\$ 702,460	\$ 4,476,903
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 3,774,443	\$ -	\$ -	\$ 702,460	\$ 4,476,903
FUND BALANCES					
Nonspendable					
Prepays	\$ 146,630	\$ -	\$ -	\$ -	\$ 146,630
Restricted for:					
Public Safety	245,116	-	-	-	245,116
Debt Service	-	-	-	62,489	62,489
Highways and Streets	-	312,732	-	-	312,732
Marine	2,741	-	-	-	2,741
Illinois Municipal Retirement Fund	49,427	-	-	-	49,427
TIF District	-	-	384,110	-	384,110
Committed for:					
Marine	123,203	-	-	-	123,203
Unassigned	3,765,844	-	-	-	3,765,844
TOTAL FUND BALANCES	\$ 4,332,961	\$ 312,732	\$ 384,110	\$ 62,489	\$ 5,092,292
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 8,607,498	\$ 323,626	\$ 384,110	\$ 764,949	\$ 10,080,183

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

VILLAGE OF WAUCONDA, ILLINOIS
 FUND FINANCIAL STATEMENTS
 RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
 APRIL 30, 2019

Total Fund Balances - Governmental Funds		\$ 5,092,292
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Capital Assets, net of accumulated depreciation		36,966,329
Deferred charges and credits for debt issue discounts or premiums and other debt issue costs are not financial resources and therefore are not reported in the funds.		
Unamortized Charge on Bond Refunding		192,878
Some assets/(liabilities) are not due and payable in the current period and therefore are not reported in the funds.		
Bonds and Notes Payable	\$ (4,640,000)	
Accrued Interest on Long-Term Debt, net of receivable	(32,819)	
Compensated Absences	(372,850)	
OPEB Liability - IMRF	(341,706)	
OPEB Liability - Police	(656,705)	
Net Pension Liability - IMRF	(1,057,503)	
Net Pension Liability - Police Pension	<u>(10,363,758)</u>	(17,465,341)
Deferred pension amounts in governmental activities are not financial resources and therefore are not reported in the funds.		
OPEB Deferred Outflows - IMRF	\$ 4,570	
OPEB Deferred Outflows - Police Pension	8,783	
Pension Deferred Outflows - IMRF	798,407	
Pension Deferred Outflows - Police Pension	615,919	
Pension Deferred Inflows - IMRF	(146,174)	
Pension Deferred Inflows - Police Pension	<u>(492,479)</u>	<u>789,026</u>
Net Position of Governmental Activities		<u><u>\$ 25,575,184</u></u>

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

VILLAGE OF WAUCONDA, ILLINOIS
 FUND FINANCIAL STATEMENTS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED APRIL 30, 2019

	Special Revenue Funds				Total Governmental Funds
	General Fund	Motor Fuel Tax Fund	TIF Fund	Debt Service Fund	
REVENUES					
Local Taxes					
Property Tax	\$ 3,708,125	\$ -	\$ 204,212	\$ 684,317	\$ 4,596,654
Intergovernmental					
State Sales Tax	1,985,629	-	-	-	1,985,629
State Use Tax	425,932	-	-	-	425,932
State Income Tax	1,449,436	-	-	-	1,449,436
State Replacement Tax	29,668	-	-	-	29,668
State Utility Tax	468,419	-	-	-	468,419
State Motor Fuel Tax	-	354,125	-	-	354,125
State Video Gaming Tax	218,840	-	-	-	218,840
State Grants	43,842	21,560	-	-	65,402
State Road and Bridge Tax	29,197	-	-	-	29,197
Other Local Sources					
Licenses and Permits	234,704	-	-	-	234,704
Fines and Forfeitures	327,339	-	-	-	327,339
Charges for Services	709,964	-	-	-	709,964
Interest	68,455	3,921	41	-	72,417
Miscellaneous					
Donations	9,079	-	-	-	9,079
Reimbursements	66,532	-	-	-	66,532
Other Miscellaneous	20,371	-	-	-	20,371
Total Revenues	\$ 9,795,532	\$ 379,606	\$ 204,253	\$ 684,317	\$ 11,063,708
EXPENDITURES					
Current					
General Government	\$ 1,413,375	\$ -	\$ 8,084	\$ -	\$ 1,421,459
Public Safety	5,394,002	-	-	-	5,394,002
Public Works	1,368,492	57,315	-	-	1,425,807
Capital Outlay					
General Government	20,654	-	-	-	20,654
Public Safety	167,137	-	-	-	167,137
Public Works	389,805	21,705	-	-	411,510
Debt Service					
Principal	4,035	135,000	-	565,000	704,035
Interest and Fees	78	39,900	-	113,874	153,852
	\$ 8,757,578	\$ 253,920	\$ 8,084	\$ 678,874	\$ 9,698,456
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 1,037,954	\$ 125,686	\$ 196,169	\$ 5,443	\$ 1,365,252
OTHER FINANCING SOURCES/(USES)					
Transfers	\$ 152,817	\$ -	\$ -	\$ -	\$ 152,817
Sale of Fixed Assets	23,000	-	-	-	23,000
	\$ 175,817	\$ -	\$ -	\$ -	\$ 175,817
NET CHANGE IN FUND BALANCES	\$ 1,213,771	\$ 125,686	\$ 196,169	\$ 5,443	\$ 1,541,069
FUND BALANCES - MAY 1, 2018	3,119,190	187,046	187,941	57,046	3,551,223
FUND BALANCES - APRIL 30, 2019	\$ 4,332,961	\$ 312,732	\$ 384,110	\$ 62,489	\$ 5,092,292

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

VILLAGE OF WAUCONDA, ILLINOIS
 FUND FINANCIAL STATEMENTS
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED APRIL 30, 2019

Net Change in Fund Balances - Total Governmental Funds \$ 1,541,069

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

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

Depreciation Expense	\$ (1,146,241)	
Capital Outlays	<u>518,262</u>	(627,979)

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

Proceeds from Sale of Capital Assets	\$ (23,000)	
Gain/(Loss) on Sale of Capital Assets	<u>7,704</u>	(15,296)

Some revenue/expenses reported in the Statement of Activities do not provide/use current financial resources and therefore are not reported as revenues/expenses in the governmental funds.

Accrued Interest on Long-Term Debt	\$ 4,681	
Bond Refunding - Amortization	(38,575)	
OPEB Benefit Payments - IMRF	12,633	
OPEB Benefit Payments - Police	24,279	
OPEB Expense - IMRF	(18,889)	
OPEB Expense - Police	(36,301)	
Pension Income - IMRF	351,714	
Pension Expense - IMRF	(291,946)	
Pension Expense - Police Pension	(1,194,449)	
Compensated Absences	<u>3,731</u>	(1,183,122)

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

Pension Employer Contributions - IMRF	\$ 89,078	
Pension Employer Contributions - Police Pension	<u>993,976</u>	1,083,054

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

Repayment of Long-Term Debt		<u>704,035</u>
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Change in Net Position of Governmental Activities		<u><u>\$ 1,501,761</u></u>
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The Notes to Financial Statements are an integral part of this statement.

VILLAGE OF WAUCONDA, ILLINOIS
 FUND FINANCIAL STATEMENTS
 STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 APRIL 30, 2019

	Business Type Activities - Enterprise Fund Water and Sewer
ASSETS	
Current Assets	
Cash and Investments	\$ 6,934,520
Deposit with Paying Agent	88,380
Receivables (Net of Allowance for Estimated Uncollectible Amounts)	
Accounts Receivable - Billed	61,431
Accounts Receivable - Unbilled	646,877
Property Tax	1,467,362
IMET Receivable	115,120
Prepaid Items	589,341
Restricted Cash and Investments	4,194,165
	\$ 14,097,196
Non-Current Assets	
Capital Assets	
Buildings and Improvements	\$ 32,253,857
Systems and Equipment	40,000,998
Construction in Progress	16,823,521
Less: Accumulated Depreciation	(28,184,527)
	\$ 60,893,849
TOTAL ASSETS	\$ 74,991,045
DEFERRED OUTFLOWS OF RESOURCES	
OPEB Expense/Revenue - IMRF	\$ 5,677
Pension Expense/Revenue - IMRF	998,954
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 1,004,631
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 702,320
Accrued Payroll	33,467
Accrued Interest	187,079
Deposits Payable	6,405
General Obligation Bonds Payable - Current	788,839
Alternate Revenue Bonds Payable - Current	270,000
IEPA Loans Payable - Current	282,799
	\$ 2,270,909
Long-Term Liabilities	
Compensated Absences	\$ 85,350
IMRF Net Pension Liability	1,030,397
IMRF Total OPEB Liability	424,450
General Obligation Bonds Payable	22,355,338
Alternate Revenue Bonds Payable	4,185,000
IEPA Loans Payable	2,377,239
	\$ 30,457,774
TOTAL LIABILITIES	\$ 32,728,683
DEFERRED INFLOWS OF RESOURCES	
Pension Expense/Revenue - IMRF	\$ 188,659
Unavailable Revenue - Property Taxes	1,467,362
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 1,656,021
NET POSITION	
Net Investment in Capital Assets	\$ 37,634,634
Restricted for:	
CLCJAWA Intergovernmental Agreement	4,194,165
Unrestricted/(Deficit)	(217,827)
TOTAL NET POSITION	\$ 41,610,972

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

VILLAGE OF WAUCONDA, ILLINOIS
 FUND FINANCIAL STATEMENTS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED APRIL 30, 2019

	Business Type Activities - <u>Enterprise Fund</u> <u>Water and Sewer</u>
OPERATING REVENUES	
Charges for Services	
Customer Fees	\$ 5,087,223
Penalties	84,604
Tap-on Fees	32,950
Water Meter Sales	9,633
Other Revenue	12,737
	<u>\$ 5,227,147</u>
OPERATING EXPENSES	
Water Department	
Personnel Salaries	\$ 1,006,796
Contractual Services	427,747
Commodities	232,499
Depreciation	662,789
Sewer Department	
Personnel Salaries	898,746
Contractual Services	655,283
Commodities	117,125
Depreciation	898,362
	<u>\$ 4,899,347</u>
OPERATING INCOME/(LOSS)	<u>\$ 327,800</u>
NON-OPERATING REVENUE/(EXPENSE)	
Property Tax	\$ 1,528,314
Investment Income	227,948
Annuity Reimbursements	281,726
Interest and Fees	(804,080)
CLCJAWA Reimbursement	1,737,457
CLCJAWA Payments	(6,617,601)
Other Miscellaneous Income	456,754
	<u>\$ (3,189,482)</u>
INCOME/(LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>\$ (2,861,682)</u>
TRANSFERS (TO)/FROM OTHER FUNDS	<u>(152,817)</u>
CHANGE IN NET POSITION	<u>\$ (3,014,499)</u>
NET POSITION - MAY 1, 2018	45,036,475
NET POSITION ADJUSTMENT	<u>(411,004)</u>
NET POSITION - APRIL 30, 2019	<u>\$ 41,610,972</u>

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

VILLAGE OF WAUCONDA, ILLINOIS
 FUND FINANCIAL STATEMENTS
 STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED APRIL 30, 2019

	Business Type Activities - Enterprise Fund <u>Water and Sewer</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers and Users	\$ 5,033,245
Payments to Suppliers for Goods and Services	(697,297)
Payments to Employees for Services	(1,689,636)
Net Cash Provided/(Used) by Operating Activities	<u>\$ 2,646,312</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Transfers (to)/from Other Funds	\$ (152,817)
Net Cash Provided/(Used) by Non-Capital Financing Activities	<u>\$ (152,817)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of Capital Assets	\$ (3,277,839)
Issuance of Capital Debt	2,965,751
Interest Paid on Capital Debt	(845,023)
Principal Paid on Capital Debt	(1,218,431)
Property Tax Receipts	1,528,314
CLCJAWA Reimbursement	1,737,457
CLCJAWA Payments	(6,617,601)
Other Receipts/(Payments)	308,874
Net Cash Provided/(Used) by Capital and Related Financing Activities	<u>\$ (5,418,498)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on Cash and Cash Equivalents and Investments	\$ 227,948
Net Cash Provided/(Used) by Investing Activities	<u>\$ 227,948</u>
NET INCREASE/(DECREASE) IN CASH AND INVESTMENTS	\$ (2,697,055)
CASH AND INVESTMENTS BALANCE - MAY 1, 2018 (INCLUDING RESTRICTED CASH AND DEPOSIT WITH PAYING AGENT)	<u>13,914,120</u>
CASH AND INVESTMENTS BALANCE - APRIL 30, 2019 (INCLUDING RESTRICTED CASH AND DEPOSIT WITH PAYING AGENT)	<u><u>\$ 11,217,065</u></u>
RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES	
Operating Income/(Loss)	\$ 327,800
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation Expense	1,561,151
Change in assets, liabilities and deferred amounts:	
Receivables, net	(193,902)
Prepaid Expenses	501,306
Accounts Payable and Other Payables	219,309
OPEB/Pension Liabilities	1,552,141
Deferred OPEB/Pension Expenses/Revenues	(1,321,493)
Net Cash Provided/(Used) by Operating Activities	<u><u>\$ 2,646,312</u></u>
NONCASH CAPITAL FINANCING ACTIVITIES	
IEPA Loan Draws	\$ (2,965,751)

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

VILLAGE OF WAUCONDA, ILLINOIS
 FUND FINANCIAL STATEMENTS
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 APRIL 30, 2019

	POLICE PENSION TRUST FUND	AGENCY FUNDS
ASSETS		
Cash and Cash Equivalents	\$ 56,368	\$ 1,110,972
Investments		
U.S. Treasury Obligations	675,770	-
U.S. Agency Obligations	3,929,607	-
State and Local Obligations	876,713	-
Corporate Bonds	726,743	-
Mortgage Pools	585	
Mutual Funds	9,803,338	-
Receivables (Net of Allowance for Estimated Uncollectible Amounts)		
Accounts Receivable	-	759,503
Accrued Interest	51,884	-
Prepaid Items	3,327	-
TOTAL ASSETS	\$ 16,124,335	\$ 1,870,475
LIABILITIES		
Accounts Payable	\$ 8,011	\$ -
Due to Bondholders	-	1,870,475
TOTAL LIABILITIES	\$ 8,011	\$ 1,870,475
NET POSITION - RESTRICTED FOR PENSION BENEFITS	\$ 16,116,324	

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

VILLAGE OF WAUCONDA, ILLINOIS
 FUND FINANCIAL STATEMENTS
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED APRIL 30, 2019

	<u>POLICE PENSION TRUST FUND</u>
ADDITIONS	
Contributions	
Employer	\$ 993,976
Plan Members	241,679
Total Contributions	<u>\$ 1,235,655</u>
Investment Income	
Interest and Dividends	\$ 663,403
Gain/(Loss) on Sale of Investments	397,197
	<u>\$ 1,060,600</u>
Less: Investment Management Fees	35,595
Net Investment Income	<u>\$ 1,025,005</u>
 TOTAL ADDITIONS	 <u>\$ 2,260,660</u>
 DEDUCTIONS	
Benefits	\$ 778,238
Administrative Expenses	27,011
TOTAL DEDUCTIONS	<u>\$ 805,249</u>
 NET INCREASE/(DECREASE)	 \$ 1,455,411
 NET POSITION - RESTRICTED FOR PENSION BENEFITS - MAY 1, 2018	 <u>14,660,913</u>
 NET POSITION - RESTRICTED FOR PENSION BENEFITS - APRIL 30, 2019	 <u><u>\$ 16,116,324</u></u>

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

VILLAGE OF WAUCONDA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Wauconda, Illinois (Village) is a municipal corporation governed by an elected mayor and six-member Board of Trustees. The Village's major operations include police safety, highway and street maintenance and reconstruction, forestry, building code enforcement, public improvements, economic development, planning and zoning, waterworks and sewerage services and general administrative services.

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

A. *Reporting Entity*

The Village's financial reporting entity comprises the following:

Primary Government: Village of Wauconda

In determining the financial reporting entity, the Village complies with the provisions of GASB Statements and includes all component units that have a significant operational or financial relationship with the Village. Based upon the criteria set forth in the GASB Statements, there are no component units included in the reporting entity.

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 Mayor, 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 pension trust fund.

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

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions and business-type activities. The functions are also supported by general government revenues (property taxes, sales taxes, unrestricted investment earnings, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (public safety, public works, parks and recreation, etc.) or a business-type activity. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

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

The Village does not allocate indirect costs. An administrative service fee is charged by the General Fund to the other operating funds that is eliminated at the government-wide level (reducing the revenue and expense) 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.

C. *Basic Financial Statements – Fund Financial Statements*

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that 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. Nonmajor funds by category are summarized into a single column. 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 (motor fuel tax, debt service and tax increment financing funds), which either had debt outstanding or specific 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% 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% of the corresponding total for all governmental and enterprise funds combined.

The following fund types are used by the Village:

1. Governmental Funds

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

NOTES TO FINANCIAL STATEMENTS (Continued)

General Fund – The General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund. The Capital Projects, Marine and Tort Funds are included in this fund. This is considered a major fund

Special Revenue Funds – The 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 has two special revenue funds.

Motor Fuel Tax Fund – Used to account for the maintenance and construction of streets and roads as approved by the Illinois Department of Transportation. Financing is provided by the Village's share of restricted gasoline taxes. The Motor Fuel Tax is treated as a major fund due to public interest.

TIF Fund – Used to account for the revenues and expenditures related to the TIF District. Financing is provided by property taxes restricted for use within the TIF. The TIF Fund is treated as a major fund due to public interest.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of funds for the periodic payment of principal, interest, and related fees on general long-term debt. The Debt Service Fund is treated as a major fund.

The activities reported in these funds are reported as governmental activities in the government-wide financial statements.

2. Proprietary Fund Types

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

Enterprise Funds – Enterprise Funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity is financed with debt that is solely secured by a pledge of the net revenues. The activities reported in these funds are reported as business-type activities in the government-wide financial statements. The Village has one major enterprise fund.

Water and Sewer Fund – 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.

3. Fiduciary Fund Types

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

Pension Trust Funds – 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 be used for disability and retirement annuity payments to employees covered by the plan.

Agency Funds – Used to account for assets held by the Village in a purely custodial capacity. The Village maintains one agency fund, the Special Service Area Fund, which accounts for the collection of property taxes within the special service area and the payment of related special service area debt.

NOTES TO FINANCIAL STATEMENTS (Continued)

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

D. *Measurement Focus*

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

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.

E. *Basis of Accounting*

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

1. *Accrual*

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

2. *Modified Accrual*

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

NOTES TO FINANCIAL STATEMENTS (Continued)

F. *Cash and Cash Equivalents and Investments*

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

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

No Village fund had a cash overdraft at April 30, 2019.

Cash and cash equivalents and investments on the Statement of Net Position are considered to be cash on hand, demand deposits, or 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, all highly liquid investments with an original maturity of three months or less, and investments intended to be part of the Village's cash management policy.

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.

G. *Restricted Cash and Investments*

Certain unspent bond proceeds are classified as restricted cash and investments on the Balance Sheet because their use is limited by applicable bond covenants. No unspent bond proceeds were noticed during the Audit.

H. *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.

Receivables are reported net of estimated uncollectible amounts. Property tax receivable allowance is \$33,687, which is .5% of the 2018 tax levy. The allowance for water and sewer accounts receivable is \$10,574.

I. *Prepays*

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

NOTES TO FINANCIAL STATEMENTS (Continued)

J. *Interfund Activity*

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

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

K. *Capital Assets*

Capital assets purchased or acquired with an original cost of \$10,000 to \$50,000, dependent on asset category, are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

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. Infrastructure such as streets, traffic signals and signs are capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

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

Depreciation on all assets is provided on the straight-line half-year basis over the following estimated useful lives:

Land Improvements	10-20 years
Buildings	25-50 years
Machinery and Equipment	2-20 years
Infrastructure	15-50 years

L. *Deferred Outflows and Inflows of Resources*

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

M. *Compensated Absences*

The Village accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. The noncurrent portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is reported only as a general long-term debt obligation in the government-wide Statement of Net Position and represents a reconciling item between the fund and government-wide presentations. In accordance with the provisions of Statement of Financial

NOTES TO FINANCIAL STATEMENTS (Continued)

Accounting Standards No. 43, "Accounting for Compensated Absences", no liability is recorded for nonvesting accumulating 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.

N. *Long-Term Obligations*

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

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

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

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

1. Net investment in capital assets – consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
2. Restricted net position – consists of net position that is restricted by the Village's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
3. Unrestricted – all other net position is reported in this category.

P. *Governmental Fund Balances*

Governmental fund balances are divided between nonspendable and spendable.

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

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)

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

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

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

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

Q. *Minimum Fund Balance Policy*

The Village's policy manual states that the General Fund should maintain a minimum fund balance equal to three months of budgeted operating expenditures.

R. *Property Tax Calendar and Revenues*

The Village's property tax is levied each calendar year on all taxable real property located in the Village's district by December of the subsequent fiscal year. The 2018 levy was passed by the Board on December 4, 2018. Property taxes attach as an enforceable lien on property as of January 1 of the calendar year they are for and are payable in two installments early in June and early in September of the following calendar year. The Village receives significant distributions of tax receipts approximately one month after these dates.

S. *Defining Operating Revenues and Expenses*

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 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.

T. *Estimates*

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

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 2 - DEPOSITS AND INVESTMENTS

The Village maintains a cash and investment pool that is available for use by all funds, except the pension trust fund. Each fund type’s portion of this pool is displayed on the financial statements as “cash and investments”. The deposits and investments of the pension trust funds are held separately from those other funds. See note 9 for more information on the pension trust fund’s deposits and investments.

The Village is allowed to invest in securities as authorized by the Illinois Compiled Statutes, Chapter 30, Act 235/Articles 2 and 6, and Chapter 40, Act 5/Article 3 – Pensions.

Investments

As of April 30, 2019, the Village had the following investments and maturities:

Investments	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	5-10	More Than 10
Illinois Funds Investment Pool	\$ 6,471,924	\$ 6,471,924	\$ -	-	-
Illinois Metropolitan Investment Fund	230,068	230,068	-	-	-
Mortgage Pools	3,526	-	3,526	-	-
	<u>\$ 6,705,518</u>	<u>\$ 6,701,992</u>	<u>\$ 3,526</u>	<u>\$ -</u>	<u>\$ -</u>

The investments in the Illinois Fund Investment Pool and the Illinois Metropolitan Investment Fund (IMET) are measured at net asset value. Both are not SEC-registered, but Illinois Funds operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940, and IMET is managed by a Board of Trustees elected from the participating members.

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 will remain sufficiently liquid to enable the Village to meet all operating requirements, which might be reasonably anticipated. To the extent possible, the Village will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the Village will not directly invest operating funds in securities maturing more than two years from the date of purchase. However, the Village may collateralize it’s repurchase agreements using longer-dated investments. Reserve funds may be invested in securities exceeding two years if the maturity of such investments coincides as nearly as practicable with the expected use of the funds.

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 investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.

As of April 30, 2019, the Village’s investments were rated as follows:

Investments	Credit Rating	Rating Source
Illinois Funds Investment Pool	AAAm	Standard and Poor's
Illinois Metropolitan Investment Fund	Aaa-bf	Moody's

*Mortgage Pools were not rated/unavailable

Concentration of Credit 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 investments will be diversified by security type and institutions. With the exception of the U.S. Agency obligations and pooled investments, no more than 5% of the Village’s total investment portfolio will be invested in a single security type or with a single financial institution. The following are maximum allocations for exceptions:

NOTES TO FINANCIAL STATEMENTS (Continued)

Investments	Minimum	Maximum
U.S. Agency Obligations	0%	50%
Illinois Funds Investment Pool	0%	100%
Illinois Metropolitan Investment Fund	0%	50%

There are currently no investments in any one organization, excluding exceptions, which represent 5% or more of the Village’s total investments.

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 states that collateralization will be required on two types of investments: certificates of deposit and repurchase (and reverse) agreements. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 110% of market value of principal and accrued interest. Collateral will always be held by an independent third party with which the entity has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the Village and retained. At year-end, the entire amount of bank balance deposits was covered by FDIC insurance or collateralized.

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 states that securities will be held by a third-party custodian designated by the Treasurer and evidenced by safekeeping receipts. At year-end, the Village’s investments in U.S. Agency Obligations are all insured or registered with the Village or its agent in the Village’s name and the Village’s investment in the Illinois Fund and the Illinois Metropolitan Investment Trust are not subject to custodial credit risk.

NOTE 3 - FAIR VALUE MEASUREMENT

The Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Village has the following recurring fair value measurements as of April 30, 2019:

Village of Wauconda			
Investments by fair value level	4/30/2019	Fair Value Measurements Using:	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Mortgage Pools	\$ 3,526	\$ -	\$ 3,526
Total Investments by fair value level	\$ 3,526	\$ -	\$ 3,526
Police Pension Fund			
Investments by fair value level	4/30/2019	Fair Value Measurements Using:	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
U.S. Treasury Obligations	\$ 675,770	\$ 675,770	\$ -
U.S. Agency Obligations	3,929,607	-	3,929,607
State and Local Obligations	876,713	-	876,713
Corporate Bonds	726,743	-	726,743
Mortgage Pools	585	-	585
Equity Funds	9,803,338	9,803,338	-
Total Investments by fair value level	\$ 16,012,756	\$ 10,479,108	\$ 5,533,648

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. 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.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2019 was as follows:

	Balance May 1, 2018	Increases	Decreases	Balance April 30, 2019
Governmental Activities				
Capital Assets not being depreciated				
Land	\$ 19,284,750	\$ -	\$ -	\$ 19,284,750
Construction in Progress	-	2,936	-	2,936
Total Capital Assets not being depreciated	<u>\$ 19,284,750</u>	<u>\$ 2,936</u>	<u>\$ -</u>	<u>\$ 19,287,686</u>
Other Capital Assets				
Land Improvements	\$ 788,354	\$ -	\$ -	\$ 788,354
Buildings	3,169,732	-	-	3,169,732
Machinery and Equipment	3,530,358	515,326	190,712	3,854,972
Infrastructure	30,933,134	-	-	30,933,134
Total Other Capital Assets at Historical Cost	<u>\$ 38,421,578</u>	<u>\$ 515,326</u>	<u>\$ 190,712</u>	<u>\$ 38,746,192</u>
Less Accumulated Depreciation for:				
Land Improvements	\$ 543,687	\$ 33,357	\$ -	\$ 577,044
Buildings	1,832,890	64,364	-	1,897,254
Machinery and Equipment	2,416,517	229,280	175,416	2,470,381
Infrastructure	15,303,630	819,240	-	16,122,870
Total Accumulated Depreciation	<u>\$ 20,096,724</u>	<u>\$ 1,146,241</u>	<u>\$ 175,416</u>	<u>\$ 21,067,549</u>
Other Capital Assets, Net	<u>\$ 18,324,854</u>	<u>\$ (630,915)</u>	<u>\$ 15,296</u>	<u>\$ 17,678,643</u>
Governmental Activities Capital Assets, Net	<u>\$ 37,609,604</u>	<u>\$ (627,979)</u>	<u>\$ 15,296</u>	<u>\$ 36,966,329</u>
Business-Type Activities				
Capital Assets not being depreciated				
Construction in Progress	\$ 15,913,849	\$ 2,880,491	\$ 1,970,819	\$ 16,823,521
Total Capital Assets not being depreciated	<u>\$ 15,913,849</u>	<u>\$ 2,880,491</u>	<u>\$ 1,970,819</u>	<u>\$ 16,823,521</u>
Other Capital Assets				
Land Improvements	\$ 109,764	\$ -	\$ -	\$ 109,764
Buildings	30,960,013	1,184,080	-	32,144,093
Machinery and Equipment	7,287,515	-	-	7,287,515
Infrastructure	31,529,396	1,184,087	-	32,713,483
Total Other Capital Assets at Historical Cost	<u>\$ 69,886,688</u>	<u>\$ 2,368,167</u>	<u>\$ -</u>	<u>\$ 72,254,855</u>
Less Accumulated Depreciation for:				
Land Improvements	\$ 57,626	\$ 5,488	\$ -	\$ 63,114
Buildings	9,814,249	683,397	-	10,497,646
Machinery and Equipment	6,148,562	218,942	-	6,367,504
Infrastructure	10,602,939	653,324	-	11,256,263
Total Accumulated Depreciation	<u>\$ 26,623,376</u>	<u>\$ 1,561,151</u>	<u>\$ -</u>	<u>\$ 28,184,527</u>
Other Capital Assets, Net	<u>\$ 43,263,312</u>	<u>\$ 807,016</u>	<u>\$ -</u>	<u>\$ 44,070,328</u>
Business-Type Activities Capital Assets, Net	<u>\$ 59,177,161</u>	<u>\$ 3,687,507</u>	<u>\$ 1,970,819</u>	<u>\$ 60,893,849</u>

Depreciation expense was charged to functions as follows:

Governmental Activities	
General Government	\$ 51,556
Public Safety	915,870
Public Works	178,815
Total Governmental Activities Depreciation Expense	<u>\$ 1,146,241</u>
Business-Type Activities	
Water and Sewer	<u>\$ 1,561,151</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 5 - LONG-TERM LIABILITY ACTIVITY

Long-term liability activity for the year ended April 30, 2019 was as follows:

	Balance May 1, 2018	Additions	Retirements	Balance April 30, 2019	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General Obligation Bonds	\$ 3,965,000	\$ -	\$ 565,000	\$ 3,400,000	\$ 600,000
Alternate Revenue Bonds	1,375,000	-	135,000	1,240,000	135,000
Installment Contracts	4,035	-	4,035	-	-
Total Bonds and Notes Payable	<u>\$ 5,344,035</u>	<u>\$ -</u>	<u>\$ 704,035</u>	<u>\$ 4,640,000</u>	<u>\$ 735,000</u>
Other Long-Term Liabilities					
Compensated Absences	\$ 376,581	\$ 478,864	\$ 482,595	\$ 372,850	\$ 372,850
Net Pension Liability - IMRF	-	1,123,135	65,632	1,057,503	-
Net Pension Liability - Police Pension	9,972,366	391,393	-	10,363,759	-
Total Other Post-Employment Benefit Obligations	-	998,410	-	998,410	-
Total Other Long-Term Liabilities	<u>\$ 10,348,947</u>	<u>\$ 2,991,802</u>	<u>\$ 548,227</u>	<u>\$ 12,792,522</u>	<u>\$ 372,850</u>
Governmental Activities Long-Term Obligations	<u>\$ 15,692,982</u>	<u>\$ 2,991,802</u>	<u>\$ 1,252,262</u>	<u>\$ 17,432,522</u>	<u>\$ 1,107,850</u>
Business-Type Activities					
Bonds and Notes Payable					
General Obligation Bonds	\$ 20,843,425	\$ 2,965,751	\$ 665,002	\$ 23,144,174	\$ 788,839
Alternate Revenue Bonds	4,715,000	-	260,000	4,455,000	270,000
IEPA Loans Payable	2,937,314	-	277,276	2,660,038	282,799
Installment Contracts	16,153	-	16,153	-	-
Total Bonds and Notes Payable	<u>\$ 28,511,892</u>	<u>\$ 2,965,751</u>	<u>\$ 1,218,431</u>	<u>\$ 30,259,212</u>	<u>\$ 1,341,638</u>
Other Long-Term Liabilities					
Compensated Absences	\$ 104,285	\$ 96,666	\$ 115,599	\$ 85,352	\$ 85,352
Net Pension Liability - IMRF	-	1,109,517	79,120	1,030,397	-
Total Other Post-Employment Benefit Obligations	-	424,451	-	424,451	-
Total Other Long-Term Liabilities	<u>\$ 104,285</u>	<u>\$ 1,630,634</u>	<u>\$ 194,719</u>	<u>\$ 1,540,200</u>	<u>\$ 85,352</u>
Business-Type Activities Long-Term Obligations	<u>\$ 28,616,177</u>	<u>\$ 4,596,385</u>	<u>\$ 1,413,150</u>	<u>\$ 31,799,412</u>	<u>\$ 1,426,990</u>

Bonds and notes payable consisted of the following at April 30, 2019:

NOTES TO FINANCIAL STATEMENTS (Continued)

	Maturity Date	Interest Rate	Face Amount	Carrying Amount
Governmental Activities				
2012 Installment Contract	2/28/2019	4.04%	29,992	-
2015 General Obligation Bonds	12/30/2023	2.00% - 3.00%	4,645,000	3,400,000
2014A General Obligation Refunding Alternate Revenue Bonds	11/1/2026	2.00% - 3.00%	1,745,000	1,240,000
Total			\$ 6,470,686	\$ 4,640,000
Business-Type Activities				
2012 Installment Contract	2/28/2019	4.04%	120,000	-
2013 General Obligation Bonds	12/30/2032	2.00% - 3.00%	9,500,000	7,170,000
2011 General Obligation Alternate Revenue Bonds	11/1/2035	4.75% - 5.50%	2,000,000	2,000,000
2014B General Obligation Refunding Alternate Revenue Bonds	11/1/2026	2.00% - 3.00%	3,465,000	2,455,000
2017 General Obligation Bonds	12/30/2036	3.00% - 4.00%	7,000,000	7,000,000
2006 IEPA Loan (L17-2737)	2/21/2027	2.50%	4,021,879	1,967,404
2010 IEPA Loan (L17-2739)	11/6/2030	0%	1,104,792	692,631
2018 General Obligation Bonds	See below	1.64% - 1.86%	6,015,426	5,757,238
Total			\$ 33,465,807	\$ 27,042,273

Business-Type Note: This table does not include a new IEPA Loan (L17-5379) for \$3,216,939 as this loan is not complete and therefore has no payment schedule or finalized loan documents as of April 30, 2019. As noted below this debt was covered by the 2018 General Obligation Bonds. Therefore, there is also not a set maturity date for the 2018 General Obligation Bonds.

For the governmental activities, compensated absences and net pension liabilities are generally liquidated by the General Fund. The General Fund makes payments on the installment contracts. The general obligation bonds are liquidated by the Debt Service Fund. The Motor Fuel Tax Fund makes payments on the alternate revenue bonds.

For the business-type activities the Waterworks and Sewerage Fund makes payments on the compensated absences, the net pension liability, the installment contracts, the general obligation bonds, the alternate revenue bonds, and the IEPA loans payable.

The Village increased the 2018 General Obligation bonds to cover the 2016-2018 IEPA Loans (L17-5317 and L17-5379). These bonds were issued directly to IEPA.

At April 30, 2019 the annual debt service requirements to service all long-term debt attributable to governmental activities are:

Year Ending April 30	Principal	Interest	Total
2020	\$ 735,000	\$ 117,263	\$ 852,263
2021	780,000	117,150	897,150
2022	825,000	93,750	918,750
2023	875,000	69,000	944,000
2024	1,425,000	42,750	1,467,750
2025 - 2029	-	30,900	30,900
	\$ 4,640,000	\$ 470,813	\$ 5,110,813

At April 30, 2019 the annual debt service requirements to service all long-term debt attributable to business-type activities are:

NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ending April 30	Principal	Interest	Total
2020	\$ 1,341,638	\$ -	\$ 1,341,638
2021	1,372,162	-	1,372,162
2022	1,432,918	-	1,432,918
2023	1,468,911	-	1,468,911
2024	1,505,143	-	1,505,143
2025 - 2029	7,256,997	-	7,256,997
2030 - 2034	7,067,922	-	7,067,922
2035 - 2039	5,596,582	-	5,596,582
	<u>\$ 27,042,273</u>	<u>\$ -</u>	<u>\$ 27,042,273</u>

Note: This table does not include a new IEPA Loan (L17-5379) for \$3,216,939 as this loan is not complete and therefore has no payment schedule or finalized loan documents as of April 30, 2019.

See other supplementary information for more detailed information on outstanding debt.

Noncommitment Debt – Special service area bonds outstanding as of April 30, 2019 totaled \$8,605,000. These bonds are not an obligation of the Village and are secured by the levy of an annual tax on the real property within the special service area. The Village is in no way liable for repayment but is only acting as agent for the property owners in levying and collecting the tax and forwarding the collections to bondholders.

NOTE 6 - PROPERTY TAXES

Property taxes receivable recorded in these financial statements, in the amount of \$5,944,265, are from the 2018 tax levy. The unavailable revenue is 99.5% of the 2018 tax levy and an allowance is recorded for the remaining .5%. These taxes are unavailable as none of the taxes are collected before the end of the fiscal year and the Village does not consider the amounts to be available and does not budget for their use in fiscal year 2019. The Village has determined that 100% of the amounts collected for the 2017 levy (\$6,904,565) are allocable for use in fiscal year 2019 and, therefore, are recorded in these financial statements as property taxes revenue. A summary of the assessed valuation, rates, and extensions for the years 2017, 2016, and 2015 follows:

Tax Year	2018		2017		2016	
	Rates	Extensions	Rates	Extensions	Rates	Extensions
Assessed Valuation	\$386,807,881		\$382,362,396		\$364,164,516	
General	0.2526	\$ 977,119	0.2575	\$ 984,675	0.2801	\$ 1,020,149
Police Protection	0.3377	1,306,200	0.3346	1,279,331	0.3391	1,234,845
Bonds	0.5638	2,180,726	0.5792	2,214,536	0.4790	1,744,366
Insurance	0.0458	177,301	0.0464	177,558	0.0488	177,556
Police Pension	0.2736	1,058,256	0.2602	994,804	0.2525	919,464
IMRF	0.0356	137,630	0.0360	137,826	0.0403	146,827
Social Security	0.0328	126,877	0.0332	127,059	0.0349	127,057
Street Lighting	0.0026	10,026	0.0026	10,037	0.0028	10,036
Total Taxes Extended	<u>1.5445</u>	<u>\$ 5,974,136</u>	<u>1.5498</u>	<u>\$ 5,925,826</u>	<u>1.4774</u>	<u>\$ 5,380,301</u>
Special Service Area #1	-	\$ 763,320	-	\$ 749,885	-	\$ 739,459

NOTE 7 - EXCESS OF EXPENDITURES OVER BUDGET

For the year ended April 30, 2019, the following governmental fund had expenditures that exceeded the budget.

Fund	Budget	Actual	Excess of Actual Over Budget
MFT	\$ 240,650	\$ 253,920	\$ 13,270
Debt Service	678,125	678,874	749

NOTE 8 - ILLINOIS MUNICIPAL RETIREMENT FUND

Plan Description

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

Benefits Provided

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

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

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

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

Employees Covered by Benefit Terms

All appointed employees of a participating employer who are employed in a position normally requiring 600 hours (1,000 hours for certain employees hired after 1981) or more of work in a year are required to participate. As of December 31, 2018, the following employees were covered by the benefit terms:

Inactive plan members and beneficiaries currently receiving benefits	48
Inactive plan members entitled to but not yet receiving benefits	37
Active plan members	28
Total	<u><u>113</u></u>

NOTES TO FINANCIAL STATEMENTS (Continued)

Contributions

As set by statute, the Village's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual contribution rate for calendar year 2018 was 10.72%. For the fiscal year ended April 30, 2019, the Village contributed \$221,126 to the plan. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Asset

The components of the net pension liability of the IMRF actuarial valuation performed as of December 31, 2018, and a measurement date as of December 31, 2018, calculated in accordance with GASB Statement No. 68, were as follows:

Total Pension Liability	\$	16,084,382
IMRF Fiduciary Net Position		13,996,482
Village's Net Pension Liability		2,087,900
IMRF Fiduciary Net Position as a Percentage of the Total Pension Liability		87.02%

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

Actuarial Assumptions

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

Assumptions	
Price Inflation	2.50%
Salary Increases	3.39% - 14.25% including inflation
Interest Rate	7.25%
Asset Valuation Method	Market Value of Assets
Projected Retirement Age	Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from years 2014 to 2016

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

NOTES TO FINANCIAL STATEMENTS (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2018:

Asset Class	Target Allocation	Projected Return
Equities	37.00%	7.15%
International Equities	18.00%	7.25%
Fixed Income	28.00%	3.75%
Real Estate	9.00%	6.25%
Alternatives	7.00%	
Private Equity		8.50%
Hedge Funds		5.50%
Commodities		3.20%
Cash	1.00%	2.50%
	100.00%	

Single Discount Rate

The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this discount rate, the expected rate of return on pension plan investments is 7.25%; the municipal bond rate is 3.71%; and resulting single discount rate is 7.25%.

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension (Asset)/Liability (A)-(B)
Balances at December 31, 2017	\$ 14,475,459	\$ 14,620,211	\$ (144,752)
Changes for the year:			
Service Cost	\$ 244,387	\$ -	\$ 244,387
Interest on the Total Pension Liability	1,066,287	-	1,066,287
Differences Between Expected and Actual Experience of the Total Pension Liability	616,736	-	616,736
Changes of Assumptions	442,501	-	442,501
Contributions - Employer	-	251,291	(251,291)
Contributions - Employee	-	105,486	(105,486)
Net Investment Income	-	(836,124)	836,124
Benefit Payments, including Refunds of Employee Contributions	(760,988)	(760,988)	-
Other (Net Transfer)	-	616,606	(616,606)
Net Changes	\$ 1,608,923	\$ (623,729)	\$ 2,232,652
Balances at December 31, 2018	\$ 16,084,382	\$ 13,996,482	\$ 2,087,900

NOTES TO FINANCIAL STATEMENTS (Continued)

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

The following presents the plan’s net pension liability, calculated using a Single Discount Rate of 7.25%, as well as what the plan’s net pension liability would be if it were calculated using a single Discount Rate that is 1% lower or 1% higher than the current rate:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability/(Asset)	\$ 4,104,538	\$ 2,087,900	\$ 437,375

Pension Income and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended April 30, 2019, the Village recognized pension expense/(income) of \$(134,019). At April 30, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Expense in Future Periods	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
Differences between expected and actual experience	\$ 443,029	\$ 111,661	\$ 331,368
Changes of assumptions	314,955	223,172	91,783
Net difference between projected and actual earnings on pension plan investments	978,544	-	978,544
Total deferred amounts to be recognized in pension expense in future periods	\$ 1,736,528	\$ 334,833	\$ 1,401,695
Pension contributions made subsequent to the measurement date	60,833	-	60,833
Total deferred amounts related to pensions	<u>\$ 1,797,361</u>	<u>\$ 334,833</u>	<u>\$ 1,462,528</u>

The deferred outflows of resources related to pensions resulting from the Village’s contributions in fiscal year 2019 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended April 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending	Net Deferred Outflows of Resources
December 31	
2019	\$ 389,858
2020	354,865
2021	268,851
2022	388,121
2023	-
Thereafter	-
	<u>\$ 1,401,695</u>

NOTE 9 - POLICE PENSION PLAN

Plan Administration

Full-time police sworn personnel of the Village are covered by The Police Pension Fund of the Village (Plan). Although this is a single-member pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 IL CS 5/3-1) and may be amended only by the Illinois legislature. The City accounts for the Plan as a pension trust fund.

The Pension Board administers the Plan and the Illinois Department of Insurance is the oversight agency. The Board consists of five elected or appointed members.

NOTES TO FINANCIAL STATEMENTS (Continued)

Plan Membership

At April 30, 2019, the date of the latest actuarial valuation, Plan participation consisted of:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	12
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	-
Active plan members	<u>24</u>
Total	<u><u>36</u></u>

Benefits Provided

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

Covered employees hired before January 1, 2011 attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one half 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% of such salary for each additional year of service over 20 years up to 30 years, and 1% of such salary for each additional year of service over 30 years, to a maximum of 75% of such salary.

Covered employees hired on or after January 1, 2011 attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive an annual retirement benefit of 2.5% of final average salary for each year of service, with a maximum salary cap of \$106,800 as of January 1, 2011. The maximum salary cap increases each year thereafter. The monthly benefit of a police officer hired before January 1, 2011, 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% of the original pension and 3% compounded annually thereafter. The monthly pension of a police officer hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, but the lessor of 3% or ½ the consumer price index. Employees with at least 10 years but less than 20 years of creditable service may retire at or after age 60 and receive a reduced benefit.

Contributions

Employees are required by Illinois Compiled Statutes (ILCS) to contribute 9.91% of their base salary to the Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past service cost for the Plan. For the year ended April 30, 2019 the City's contribution was 41.49% of covered payroll.

Investment Policy

The deposits and investments of the Pension Fund 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;

NOTES TO FINANCIAL STATEMENTS (Continued)

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.

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

Asset Class	Long-Term Expected Rate of Return	Long-Term Inflation Expectations	Long-Term Expected Real Rate of Return	Target Allocation
Large Cap Domestic Equity	9.50%	2.80%	6.70%	42%
Small Cap Domestic Equity	11.40%	2.80%	8.60%	12%
International Equity	9.30%	2.80%	6.50%	6%

Investment Valuations

All Investments in the Plan are stated at fair value and are recorded as of the trade date. Fair value is based on quoted market prices at April 30, 2019 for debt securities, equity securities and mutual funds.

Investment Concentrations

The Fund's investment policy states that it will diversify its investments by security type and institution. With the exception of U.S. Treasury Obligations and U.S. Agency Obligations, no more than 50% of the entity's total investment portfolio will be invested in a single security type or with a single financial institution. At year-end, the Fund does not have any investments over 5% of net 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).

Investment Rate of Return

For the year ended April 30, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.77%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deposits with Financial Institutions

The Fund 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. In order to

NOTES TO FINANCIAL STATEMENTS (Continued)

anticipate market changes and provide a level of security for all funds, the collateralization level will be 110% of market value of principal and accrued interest. Collateral will always be held by an independent third party with which the entity has a current custodial agreement approved by the Treasurer. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the Fund and retained. Securities will be held by a third-party custodian designated by the Fund and evidenced by safekeeping receipts. 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 Obligations, U.S. Agency Obligations, and state and local obligations are categorized as insured, registered, or held by the Fund or its agent in the Fund's name.

Interest Rate Risk

The following table presents the investments and maturities of the Plan's debt securities as of April 30, 2019:

Investments	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	5-10	More Than 10
U.S. Treasury Obligations	\$ 675,770	\$ 99,875	\$ 498,004	\$ 77,891	\$ -
U.S. Agency Obligations	3,929,607	348,328	735,701	2,740,958	104,620
State and Local Obligations	876,713	-	394,649	482,064	-
Corporate Bonds	726,743	-	202,026	524,717	-
Mortgage Pools	585	585	-	-	-
Mutual Funds	9,803,338	9,803,338	-	-	-
Total	\$ 16,012,756	\$ 10,252,126	\$ 1,830,380	\$ 3,825,630	\$ 104,620

The Fund's investment policy states that the investment portfolio will remain sufficiently liquid to enable the Fund to meet the Fund's disbursement requirements for the payment of operating expenses and benefits. To the extent possible, the Fund will attempt to match its investments with its actuarially determined liabilities and cash flow requirements. Unless matched to a specific cash flow, the Fund will not directly invest its funds in securities maturing more than two years from the date of purchase. However, the Fund may collateralize its repurchase agreements using longer-dated investments. Reserve funds may be invested in securities exceeding two years if the maturity of such investments is made to coincide as nearly as practicable with the expected use of the funds.

Credit Risk

Besides investing in security instruments authorized under State Statute, the Fund's investment policy further states investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. At year-end, the Fund's investments in U.S. Agency Obligations were not rated or rated AA+ by Standard & Poor's and state and local obligations were not rated or rated AA- to AAA by Standard & Poor's.

As of April 30, 2019, the Plan's investments were rated as follows:

Investments	Credit Rating	Rating Source
U.S. Treasury Obligations	Not Rated	N/A
U.S. Agency Obligations	Not Rated or AA+	Standard and Poor's
State and Local Obligations	AA- to AAA/Aa3 to A1	Standard and Poor's / Moody's
Corporate Bonds	A- to AAA	Standard and Poor's
Mortgage Pools	Not Rated	N/A
Mutual Funds	Not Rated	N/A

NOTES TO FINANCIAL STATEMENTS (Continued)

Net Pension Liability

The components of the net pension liability of the Plan as of April 30, 2019, calculated in accordance with GASB Statement No. 68, were as follows:

Total Pension Liability	\$ 26,480,083
Plan Fiduciary Net Position	16,116,324
Village's Net Pension Liability	10,363,759
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	61.00%

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

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of April 30, 2019 using the following actuarial methods and assumptions:

Actuarial Valuation Date	May 1, 2018
Actuarial Cost Method	Entry Age Normal (Level %)
Assumptions	
Inflation	2.50%
Salary Increases	3.50% - 9.38%
Investment Rate of Return	7.00%
Asset Valuation Method	5-Year Smoothed Market Value

Mortality rates were based on the RP-2014 Mortality Table, with Blue Collar adjustments, and updated generationally using MP-2016 Improvement Rates. The other non-economic actuarial assumptions used in the April 30, 2019 valuation were based on a review of assumptions in the L&A 2016 study for Illinois Police Officers.

Discount Rate

The discount rate used to measure the total pension liability was 7%. The discount rate used in the determination of the Total Pension Liability is based on a combination of the expected long-term rate of return on plan investments and the municipal bond rate.

Cash flow projections were used to determine the extent which the plan's future net position will be able to cover future benefit payments. To the extent future benefit payments are covered by the plan's projected net position, the expected rate of return on plan investments is used to determine the portion of the net pension liability associated with those payments. To the extent future benefit payments are not covered by the plan's projected net position, the municipal bond rate is used to determine the portion of the net pension liability associated with those payments.

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A)-(B)
Balances at April 30, 2018	\$ 24,633,280	\$ 14,660,913	\$ 9,972,367
Changes for the year:			
Service Cost	\$ 647,501	-	\$ 647,501
Interest on the Total Pension Liability	1,697,091	-	1,697,091
Differences Between Expected and Actual Experience of the Total Pension Liability	280,450	-	280,450
Contributions - Employer	-	993,976	(993,976)
Contributions - Employee	-	241,678	(241,678)
Net Investment Income	-	1,024,787	(1,024,787)
Benefit Payments, including Refunds of Employee Contributions	(778,239)	(778,239)	-
Administrative Expense	-	(26,791)	26,791
Net Changes	\$ 1,846,803	\$ 1,455,411	\$ 391,392
Balances at April 30, 2019	\$ 26,480,083	\$ 16,116,324	\$ 10,363,759

NOTES TO FINANCIAL STATEMENTS (Continued)

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

The following presents the plan’s net pension liability, calculated using a Single Discount Rate of 7.00%, as well as what the plan’s net pension liability would be if it were calculated using a single Discount Rate that is 1% lower or 1% higher:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Net Pension Liability	\$ 14,674,703	\$ 10,363,759	\$ 6,900,389

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

For the year ended April 30, 2019, the Village recognized pension expense of \$1,194,449. At April 30, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Expense in Future Periods	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflows of Resources
Differences between expected and actual experience	\$ 500,395	\$ -	\$ 500,395
Assumption changes	82,715	492,479	(409,764)
Net difference between projected and actual earnings on pension investments	32,809	-	32,809
Total deferred amounts to be recognized in pension expense in future periods	<u>\$ 615,919</u>	<u>\$ 492,479</u>	<u>\$ 123,440</u>

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

Year Ending April 30	Net Deferred Outflows of Resources
2020	\$ 106,077
2021	(33,882)
2022	18,385
2023	(30,163)
2024	(4,918)
Thereafter	67,941
	<u>\$ 123,440</u>

NOTE 10 - POST-EMPLOYMENT BENEFIT COMMITMENTS – POSTRETIREMENT HEALTH PLAN

Plan Overview

In addition to the retirement plans described in Notes 8 and 9, the Village provides post-employment benefits other than pensions (“OPEB”) to employees who meet certain criteria. The Plan, a single-employer defined benefit plan, provides the following coverage:

Medical/Prescription Coverage

Types of Coverage:

- 2 PPO Plans:
- UHC PPO Core
- UHC Choice Plus

NOTES TO FINANCIAL STATEMENTS (Continued)

Coverage Provisions:

Retirees - Non-PSEBA

Pre-65 Coverage:

Employees may continue Employer sponsored insurance in retirement. They are responsible for the full cost of coverage including coverage for any eligible spouse/dependent.

An eligible Spouse may continue Employer sponsored insurance should Retiree coverage terminate. An eligible Dependent may continue Employer sponsored insurance until age 26 should Retiree coverage terminate. The Spouse/Dependent would be responsible for the full cost of coverage.

Post-65 Coverage:

Retirees may continue Employer sponsored insurance in retirement past Medicare eligibility.

An eligible Spouse may continue Employer sponsored insurance should Retiree coverage terminate. An eligible Dependent may continue Employer sponsored insurance until age 26 should Retiree coverage terminate. The Spouse/Dependent would be responsible for the full cost of coverage.

Coverage is secondary to Medicare once eligible.

Retirees - PSEBA

Pre-65 Coverage:

Employees may continue Employer sponsored insurance in retirement. The Employer pays for the full cost of coverage for whichever plan is elected, including the cost of coverage for any eligible spouse/dependent.

An eligible Spouse may continue Employer sponsored insurance should Retiree coverage terminate. An eligible Dependent may continue Employer sponsored insurance until age 26 should Retiree coverage terminate. The Spouse/Dependent would be responsible for the full cost of coverage.

Post-65 Coverage:

Retirees may continue Employer sponsored insurance in retirement past Medicare eligibility. They are responsible for the full cost of coverage including coverage for any eligible spouse/dependent, with the Employer no longer paying any cost of coverage.

An eligible Spouse may continue Employer sponsored insurance should Retiree coverage terminate. An eligible Dependent may continue Employer sponsored insurance until age 26 should Retiree coverage terminate. The Spouse/Dependent would be responsible for the full cost of coverage.

Coverage is secondary to Medicare once eligible.

Dental, Vision and Life Coverage

Types of Coverage:

- Dental
- Vision
- Life Insurance

Coverage Provisions:

Retirees - Non-PSEBA

Employees may continue dental and/or vision in retirement subject to COBRA provisions. The Retiree is responsible for the full cost of coverage.

Employees may not continue Employer life insurance in retirement. However, they may convert their life insurance policy to an individual one directly with the insurance provider. The Retiree is responsible for the full cost of coverage.

Retirees - PSEBA

Employees may continue dental and/or vision in retirement subject to COBRA provisions. However, unlike with medical, the Employer does not pay for the cost of coverage as the Retiree is responsible for the full cost of coverage.

Employees may not continue Employer life insurance in retirement. However, they may convert their life insurance policy to an individual one directly with the insurance provider. The Retiree is responsible for the full cost of coverage.

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

Eligibility

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

NOTES TO FINANCIAL STATEMENTS (Continued)

Full-Time Employees - IMRF

Tier I IMRF Full-Time employees:

- Between age 55 and 60 with at least 8 years but less than 30 years of service (Reduced Pension)
- Between age 55 and 60 with at least 30 but less than 35 years of service (Reduced Pension)
- At age 55 or later with at least 35 years of service (Full Pension)
- At age 60 or later with at least 8 ears of service (Full Pension)

Tier II IMRF Full-Time employees:

- Between age 62 and 67 with at least 10 years but less than 30 years of service (Reduced Pension)
- Between age 62 and 67 with at least 30 years but less than 35 years of service (Reduced Pension)
- At age 62 or later with at least 35 years of service (Full Pension)
- At age 62 or later with at least 10 years of service (Full Pension)

Full-Time Employees - Police Pension (See Illinois Pension Code Article 3)

- Tier I Full-Time Police Officers, age 50 or later with at least 20 years of service are covered.
- Tier II Full-Time Police Officers, age 55 or later with at least 10 years of service are covered.

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

Active Employees	51
Inactive Employees Entitled to but not yet Receiving Benefits	0
Inactive Employees Currently Receiving Benefits	6
Total	57

Contribution

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

Total OPEB Liability

The Village's total OPEB liability was measured as of April 30, 2019, and the total OPEB liability was determined by an actuarial valuation as of May 1, 2018.

Actuarial Assumptions

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

Assumptions (Economic)

Discount Rate Used for the Total OPEB Liability	
Beginning of Year	3.97%
End of Year	3.79%
Long-Term Expected Rate of Return on Plan Assets	N/A
High Quality 20 Year Tax0Exempt G.O. Bond Rate	
Beginning of Year	3.97%
End of Year	3.79%
Total Payroll Increases	3.00%
Annual Blended Premiums	See Accompanying Table
Healthcare Cost Trend Rates	See Accompanying Table
Retiree Contribution Rates	Same as Healthcare Cost Trend Rate:

NOTES TO FINANCIAL STATEMENTS (Continued)

Starting Per Capita Costs: See accompanying table for starting annual cost for the first year of the projection.

IMRF: Annual Adjusted Premiums				
	Under Age 65		Age 65 & Over	
	Retiree	Spouse	Retiree	Spouse
PPO Core	\$ 13,991	\$ 16,178	\$ 9,848	\$ 11,388
Choice Plus	\$ 15,467	\$ 17,950	\$ 10,887	\$ 12,634

Police: Annual Adjusted Premiums				
	Under Age 65		Age 65 & Over	
	Retiree	Spouse	Retiree	Spouse
PPO Core	\$ 12,524	\$ 14,482	\$ 9,721	\$ 11,241
Choice Plus	\$ 13,845	\$ 16,068	\$ 10,747	\$ 12,472

Blended Premium Rates See accompanying tables for premiums charged for coverage.

Annual Blended Premiums				
	Under Age 65		Age 65 & Over	
	Retiree	Spouse	Retiree	Spouse
PPO Core	\$ 7,188	\$ 8,312	\$ 7,188	\$ 8,312
Choice Plus	\$ 7,946	\$ 9,222	\$ 7,946	\$ 9,222

HealthCare Cost Trend Rates The initial trend rate is based on the 2019 Segal Health Plan Cost Trend Survey. The grading period and ultimate trend rates selected fall within a generally accepted range. (Paragraph 57a of GASB 74)

Healthcare Trend (FY = Fiscal Year)	Period	PPO	
		U65	65+
	FY 18 to FY 19	7.10%	7.10%
	FY 19 to FY 20	6.87%	6.87%
	FY 20 to FY 21	6.63%	6.63%
	FY 21 to FY 22	6.40%	6.40%
	FY 22 to FY 23	6.17%	6.17%
	FY 23 to FY 24	5.93%	5.93%
	FY 24 to FY 25	5.70%	5.70%
	FY 25 to FY 26	5.47%	5.47%
	FY 26 to FY 27	5.23%	5.23%
	FY 27 to FY 28	5.00%	5.00%
	Ultimate	5.00%	5.00%

Assumptions (Demographic)

Election at Retirement Coverage election at retirement is assumed at the following rates:

IMRF	30%
IMRF - Currently Waiving	10%
Police	30%
Police - Currently Waiting	10%

If an employee has waived active medical coverage, it is assumed they will elect coverage in the retiree medical plan at 1/3 the rate of active employees currently with coverage.

Spousal Election Of those employees assumed to elect coverage in retirement, 50% are assumed to elect spousal coverage. Female spouses are assumed to be 3 years younger than male spouses.

Plan Participation Rate Of those employees assumed to elect coverage in retirement, it is assumed they will elect coverage in the available medical plans at the following rates:

	IMRF	Police
PPO Core	50%	50%
Choice Plus	50%	50%

Retiree Lapse Rates Retirees receiving medical coverage are expected to lapse all coverages at age 65 at the following rates:

IMRF	100%
Police	100%

NOTES TO FINANCIAL STATEMENTS (Continued)

Retirement Rates Age 50 for Tier I IMRF Employees
 Age 62 for Tier II IMRF Employees

 Age 54 for Tier Police Officers
 Age 55 for Tier II Police Officers

Termination Rates IMRF 2017 for IMRF Employees
 100% of the L&A Assumption Study for Police 2016. Sample Rates as Follows:

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
25	0.041	40	0.027
30	0.039	45	0.014
35	0.036	50	0.003

Disability Rates IMRF 2017 for IMRF Employees
 100% of the L&A Assumption Study for Police 2016. Sample Rates as Follows:

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
25	0.0005	40	0.0028
30	0.0010	45	0.0043
35	0.0018	50	0.0064

Mortality Rates IMRF Mortality follows the Sex Distinct Raw Rates as developed in the RP-2014 Study, with Blue Collar Adjustment. These rates are improved generationally using MP-22016 Improvement Rates.

Police Mortality follows the Sex Distinct Raw Rates as developed in the RP-2014 Study, with Blue Collar Adjustment. These rates are improved generationally using MP-2016 Improvement Rates.

Spousal Mortality follows the Sex Distinct Raw Rates as developed in the RP-2014 Study. These rates are improved generally using MP-2016 Improvement Rates.

The retirement rates disclosed in the IMRF December 31, 2017 Actuarial Valuation and the L&A Assumption Study for Police 2016 were used to estimate the single retirement ages shown on the previous page pursuant to the Alternative Measurement Method of GASB 74/75.

For any active IMRF participant who will not be service requirement necessary to retire at the single retirement ages, it is assumed they have prior service with a different employer and therefore will be eligible to retire. In the current valuation, there are 4 participants impacted by this assumption.

The mortality rates shown on the previous page were used to estimate the single age at death per participant pursuant to the Alternative Measurement Method for GASB 74/75.

We determined the probability of working to the assumed retirement age based on the underlying termination rates detailed on the previous page pursuant to the Alternative Measurement Method of GASB 74/75.

Assumption Changes

Because this is implementation year of GASB 74/75, the beginning OPEB Liability is based on the same data and plan provision as the ending Total OPEB Liability. For the purpose of developing change in OPEB Liability for GASB 74/75 reporting, the only change in assumptions was the discount rate.

The actuarial assumptions used in the May 1, 2018 valuation were based on procedures that conform to the Alternative Measurement Method and generally accepted actuarial principles and practices.

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

Discount Rate

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

NOTES TO FINANCIAL STATEMENTS (Continued)

A rate of 3.79% is used, which is the S&P Municipal Bond 20-Year High-Grade Rate Index as of April 25, 2019.

Changes in the Total OPEB Liability

	Increase/(Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balances at May 1, 2018	\$ 1,377,784	\$ -	\$ 1,377,784
Changes for the year:			
Service Cost	\$ 23,200	\$ -	\$ 23,200
Interest on Total OPEB Liability	53,653	-	53,653
Assumption Changes	20,829	-	20,829
Contributions - Employer	-	52,605	(52,605)
Benefit Payments	(52,605)	(52,605)	-
Net Changes	\$ 45,077	\$ -	\$ 45,077
Balances at May 31, 2018	\$ 1,422,861	\$ -	\$ 1,422,861

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

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

Plan's Total OPEB Liability/(Asset)		
1% Decrease	Valuation Rate	1% Increase
2.79%	3.79%	4.79%
\$ 1,548,598	\$ 1,422,861	\$ 1,312,931

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

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

Plan's Total OPEB Liability/(Asset)		
Healthcare Cost		
1% Decrease	Valuation Rate	1% Increase
Varies	Varies	Varies
\$ 1,285,510	\$ 1,422,861	\$ 1,580,544

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

For the fiscal year ended April 30, 2019, the Village recognized OPEB expense of \$78,652. At April 30, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflows of Resources
Changes of Assumptions	\$ 19,030	\$ -	\$ 19,030
Total	\$ 19,030	\$ -	\$ 19,030

NOTES TO FINANCIAL STATEMENTS (Continued)

Changes in total OPEB liability related to the difference in actual and expected experience, or changes in assumptions regarding future events, are recognized in OPEB expense over the expected remaining service life of all employees (11.58 years, active and retired) in the postretirement plan.

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

Year ending May 31	Net Outflows of Resources
2020	\$ 1,799
2021	1,799
2022	1,799
2023	1,799
2024	1,799
Thereafter	10,035
	<u>\$ 19,030</u>

NOTE 11 - 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.

NOTE 12 - INTERFUND BALANCES AND TRANSFERS

The Village did not have interfund balances at April 30, 2019.

Interfund transfers for the year ended April 30, 2019 consisted of the following:

Transfer From	Transfer To	Amount
Water and Sewer Fund	General Fund	\$ 152,817

Transfer was used reimburse the General Fund for expenditures paid during the year in the Water and Sewer Fund.

NOTE 13 - RISK MANAGEMENT

The Village is exposed to various risks related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. The Village has purchased insurance from private insurance companies, covered risks include medical, dental, life and other. Premiums have been displayed as expenditures/expenses in appropriate funds. 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.

NOTE 14 - CONTINGENCIES

The Village is not currently involved in any lawsuits.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

disallowed by the grantor cannot be determined at this time although the Village expects such amounts, if any, to be immaterial.

NOTE 15 - JOINT VENTURE

The Village is a member of the Central Lake County Joint Action Water Agency (Agency). The Agency was formed by a group of local governments to construct and operate a system to provide adequate supplies of Lake Michigan water on an economical and efficient basis for its members or participants.

As a member, the Village was required to enter into a water purchase and sale contract with the Agency. This contract requires the Village to purchase from the Agency an amount of water necessary to serve its full water requirements. Total purchases for the fiscal year ended April 30, 2019 were \$0 as the water was hooked up in October 2019.

Complete financial statements for the Agency can be obtained from the Agency office at 200 Rockland Road, Lake Bluff, Illinois 60055. Summarized financial information as of and for the fiscal year ended April 30, 2018 (most recent available), is as follows:

Assets	\$ 173,205,701
Deferred Outflows of Resources	2,681,897
	<u>\$ 175,887,598</u>
Liabilities	\$ 106,550,940
Deferred Inflows of Resources	4,683,571
Net Position	64,653,087
	<u>\$ 175,887,598</u>
Revenues	\$ 25,923,640
Expenses	\$ 13,135,226
Net Increase/(Decrease) in Net Position	<u>\$ 12,788,414</u>

The Village is also liable for certain debt under this agreement as well.

In June 2017, the Village entered into an intergovernmental agreement with the Village of Volo (West Group) and Central Lake County Joint Action Water Agency (CLCJAWA). Under this agreement, the CLCJAWA will install extended water transmission lines and appurtenant facilities to serve these areas. The construction project is estimated at \$33,000,000 and will be funded by CLCJAWA loans from the State of Illinois Environmental Protection Agency. Future debt service payments under these loans will be repaid from specified revenues of the System from the sale of water to the West Group and other funds which will be specifically received from the West Group such as, but not limited to, property taxes from Volo and general obligation bond proceeds from Wauconda. As of April 30, 2019, Wauconda's share of loans was \$5,682,731 and borrowings for the overall West Group project totaled \$8,008,358 as shown above.

NOTE 16 - LEGAL DEBT LIMITATION

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

2018 EAV	\$ 386,807,881
	X <u>8.625%</u>
Legal Debt Limit	\$ 33,362,180
Debt Applicable to Limit	
General Obligation Bonds	26,544,174
Potential GO IEPA Bonds	<u>2,025,822</u>
	<u>28,569,996</u>
Legal Debt Margin	<u>\$ 4,792,184</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 17 - TAX ABATEMENT AGREEMENTS

The Village negotiates property and sales tax abatement agreements on an individual basis. The Village has tax abatement agreements with two entities as of April 30, 2019 as follows:

Name of Abatement Agreement	Type of Taxes Abated	Eligibility Criteria and Mechanism of Abatement	Amount of Taxes Abated During the Fiscal Year	Amount of Taxes Abated in Total
Monster Powersports	Sales Taxes	50% of municipal sales taxes collected in excess of the base amount will be deposited annually into a Sprinkler Escrow account to be used by the business to install an automatic fire protection sprinkler system.	\$ 3,936	\$ 6,637
Tractor Supply Company	Sales Taxes	For the term of this agreement, of the sales taxes paid by Tractor Supply Company in each calendar year, and which are distributed tri-annually (three times per year) to the Village by the Department of Revenue, State of Illinois, the Village shall pay to Tractor Supply Company, or its assignee, an amount equal to seventy-five percent (75%) of such retail sales taxes allocated to, and actually received by, the Village on account of Tractor Supply Company for the first twelve (12) calendar months beginning with, and following, Tractor Supply Company's commencement of its retail sales within the Village and thereafter fifty percent (50%) of such retail sales taxes allocated to and received by the Village on account of Tractor Supply Company for the remaining term of this Agreement. Payments by the Village to Tractor Supply Company, or its assignee, shall be made within thirty (30) days of the Village's receipt of such sales taxes and shall continue tri-annually.	\$ 14,057	\$ 14,057

All abatement agreements are entered into under the authority of the Mayor, Village Clerk, and Village Board.

NOTE 18 - CHANGE IN ACCOUNTING PRINCIPLE

Effective for the year ended April 30, 2019, the Village has implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* and GASB Statement No. 85, *Omnibus 2017*. These Statements establish financial reporting standards for postemployment benefits other than pension agreements offered by the Village. The Statements also require additional disclosures about the postemployment benefits other than pensions offered by the Village.

The implementation of GASB Statement Nos. 75 and 85 required a restatement for prior year net position for the OPEB funds. As a result, the governmental activities beginning net position decreased by \$966,780 and the business-type activities beginning net position decreased by \$411,004.

	<u>Net Position</u>
Governmental Activities	
Adjustments to record the prior year IMRF OPEB Net Position due to implementing GASB 75	\$ (330,880)
Adjustments to record the prior year Police OPEB Net Position due to implementing GASB 75	(635,900)
	<u>\$ (966,780)</u>
Business-Type Activities - Water and Sewer	
Adjustments to record the prior year IMRF OPEB Net Position due to implementing GASB 75	\$ (411,004)
	<u>\$ (411,004)</u>

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF WAUCONDA, ILLINOIS
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION
LIABILITY AND RELATED RATIOS
APRIL 30, 2019

	4/30/2019*	4/30/2018*	4/30/2017*	4/30/2016*
TOTAL PENSION LIABILITY				
Service Cost	\$ 244,387	\$ 271,336	\$ 322,551	\$ 308,344
Interest on Total Pension Liability	1,066,287	1,058,674	1,043,074	1,000,174
Differences Between Expected and Actual Experience	616,736	10,292	(385,785)	(53,553)
Changes of Assumptions	442,501	(480,982)	(35,884)	18,188
Benefit Payments, Including Refunds of Member Contributions	(760,988)	(727,684)	(767,398)	(610,344)
Net Change in Total Pension Liability	<u>\$ 1,608,923</u>	<u>\$ 131,636</u>	<u>\$ 176,558</u>	<u>\$ 662,809</u>
Total Pension Liability - Beginning	<u>14,475,459</u>	<u>14,343,823</u>	<u>14,167,265</u>	<u>13,504,456</u>
Total Pension Liability - Ending	<u>\$ 16,084,382</u>	<u>\$ 14,475,459</u>	<u>\$ 14,343,823</u>	<u>\$ 14,167,265</u>
PLAN FIDUCIARY NET POSITION				
Contributions - Employer	\$ 251,291	\$ 268,305	\$ 333,694	\$ 345,318
Contributions - Member	105,486	108,285	144,071	129,217
Net Investment Income	(836,124)	2,241,855	808,198	60,542
Benefit Payments, Including Refunds of Member Contributions	(760,988)	(727,684)	(767,398)	(610,344)
Administrative Expenses	616,606	(6,828)	142,497	(25,920)
Net Change in Plan Fiduciary Net Position	<u>\$ (623,729)</u>	<u>\$ 1,883,933</u>	<u>\$ 661,062</u>	<u>\$ (101,187)</u>
Plan Net Position - Beginning	<u>14,620,211</u>	<u>12,736,278</u>	<u>12,075,216</u>	<u>12,176,403</u>
Plan Net Position - Ending	<u>\$ 13,996,482</u>	<u>\$ 14,620,211</u>	<u>\$ 12,736,278</u>	<u>\$ 12,075,216</u>
Village's Net Pension (Asset)/Liability	<u>\$ 2,087,900</u>	<u>\$ (144,752)</u>	<u>\$ 1,607,545</u>	<u>\$ 2,092,049</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.02%	101.00%	88.79%	85.23%
Covered Payroll	\$ 2,344,132	\$ 2,406,321	\$ 2,799,453	\$ 2,849,161
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	89.07%	-6.02%	57.42%	73.43%

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

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

VILLAGE OF WAUCONDA, ILLINOIS
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF EMPLOYER CONTRIBUTION
APRIL 30, 2019

	4/30/2019*	4/30/2018*	4/30/2017*	4/30/2016*
Actuarially-Determined Contribution	\$ 251,291	\$ 268,305	\$ 333,695	\$ 345,318
Contributions in relation to Actuarially-Determined Contribution	251,291	268,305	333,694	345,318
Contribution deficiency/(excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>
Covered Payroll	\$ 2,255,678	\$ 2,432,085	\$ 2,625,303	\$ 2,849,161
Contributions as a percentage of Covered-Valuation Payroll	11.14%	11.03%	12.71%	12.12%

Notes to Schedule:

Actuarial Method and Assumptions Used on the Calculation of the 2018 Contribution Rate *

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

Actuarial Cost Method: Aggregate Entry Age Normal

Amortization Method: Level percentage of payroll, closed

Remaining Amortization Period: 25-year closed period

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

Wage Growth: 3.5%

Price Inflation: 2.75%, approximate; No explicit price inflation assumption is used in this valuation.

Salary Increases: 3.75% to 14.50%, including inflation

Investment Rate of Return: 7.50%

Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2014 valuation pursuant to an experience study of the period 2011 to 2013.

Mortality: For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

*Based on Valuation Assumptions used in the December 31, 2016 actuarial valuation; note two year lag between valuation and rate setting.

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

VILLAGE OF WAUCONDA, ILLINOIS
POLICE PENSION PLAN
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION
LIABILITY AND RELATED RATIOS
APRIL 30, 2019

	4/30/2019	4/30/2018	4/30/2017	4/30/2016	4/30/2015
TOTAL PENSION LIABILITY					
Service Cost	\$ 647,501	\$ 659,172	\$ 616,049	\$ 499,291	\$ 513,865
Interest	1,697,091	1,584,983	1,537,280	1,405,657	1,305,353
Differences Between Expected and Actual Experience	280,450	122,232	20,908	343,849	138,284
Changes in Assumptions	-	-	(817,194)	184,207	1,212,915
Benefit Payments, Including Refunds of Member Contributions	(778,239)	(751,442)	(599,691)	(505,680)	(482,942)
Net Change in Total Pension Liability	<u>\$ 1,846,803</u>	<u>\$ 1,614,945</u>	<u>\$ 757,352</u>	<u>\$ 1,927,324</u>	<u>\$ 2,687,475</u>
Total Pension Liability - Beginning	<u>24,633,280</u>	<u>23,018,335</u>	<u>22,260,983</u>	<u>20,333,659</u>	<u>17,646,184</u>
Total Pension Liability - Ending	<u>\$ 26,480,083</u>	<u>\$ 24,633,280</u>	<u>\$ 23,018,335</u>	<u>\$ 22,260,983</u>	<u>\$ 20,333,659</u>
PLAN FIDUCIARY NET POSITION					
Contributions - Employer	\$ 993,976	\$ 919,462	\$ 847,281	\$ 724,641	\$ 656,839
Contributions - Member	241,678	236,313	239,668	352,303	239,128
Contributions - Other	-	-	27,220	-	-
Net Investment Income	1,024,787	971,511	1,099,073	94,706	740,637
Benefit Payments, Including Refunds of Member Contributions	(778,239)	(751,442)	(599,691)	(505,680)	(482,942)
Administrative Expenses	(26,791)	(27,799)	(22,076)	(18,933)	(17,670)
Net Change in Plan Fiduciary Net Position	<u>\$ 1,455,411</u>	<u>\$ 1,348,045</u>	<u>\$ 1,591,475</u>	<u>\$ 647,037</u>	<u>\$ 1,135,992</u>
Plan Net Position - Beginning	<u>14,660,913</u>	<u>13,312,868</u>	<u>11,721,393</u>	<u>11,074,356</u>	<u>9,938,364</u>
Plan Net Position - Ending	<u>\$ 16,116,324</u>	<u>\$ 14,660,913</u>	<u>\$ 13,312,868</u>	<u>\$ 11,721,393</u>	<u>\$ 11,074,356</u>
Village's Net Pension Liability	<u>\$ 10,363,759</u>	<u>\$ 9,972,367</u>	<u>\$ 9,705,467</u>	<u>\$ 10,539,590</u>	<u>\$ 9,259,303</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	60.86%	59.52%	57.84%	52.65%	54.46%
Covered Payroll	\$ 2,395,838	\$ 2,542,898	\$ 2,456,906	\$ 2,281,658	\$ 2,303,706
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	432.57%	392.17%	395.03%	461.93%	401.93%

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

See Accompanying Independent Auditor's Report

VILLAGE OF WAUCONDA, ILLINOIS
POLICE PENSION PLAN
SCHEDULE OF EMPLOYER CONTRIBUTION
LAST TEN FISCAL YEARS

	<u>4/30/2019</u>	<u>4/30/2018</u>	<u>4/30/2017</u>	<u>4/30/2016</u>	<u>4/30/2015</u>
Actuarially-Determined Contribution	\$ 994,801	\$ 919,462	\$ 850,373	\$ 681,106	\$ 656,562
Contributions in relation to Actuarially-Determined Contribution	<u>993,976</u>	<u>919,462</u>	<u>847,281</u>	<u>724,641</u>	<u>656,839</u>
Contribution deficiency/(excess)	<u>\$ 825</u>	<u>\$ -</u>	<u>\$ 3,092</u>	<u>\$ (43,535)</u>	<u>\$ (277)</u>
Covered Payroll	\$ 2,395,838	\$ 2,542,898	\$ 2,456,906	\$ 2,281,658	\$ 2,303,706
Contributions as a percentage of Covered-Employee Payroll	41.5%	36.2%	34.5%	31.8%	28.5%

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

See Accompanying Independent Auditor's Report

VILLAGE OF WAUCONDA, ILLINOIS
POLICE PENSION PLAN
SCHEDULE OF INVESTMENT RETURNS
APRIL 30, 2019

<u>Fiscal Year</u>	<u>Annual Money- Weighted Rate of Return, Net of Investment Expense</u>
2015	7.26%
2016	0.84%
2017	9.48%
2018	7.07%
2019	6.77%

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

VILLAGE OF WAUCONDA, ILLINOIS
 OTHER POST-EMPLOYMENT BENEFIT
 SCHEDULE OF CHANGES IN THE EMPLOYER'S NET OPEB
 LIABILITY AND RELATED RATIOS
 April 30, 2019

	4/30/2019
TOTAL OPEB LIABILITY	
Service Cost	\$ 23,200
Interest	53,653
Differences Between Expected and Actual Experience	
Benefit Payments	(52,605)
Changes in Assumptions	20,829
Net Change in Total OPEB Liability	\$ 45,077
 Total OPEB Liability - Beginning	 1,377,784
Total OPEB Liability - Ending	\$ 1,422,861
 OPEB PLAN FIDUCIARY NET POSITION	
Contributions - Employer	\$ 52,605
Benefit Payments	(52,605)
Net Change in OPEB Plan Net Position	\$ -
 OPEB Plan Net Position - Beginning	 -
OPEB Net Position - Ending	\$ -
 District's Total OPEB Plan Liability	 \$ 1,422,861
 OPEB Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%
 Covered-Employee Payroll	\$ 4,436,826
 Employer's Net OPEB Liability as a Percentage of Covered-Valuation Payroll	32.07%

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

VILLAGE OF WAUCONDA, ILLINOIS
 OTHER POST-EMPLOYMENT BENEFIT
 SCHEDULE OF EMPLOYER CONTRIBUTION
 April 30, 2019

	4/30/2019
Actuarially-Determined Contribution	N/A
Contributions in Relation to Actuarially-Determined Contribution	-
Contribution Deficiency/(Excess)	N/A
Covered-Employee Payroll	\$ 4,436,826
Contributions as a Percentage of Covered-Employee Payroll	0.00%

Notes to Schedule:

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

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

VILLAGE OF WAUCONDA, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2019

	Budgeted Amounts	Actual Amounts
	Original and Final	
REVENUES		
Local Taxes	\$ 3,683,439	\$ 3,708,125
Intergovernmental	4,137,226	4,650,963
Other Local Sources		
Licenses and Permits	241,908	234,704
Fines and Forfeitures	284,368	327,339
Charges for Services	714,766	709,964
Interest	17,934	68,455
Miscellaneous	33,930	95,982
Total Revenues	\$ 9,113,571	\$ 9,795,532
EXPENDITURES		
Current		
General Government	\$ 1,637,752	\$ 1,413,375
Public Safety	5,546,635	5,394,002
Public Works	1,338,184	1,368,492
	\$ 8,522,571	\$ 8,175,869
Capital Outlay		
General Government	\$ 25,100	\$ 20,654
Public Safety	178,000	167,137
Public Works	540,000	389,805
	\$ 743,100	\$ 577,596
Debt Service		
Principal	\$ -	\$ 4,035
Interest and Fees	-	78
	\$ -	\$ 4,113
Total Expenditures	\$ 9,265,671	\$ 8,757,578
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (152,100)	\$ 1,037,954
OTHER FINANCING SOURCES/(USES)		
Transfers	151,472	152,817
Sale of Fixed Assets	40,000	23,000
	\$ 191,472	\$ 175,817
NET CHANGE IN FUND BALANCE	\$ 39,372	\$ 1,213,771
FUND BALANCE - MAY 1, 2018		3,119,190
FUND BALANCE - APRIL 30, 2019		\$ 4,332,961

See Accompanying Independent Auditor's Report

VILLAGE OF WAUCONDA, ILLINOIS
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 SPECIAL REVENUE FUND - MOTOR FUEL TAX FUND
 FOR THE YEAR ENDED APRIL 30, 2019

	Budgeted Amounts		Actual Amounts
	Original and Final		
REVENUES			
Intergovernmental			
State Motor Fuel Tax	\$ 347,557		\$ 354,125
State Grants	20,000		21,560
Other Local Sources			
Interest	2,500		3,921
Total Revenues	\$ 370,057		\$ 379,606
EXPENDITURES			
Current			
Public Works	\$ 45,750		\$ 57,315
Capital Outlay	20,000		21,705
Debt Service			
Principal	135,000		135,000
Interest and Fees	39,900		39,900
Total Expenditures	\$ 240,650		\$ 253,920
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 129,407		\$ 125,686
OTHER FINANCING SOURCES/(USES)	-		-
NET CHANGE IN FUND BALANCE	\$ 129,407		\$ 125,686
FUND BALANCE - MAY 1, 2018			187,046
FUND BALANCE - APRIL 30, 2019			\$ 312,732

See Accompanying Independent Auditor's Report

VILLAGE OF WAUCONDA, ILLINOIS
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 SPECIAL REVENUE FUND - TAX INCREMENT FINANCING FUND
 FOR THE YEAR ENDED APRIL 30, 2019

	Budgeted Amounts	Actual Amounts
	Original and Final	
REVENUES		
Local Taxes		
Property Tax	\$ 145,000	\$ 204,212
Other Local Sources		
Interest	-	41
Total Revenues	\$ 145,000	\$ 204,253
EXPENDITURES		
Current		
General Government	\$ 31,250	\$ 8,084
Capital Outlay	\$ 80,000	\$ -
Total Expenditures	\$ 111,250	\$ 8,084
NET CHANGE IN FUND BALANCE	\$ 33,750	\$ 196,169
FUND BALANCE - MAY 1, 2018		187,941
FUND BALANCE - APRIL 30, 2019		\$ 384,110

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VILLAGE OF WAUCONDA, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
APRIL 30, 2019

NOTE 1 - BUDGET

Annual budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for general, special revenue, debt service, enterprise and pension trust fund types. All annual appropriations lapse at fiscal year-end. All departments of the Village submit requests for budgets to the Village Administrator so that a budget may be prepared. The budget is prepared by fund, function, department and object, and includes information on the past two years, current year estimates, and requested budgets for the next fiscal year. The proposed budget is presented to the Board of Trustees for review. The Board of Trustees holds public hearings and may add to, subtract from, or change budgeted amounts. The Board of Trustees then adopts a management budget for budgetary control purposes. The Administrator is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the governing body. Expenditures may not legally exceed budgeted appropriations at the fund level.

The budget was approved on May 1, 2018 and there were no amendments for fiscal year 2019.

NOTE 2 - EXCESS OF EXPENDITURES OVER BUDGET

For the year ended April 30, 2019, the MFT Fund expenditures were over budget by \$13,270.

OTHER SUPPLEMENTARY INFORMATION

VILLAGE OF WAUCONDA, ILLINOIS
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2019

	Budgeted Amounts		Actual Amounts
	Original and Final		
Local Taxes			
Property Tax - General	\$	974,584	\$ 983,828
Property Tax - Public Safety		1,266,221	1,278,230
Property Tax - Public Works		9,932	10,028
Property Tax - Pension		994,801	993,976
Property Tax - Insurance		175,735	177,405
Property Tax - Payroll Tax		262,166	264,658
	\$	<u>3,683,439</u>	\$ <u>3,708,125</u>
Intergovernmental			
State Sales Tax	\$	1,839,610	\$ 1,985,629
State Use Tax		363,880	425,932
State Income Tax		1,198,560	1,449,436
State Replacement Tax		33,985	29,668
State Utility Tax		454,416	468,419
State Video Gaming Tax		200,775	218,840
State Grants		17,000	43,842
State Road and Bridge Tax		29,000	29,197
	\$	<u>4,137,226</u>	\$ <u>4,650,963</u>
Other Local Sources			
Licenses and Permits			
Licenses			
Liquor	\$	42,750	\$ 48,770
Business		19,317	27,462
Permits			
Building		120,331	86,526
Public Works		110	5,176
Boat Permit		56,900	64,414
Ice Shanty		2,500	2,206
Special Events		-	150
	\$	<u>241,908</u>	\$ <u>234,704</u>
Fines and Forfeitures			
Court Fines	\$	85,500	\$ 138,044
Local Fines		28,421	26,901
Ordinance Violations		33,674	37,161
Judgments		-	1,500
False Alarms		1,080	5,361
Forfeitures		13,000	9,638
DUI Fines		8,077	6,132
PD SB-1089		6,008	7,624
Red Light Camera		96,608	83,524
Impoundment		12,000	11,454
	\$	<u>284,368</u>	\$ <u>327,339</u>
Charges for Services			
Cable TV Franchise Fees	\$	185,920	\$ 186,369
Telephone Franchise Fees		66,500	60,525
Police Protection		295,900	303,883
Housing Inspection Fees		35,073	39,340
Plumbing Inspection Fees		14,486	12,475
Electrical Inspection Fees		26,204	21,000
Planning and Zoning Fees		1,600	1,475
Printing		3,150	2,565
Rental		85,933	82,332
	\$	<u>714,766</u>	\$ <u>709,964</u>

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VILLAGE OF WAUCONDA, ILLINOIS
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 GENERAL FUND
 FOR THE YEAR ENDED APRIL 30, 2019

	Budgeted Amounts Original and Final	Actual Amounts
Other Local Sources (Continued)		
Interest	\$ 17,934	\$ 68,455
Miscellaneous		
Donations	\$ 6,180	\$ 9,079
Reimbursements	21,250	66,532
Other Miscellaneous	6,500	20,371
	\$ 33,930	\$ 95,982
 Total Revenues	 \$ 9,113,571	 \$ 9,795,532

See Accompanying Independent Auditor's Report

VILLAGE OF WAUCONDA, ILLINOIS
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2019

	Budgeted Amounts	Actual Amounts
	Original and Final	
General Government		
Administration		
Personnel Services	\$ 385,348	\$ 367,831
Contractual Services	171,231	117,437
Commodities	116,888	90,416
Capital Outlay	25,100	20,654
	<u>\$ 698,567</u>	<u>\$ 596,338</u>
Building Department		
Personnel Services	\$ 316,753	\$ 164,084
Contractual Services	89,419	197,909
Commodities	38,150	30,716
	<u>\$ 444,322</u>	<u>\$ 392,709</u>
Marine		
Personnel Services	\$ 70,724	\$ 59,696
Contractual Services	35,908	36,296
Commodities	4,900	2,458
	<u>\$ 111,532</u>	<u>\$ 98,450</u>
Tort		
Contractual Services	\$ 408,431	\$ 346,532
	<u>\$ 408,431</u>	<u>\$ 346,532</u>
Total General Government	<u>\$ 1,662,852</u>	<u>\$ 1,434,029</u>
Public Safety		
Police Department		
Personnel Services	\$ 4,793,935	\$ 4,715,133
Contractual Services	593,200	555,805
Commodities	115,994	91,363
Capital Outlay	178,000	167,137
	<u>\$ 5,681,129</u>	<u>\$ 5,529,438</u>
Emergency Management Agency		
Personnel Services	\$ 21,006	\$ 16,148
Contractual Services	14,900	10,138
Commodities	7,600	5,415
	<u>\$ 43,506</u>	<u>\$ 31,701</u>
Total Public Safety	<u>\$ 5,724,635</u>	<u>\$ 5,561,139</u>
Public Works		
Highways and Streets		
Personnel Services	\$ 787,493	\$ 719,354
Contractual Services	417,991	553,711
Commodities	132,700	95,427
Capital Outlay	540,000	389,805
	<u>\$ 1,878,184</u>	<u>\$ 1,758,297</u>
Total Public Works	<u>\$ 1,878,184</u>	<u>\$ 1,758,297</u>

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VILLAGE OF WAUCONDA, ILLINOIS
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
 GENERAL FUND
 FOR THE YEAR ENDED APRIL 30, 2019

	Budgeted Amounts	
(Continued)	Original and Final	Actual Amounts
Debt Service		
Principal	\$ -	\$ 4,035
Interest and Fees	-	78
Total Debt Service	\$ -	\$ 4,113
Total Expenditures	\$ 9,265,671	\$ 8,757,578

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VILLAGE OF WAUCONDA, ILLINOIS
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 DEBT SERVICE FUND
 FOR THE YEAR ENDED APRIL 30, 2019

	Budgeted Amounts	Actual Amounts
	Original and Final	
REVENUES		
Local Taxes		
Property Tax	\$ 679,769	\$ 684,317
Total Revenues	\$ 679,769	\$ 684,317
EXPENDITURES		
Debt Service		
Principal	\$ 565,000	\$ 565,000
Interest and Fees	113,125	113,874
Total Expenditures	\$ 678,125	\$ 678,874
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 1,644	\$ 5,443
OTHER FINANCING SOURCES/(USES)	-	-
NET CHANGE IN FUND BALANCE	\$ 1,644	\$ 5,443
FUND BALANCE - MAY 1, 2018		57,046
FUND BALANCE - APRIL 30, 2019		\$ 62,489

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VILLAGE OF WAUCONDA, ILLINOIS
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION - BUDGET AND ACTUAL
ENTERPRISE FUND
FOR THE YEAR ENDED APRIL 30, 2019

	Budgeted Amounts	Actual Amounts
	Original and Final	
OPERATING REVENUES		
Charges for Services	\$ 4,825,732	\$ 5,227,147
OPERATING EXPENSES		
Operations		
Water Department	\$ 1,584,674	\$ 1,667,042
Sewer Department	1,947,261	1,671,154
Depreciation	1,546,765	1,561,151
TOTAL OPERATING EXPENSES	\$ 5,078,700	\$ 4,899,347
NON-OPERATING REVENUE/(EXPENSE)		
Property Tax	\$ 1,417,912	\$ 1,528,314
Investment Income	31,448	227,948
Annuity Reimbursements	310,586	281,726
Interest and Fees	(927,903)	(804,080)
CLCJAWA Reimbursement	-	1,737,457
CLCJAWA Payments	(5,362,000)	(6,617,601)
Other Miscellaneous Income	100,000	456,754
	\$ (4,429,957)	\$ (3,189,482)
INCOME/(LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	\$ (4,682,925)	\$ (2,861,682)
TRANSFERS (TO)/FROM OTHER FUNDS	(151,472)	(152,817)
CHANGE IN NET POSITION	\$ (4,834,397)	\$ (3,014,499)
NET POSITION - MAY 1, 2018		45,036,475
NET POSITION ADJUSTMENT (Note 6)		(411,004)
NET POSITION - APRIL 30, 2019		\$ 41,610,972

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VILLAGE OF WAUCONDA, ILLINOIS
 SCHEDULE OF OPERATING REVENUES - BUDGET AND ACTUAL
 ENTERPRISE FUND
 FOR THE YEAR ENDED APRIL 30, 2019

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts <u></u>
Charges for Services		
Water Department		
Charges	2,147,182	2,354,345
Penalties	26,066	49,387
Tap-on Fees	5,700	17,200
Water Meter Sales	4,500	9,633
Other Revenue	3,709	5,232
	<u>\$ 2,187,157</u>	<u>\$ 2,435,797</u>
Sewer Department		
Charges	2,601,019	2,732,878
Penalties	24,256	35,217
Tap-on Fees	6,300	15,750
Other Revenue	7,000	7,505
	<u>\$ 2,638,575</u>	<u>\$ 2,791,350</u>
Total Revenues	<u>\$ 4,825,732</u>	<u>\$ 5,227,147</u>

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VILLAGE OF WAUCONDA, ILLINOIS
SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL
ENTERPRISE FUND
FOR THE YEAR ENDED APRIL 30, 2019

	Budgeted Amounts	
	Original and Final	Actual Amounts
Water Department		
Personnel Services	\$ 887,603	\$ 1,006,796
Contractual Services	450,871	427,747
Commodities	246,200	232,499
	<u>\$ 1,584,674</u>	<u>\$ 1,667,042</u>
Sewer Department		
Personnel Services	\$ 801,824	\$ 898,746
Contractual Services	928,187	655,283
Commodities	217,250	117,125
	<u>\$ 1,947,261</u>	<u>\$ 1,671,154</u>
Operations - Capital Projects		
Capital Outlay	\$ 5,362,000	\$ 3,277,840
Less Nonoperating Items		
Assets Capitalized	(5,362,000)	(3,277,840)
	<u>\$ -</u>	<u>\$ -</u>
Operations - Debt Service		
Principal Retired	\$ -	\$ 1,218,430
Interest and Fees	927,903	804,080
Less Nonoperating Items		
Debt Service	(927,903)	(2,022,510)
	<u>\$ -</u>	<u>\$ -</u>
Depreciation	<u>\$ 1,546,765</u>	<u>\$ 1,561,151</u>
Total Operating Expenses	<u><u>\$ 5,078,700</u></u>	<u><u>\$ 4,899,347</u></u>

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VILLAGE OF WAUCONDA, ILLINOIS
 FUND FINANCIAL STATEMENTS
 SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION - BUDGET AND ACTUAL
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED APRIL 30, 2019

	Budgeted Amounts	Actual Amounts
	Original and Final	
ADDITIONS		
Contributions		
Employer	\$ 994,801	\$ 993,976
Plan Members	242,275	241,679
Total Contributions	\$ 1,237,076	\$ 1,235,655
Investment Income		
Interest and Dividends		\$ 663,403
Gain/(Loss) on Sale of Investments		397,197
	\$ 853,762	\$ 1,060,600
Less: Investment Management Fees	45,000	35,595
Net Investment Income	\$ 808,762	\$ 1,025,005
TOTAL ADDITIONS	\$ 2,045,838	\$ 2,260,660
DEDUCTIONS		
Benefits	\$ 880,601	\$ 778,238
Administrative Expenses	29,050	27,011
TOTAL DEDUCTIONS	\$ 909,651	\$ 805,249
NET INCREASE/(DECREASE)	\$ 1,136,187	\$ 1,455,411
NET POSITION - RESTRICTED FOR PENSION BENEFITS - MAY 1, 2018		14,660,913
NET POSITION - RESTRICTED FOR PENSION BENEFITS - APRIL 30, 2019		\$ 16,116,324

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VILLAGE OF WAUCONDA, ILLINOIS
SCHEDULE OF CHANGES IN ASSETS AND LAIBILITIES
AGENCY FUND
APRIL 30, 2019

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balances</u>
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 1,083,141	\$ 1,110,972	\$ 1,083,141	\$ 1,110,972
Receivables (Net of Allowance for Estimated Uncollectible Amounts)				
Accounts Receivable	<u>746,136</u>	<u>759,503</u>	<u>746,136</u>	<u>759,503</u>
TOTAL ASSETS	<u><u>\$ 1,829,277</u></u>	<u><u>\$ 1,870,475</u></u>	<u><u>\$ 1,829,277</u></u>	<u><u>\$ 1,870,475</u></u>
LIABILITIES				
Current Liabilities				
Due to Bond Holders	<u>\$ 1,829,277</u>	<u>\$ 1,870,475</u>	<u>\$ 1,829,277</u>	<u>\$ 1,870,475</u>
TOTAL LIABILITIES	<u><u>\$ 1,829,277</u></u>	<u><u>\$ 1,870,475</u></u>	<u><u>\$ 1,829,277</u></u>	<u><u>\$ 1,870,475</u></u>

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VILLAGE OF WAUCONDA, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION ALTERNATE REVENUE BOND SERIES OF 2011
APRIL 30, 2019

Date of Issue March 15, 2011
Date of Maturity November 1, 2035
Authorized Issue \$ 2,000,000
Denomination of Bonds \$ 5,000
Interest Rates 4.75% - 5.50%
Principal Maturity Date May 1 and November 1
Interest Dates November 1
Payable at The Bank of New York Mellon Trust Company

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Total	Interest Due on			
				May 1	Amount	November 1	Amount
2020	\$ -	\$ 104,460	\$ 104,460	2019	\$ 52,230	2019	\$ 52,230
2021	-	104,460	104,460	2020	52,230	2020	52,230
2022	-	104,460	104,460	2021	52,230	2021	52,230
2023	-	104,460	104,460	2022	52,230	2022	52,230
2024	-	104,460	104,460	2023	52,230	2023	52,230
2025	-	104,460	104,460	2024	52,230	2024	52,230
2026	-	104,460	104,460	2025	52,230	2025	52,230
2027	-	104,460	104,460	2026	52,230	2026	52,230
2028	180,000	104,460	284,460	2027	52,230	2027	52,230
2029	190,000	95,910	285,910	2028	47,955	2028	47,955
2030	200,000	94,886	294,886	2029	47,443	2029	47,443
2031	210,000	76,686	286,686	2030	38,343	2030	38,343
2032	220,000	71,976	291,976	2031	32,988	2031	38,988
2033	230,000	54,426	284,426	2032	27,213	2032	27,213
2034	245,000	42,350	287,350	2033	21,175	2033	21,175
2035	255,000	28,876	283,876	2034	14,438	2034	14,438
2036	270,000	14,845	284,845	2035	7,425	2035	7,420
	<u>\$ 2,000,000</u>	<u>\$ 1,420,095</u>	<u>\$ 3,420,095</u>		<u>\$ 707,050</u>		<u>\$ 713,045</u>

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VILLAGE OF WAUCONDA, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BOND SERIES OF 2013
APRIL 30, 2019

Date of Issue February 28, 2013
Date of Maturity December 30, 2032
Authorized Issue \$ 9,500,000
Denomination of Bonds \$ 5,000
Interest Rates 2.00% - 3.00%
Principal Maturity Date June 30 and December 30
Interest Dates June 30 and December 30
Payable at The Bank of New York Mellon Trust Company

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Total	Interest Due on			
				June 30	Amount	December 30	Amount
2020	\$ 420,000	\$ 191,343	\$ 611,343	2019	\$ 96,984	2019	\$ 94,359
2021	435,000	180,780	615,780	2020	91,734	2020	89,046
2022	445,000	169,842	614,842	2021	86,296	2021	83,546
2023	460,000	158,593	618,593	2022	80,734	2022	77,859
2024	475,000	147,030	622,030	2023	74,984	2023	72,046
2025	490,000	135,030	625,030	2024	69,046	2024	65,984
2026	500,000	122,474	622,474	2025	62,921	2025	59,553
2027	515,000	108,586	623,586	2026	56,046	2026	52,540
2028	530,000	94,355	624,355	2027	48,965	2027	45,390
2029	545,000	79,712	624,712	2028	41,678	2028	38,034
2030	565,000	64,587	629,587	2029	34,184	2029	30,403
2031	580,000	48,769	628,769	2030	26,415	2030	22,354
2032	595,000	31,950	626,950	2031	18,150	2031	13,800
2033	615,000	13,945	628,945	2032	9,225	2032	4,720
	<u>\$ 7,170,000</u>	<u>\$ 1,546,996</u>	<u>\$ 8,716,996</u>		<u>\$ 797,362</u>		<u>\$ 749,634</u>

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VILLAGE OF WAUCONDA, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING ALTERNATE REVENUE BOND SERIES OF 2014A
APRIL 30, 2019

Date of Issue	September 9, 2014
Date of Maturity	November 1, 2026
Authorized Issue	\$ 1,745,000
Denomination of Bonds	\$ 5,000
Interest Rates	2.00% - 3.00%
Principal Maturity Date	May 1 and November 1
Interest Dates	May 1 and November 1
Payable at	The Bank of New York Mellon Trust Company

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Total	Interest Due on			
				May 1	Amount	November 1	Amount
2020	\$ 135,000	\$ 36,526	\$ 171,526	2019	\$ 18,263	2019	\$ 18,263
2021	140,000	33,150	173,150	2020	16,575	2020	16,575
2022	150,000	28,950	178,950	2021	14,475	2021	14,475
2023	150,000	24,450	174,450	2022	12,225	2022	12,225
2024	155,000	19,950	174,950	2023	9,975	2023	9,975
2025	165,000	15,300	180,300	2024	7,650	2024	7,650
2026	170,000	10,350	180,350	2025	5,175	2025	5,175
2027	175,000	5,249	180,249	2026	2,625	2026	2,624
	<u>\$ 1,240,000</u>	<u>\$ 173,925</u>	<u>\$ 1,413,925</u>		<u>\$ 86,963</u>		<u>\$ 86,962</u>

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VILLAGE OF WAUCONDA, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING ALTERNATE REVENUE BOND SERIES OF 2014B
APRIL 30, 2019

Date of Issue	September 9, 2014
Date of Maturity	November 1, 2026
Authorized Issue	\$ 3,465,000
Denomination of Bonds	\$ 5,000
Interest Rates	2.00% - 3.00%
Principal Maturity Date	May 1 and November 1
Interest Dates	May 1 and November 1
Payable at	The Bank of New York Mellon Trust Company

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Total	Interest Due on			
				May 1	Amount	November 1	Amount
2020	\$ 270,000	\$ 72,300	\$ 342,300	2019	\$ 36,150	2019	\$ 36,150
2021	275,000	65,550	340,550	2020	32,775	2020	32,775
2022	290,000	57,300	347,300	2021	28,650	2021	28,650
2023	300,000	48,600	348,600	2022	24,300	2022	24,300
2024	310,000	39,600	349,600	2023	19,800	2023	19,800
2025	325,000	30,300	355,300	2024	15,150	2024	15,150
2026	335,000	20,550	355,550	2025	10,275	2025	10,275
2027	350,000	10,500	360,500	2026	5,250	2026	5,250
	<u>\$ 2,455,000</u>	<u>\$ 344,700</u>	<u>\$ 2,799,700</u>		<u>\$ 172,350</u>		<u>\$ 172,350</u>

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VILLAGE OF WAUCONDA, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BOND SERIES OF 2015
APRIL 30, 2019

Date of Issue	March 26, 2015
Date of Maturity	December 30, 2023
Authorized Issue	\$ 4,645,000
Denomination of Bonds	\$ 5,000
Interest Rates	2.00% - 3.00%
Principal Maturity Date	December 30
Interest Dates	December 30
Payable at	The Bank of New York Mellon Trust Company

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Total	Interest Due on	
				December 30	Amount
2020	\$ 600,000	\$ 99,000	\$ 699,000	2019	\$ 99,000
2021	640,000	84,000	724,000	2020	84,000
2022	675,000	64,800	739,800	2021	64,800
2023	725,000	44,550	769,550	2022	44,550
2024	760,000	22,800	782,800	2023	22,800
	<u>\$ 3,400,000</u>	<u>\$ 315,150</u>	<u>\$ 3,715,150</u>		<u>\$ 315,150</u>

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VILLAGE OF WAUCONDA, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BOND SERIES OF 2017
APRIL 30, 2019

Date of Issue September 1, 2017
Date of Maturity December 30, 2036
Authorized Issue \$ 7,000,000
Interest Rates 3.00% - 4.00%
Principal Maturity Date December 30
Interest Dates June 30 and December 30
Payable at The Bank of New York Mellon Trust Company

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Total	Interest Due on			
				June 30	Amount	December 30	Amount
2020	\$ 100,000	\$ 228,750	\$ 328,750	2019	\$ 114,375	2019	\$ 114,375
2021	100,000	225,750	325,750	2020	112,875	2020	112,875
2022	125,000	222,750	347,750	2021	111,375	2021	111,375
2023	125,000	219,000	344,000	2022	109,500	2022	109,500
2024	125,000	215,250	340,250	2023	107,625	2023	107,625
2025	125,000	211,500	336,500	2024	105,750	2024	105,750
2026	125,000	207,750	332,750	2025	103,875	2025	103,875
2027	150,000	204,000	354,000	2026	102,000	2026	102,000
2028	150,000	199,500	349,500	2027	99,750	2027	99,750
2029	150,000	195,000	345,000	2028	97,500	2028	97,500
2030	175,000	190,500	365,500	2029	95,250	2029	95,250
2031	175,000	185,250	360,250	2030	92,625	2030	92,625
2032	175,000	180,000	355,000	2031	90,000	2031	90,000
2033	200,000	174,750	374,750	2032	87,375	2032	87,375
2034	1,100,000	168,750	1,268,750	2033	84,375	2033	84,375
2035	1,200,000	135,750	1,335,750	2034	67,875	2034	67,875
2036	1,300,000	98,250	1,398,250	2035	49,125	2035	49,125
2037	1,400,000	56,000	1,456,000	2036	28,000	2036	28,000
	<u>\$ 7,000,000</u>	<u>\$ 3,318,500</u>	<u>\$ 10,318,500</u>		<u>\$ 1,659,250</u>		<u>\$ 1,659,250</u>

See Accompanying Independent Auditor's Report

VILLAGE OF WAUCONDA, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BOND SERIES OF 2018
APRIL 30, 2019

Date of Issue	February 18, 2018
Date of Maturity	*
Authorized Issue	\$ 11,000,000
Actual Issue	*
Interest Rates	1.64% - 1.86%
Principal Maturity Date	December 30
Interest Dates	June 30 and December 30
Payable at	The Bank of New York Mellon Trust Company

*This GO Debt is issued directly to the IEPA. It is made up of three IEPA loans, one of which is still being drawn down on. Therefore at this time there is not set Date of Maturity or total actual issue amount. Once the final loan is complete, these will then be set.

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Total	Interest Due on			
				June 30	Amount	December 30	Amount
2020	\$ 268,839	\$ 102,371	\$ 371,210	2019	\$ 51,788	2019	\$ 50,583
2021	273,701	97,507	371,208	2020	49,367	2020	48,140
2022	278,653	92,555	371,208	2021	46,902	2021	45,653
2023	283,695	87,512	371,207	2022	44,392	2022	43,120
2024	288,827	82,380	371,207	2023	41,837	2023	40,543
2025	294,054	77,154	371,208	2024	39,236	2024	37,918
2026	299,374	71,834	371,208	2025	36,588	2025	35,246
2027	304,792	66,415	371,207	2026	33,891	2026	32,524
2028	310,308	60,900	371,208	2027	31,146	2027	29,754
2029	315,923	55,284	371,207	2028	28,350	2028	26,934
2030	321,642	49,566	371,208	2029	25,505	2029	24,061
2031	327,463	43,744	371,207	2030	22,606	2030	21,138
2032	333,390	37,817	371,207	2031	19,656	2031	18,161
2033	339,426	31,783	371,209	2032	16,653	2032	15,130
2034	345,570	25,637	371,207	2033	13,593	2033	12,044
2035	351,826	19,381	371,207	2034	10,479	2034	8,902
2036	358,196	13,011	371,207	2035	7,309	2035	5,702
2037	364,679	6,526	371,205	2036	4,081	2036	2,445
2038	96,880	1,193	98,073	2037	794	2037	399
	<u>\$ 5,757,238</u>	<u>\$ 1,022,570</u>	<u>\$ 6,779,808</u>		<u>\$ 524,173</u>		<u>\$ 498,397</u>

See Accompanying Independent Auditor's Report

VILLAGE OF WAUCONDA, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
ILLINOIS ENVIRONMENTAL PROTECTION AGENCY (IEPA) LOAN PAYABLE - L17-2737
APRIL 30, 2019

Date of Issue June 1, 2006
Date of Maturity February 21, 2027
Authorized Issue \$ 4,021,879
Interest Rates 2.50%
Principal Maturity Date February 21 and August 21
Interest Dates February 21 and August 21
Payable at Illinois Environmental Protection Agency (IEPA)

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Total	Interest Due on			
				August 21	Amount	February 21	Amount
2020	\$ 225,078	\$ 47,788	\$ 272,866	2019	\$ 24,593	2020	\$ 23,195
2021	230,741	42,125	272,866	2020	21,779	2021	20,346
2022	236,546	36,321	272,867	2021	18,895	2022	17,426
2023	242,496	30,370	272,866	2022	15,938	2023	14,432
2024	248,596	24,270	272,866	2023	12,907	2024	11,363
2025	254,851	18,015	272,866	2024	9,799	2025	8,216
2026	261,261	11,605	272,866	2025	6,614	2026	4,991
2027	267,835	5,030	272,865	2026	3,348	2027	1,682
	<u>\$ 1,967,404</u>	<u>\$ 215,524</u>	<u>\$ 2,182,928</u>		<u>\$ 113,873</u>		<u>\$ 101,651</u>

See Accompanying Independent Auditor's Report

VILLAGE OF WAUCONDA, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
ILLINOIS ENVIRONMENTAL PROTECTION AGENCY (IEPA) LOAN PAYABLE - L17-2739
APRIL 30, 2019

Date of Issue	September 5, 2010
Date of Maturity	November 6, 2030
Authorized Issue	\$ 1,224,194
Interest Rates	0.00%
Principal Maturity Date	May 6 and November 6
Interest Dates	N/A
Payable at	Illinois Environmental Protection Agency (IEPA)

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Total
2020	\$ 57,720	\$ -	\$ 57,720
2021	57,720	-	57,720
2022	57,720	-	57,720
2023	57,719	-	57,719
2024	57,719	-	57,719
2025	57,719	-	57,719
2026	57,719	-	57,719
2027	57,719	-	57,719
2028	57,719	-	57,719
2029	57,719	-	57,719
2030	57,719	-	57,719
2031	57,719	-	57,719
	\$ 692,631	\$ -	\$ 692,631
	\$ 692,631	\$ -	\$ 692,631

STATISTICAL SECTION

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 WAUCONDA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental Activities										
Net Investment in Capital Assets	\$ 32,519,207	\$ 32,497,022	\$ 32,322,373	\$ 31,667,155	\$ 31,302,786	\$ 31,546,949	\$ 31,610,586	\$ 31,509,783	\$ 31,717,303	\$ 28,852,485
Restricted	1,056,615	457,330	1,245,482	1,200,477	1,491,521	1,328,977	963,008	1,344,310	1,545,154	980,879
Unrestricted	(8,000,638)	(7,914,149)	(8,923,903)	(7,776,983)	2,217,460	1,582,939	3,175,356	2,467,053	1,492,962	5,609,364
Total Governmental Activities Net Position	<u>\$ 25,575,184</u>	<u>\$ 25,040,203</u>	<u>\$ 24,643,952</u>	<u>\$ 25,090,649</u>	<u>\$ 35,011,767</u>	<u>\$ 34,458,865</u>	<u>\$ 35,748,950</u>	<u>\$ 35,321,146</u>	<u>\$ 34,755,419</u>	<u>\$ 35,442,728</u>
Business-Type Activities										
Net Investment in Capital Assets	\$ 37,634,634	\$ 37,665,269	\$ 40,036,187	\$ 40,568,576	\$ 41,123,652	\$ 40,970,471	\$ 41,413,738	\$ 41,675,941	\$ 43,292,449	\$ 45,071,505
Restricted	4,194,165	5,134,687	-	-	-	-	-	-	-	1,145,818
Unrestricted	(217,827)	2,236,519	5,869,646	5,326,722	4,946,245	4,770,199	2,190,222	3,275,563	3,155,979	901,591
Total Business-Type Activities Net Position	<u>\$ 41,610,972</u>	<u>\$ 45,036,475</u>	<u>\$ 45,905,833</u>	<u>\$ 45,895,298</u>	<u>\$ 46,069,897</u>	<u>\$ 45,740,670</u>	<u>\$ 43,603,960</u>	<u>\$ 44,951,504</u>	<u>\$ 46,448,428</u>	<u>\$ 47,118,914</u>
Primary Government										
Net Investment in Capital Assets	\$ 70,153,841	\$ 70,162,291	\$ 72,358,560	\$ 72,235,731	\$ 72,426,438	\$ 72,517,420	\$ 73,024,324	\$ 73,185,724	\$ 75,009,752	\$ 73,923,990
Restricted	5,250,780	5,592,017	1,245,482	1,200,477	1,491,521	1,328,977	963,008	1,344,310	1,545,154	2,126,697
Unrestricted	(8,218,465)	(5,677,630)	(3,054,257)	(2,450,261)	7,163,705	6,353,138	5,365,578	5,742,616	4,648,941	6,510,955
Total Primary Government Net Position	<u>\$ 67,186,156</u>	<u>\$ 70,076,678</u>	<u>\$ 70,549,785</u>	<u>\$ 70,985,947</u>	<u>\$ 81,081,664</u>	<u>\$ 80,199,535</u>	<u>\$ 79,352,910</u>	<u>\$ 80,272,650</u>	<u>\$ 81,203,847</u>	<u>\$ 82,561,642</u>

*2019 beginning net position, in both the Governmental Activities and Business-Type Activities, was adjusted due to the implementation of GASB 75

Data Source

Audited Financial Statements

VILLAGE OF WAUCONDA
SCHEDULE OF CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Expenses										
Governmental Activities										
General Government	\$ 1,324,316	\$ 1,973,901	\$ 1,438,771	\$ 2,006,230	\$ 1,702,170	\$ 1,663,559	\$ 1,460,969	\$ 1,292,508	\$ 1,189,017	\$ 1,425,904
Public Safety	5,810,932	5,850,903	6,315,192	6,844,607	5,508,739	5,453,326	5,478,483	5,485,258	7,003,926	6,924,793
Public Works	2,371,517	2,565,671	2,150,729	2,118,674	2,251,060	1,998,821	1,838,839	1,799,849	1,866,424	3,737,881
Interest on Long-Term Debt	149,171	140,230	225,683	250,155	202,072	363,829	385,206	348,042	444,279	416,091
Total Governmental Activities Expenses	\$ 9,655,936	\$ 10,530,705	\$ 10,130,375	\$ 11,219,666	\$ 9,664,041	\$ 9,479,535	\$ 9,163,497	\$ 8,925,657	\$ 10,503,646	\$ 12,504,669
Business-Type Activities										
Water and Sewer	12,321,028	7,318,648	5,293,881	5,179,981	4,727,368	5,078,585	5,874,271	5,866,011	5,178,981	5,442,592
Total Primary Government Expenses	\$ 21,976,964	\$ 17,849,353	\$ 15,424,256	\$ 16,399,647	\$ 14,391,409	\$ 14,558,120	\$ 15,037,768	\$ 14,791,668	\$ 15,682,627	\$ 17,947,261
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	\$ 621,339	\$ 374,133	\$ 629,394	\$ 764,779	\$ 688,814	\$ 662,308	\$ 720,774	\$ 701,723	\$ 649,273	\$ 646,450
Public Safety	650,432	515,918	259,128	278,319	259,380	440,293	393,769	384,362	469,824	368,652
Public Works	236	224,618	-	-	-	-	-	-	-	-
Capital Grants/Contributions	-	25,802	365,201	24,742	472,316	-	-	-	-	-
Operating Grants/Contributions	419,527	507,949	130,968	368,346	21,633	425,096	480,106	435,360	529,830	449,942
Total Governmental Activities Program Revenues	\$ 1,691,534	\$ 1,648,420	\$ 1,384,691	\$ 1,436,186	\$ 1,442,143	\$ 1,527,697	\$ 1,594,649	\$ 1,521,445	\$ 1,648,927	\$ 1,465,044
Business-Type Activities										
Charges for Services										
Water and Sewer	\$ 5,227,147	\$ 4,718,851	\$ 4,504,421	\$ 4,407,180	\$ 4,372,631	\$ 4,682,648	\$ 4,174,163	\$ 4,092,948	\$ 3,918,672	\$ 3,991,440
Operating Grants/Contributions	-	-	-	23,000	-	-	96,550	-	368,265	73,000
Total Business-Type Activities Program Revenues	\$ 5,227,147	\$ 4,718,851	\$ 4,504,421	\$ 4,430,180	\$ 4,372,631	\$ 4,682,648	\$ 4,270,713	\$ 4,092,948	\$ 4,286,937	\$ 4,064,440
Total Primary Government Program Revenues	\$ 6,918,681	\$ 6,367,271	\$ 5,889,112	\$ 5,866,366	\$ 5,814,774	\$ 6,210,345	\$ 5,865,362	\$ 5,614,393	\$ 5,935,864	\$ 5,529,484
Net (Expenses) Revenues										
Governmental Activities	\$ (7,964,402)	\$ (8,882,285)	\$ (8,745,684)	\$ (9,783,480)	\$ (8,221,898)	\$ (7,951,838)	\$ (7,568,848)	\$ (7,404,212)	\$ (8,854,719)	\$ (11,039,625)
Business-Type Activities	(7,093,881)	(2,599,797)	(789,460)	(749,801)	(354,737)	(395,937)	(1,603,558)	(1,773,063)	(892,044)	(1,378,152)
Total Primary Government Net (Expenses) Revenues	\$ (15,058,283)	\$ (11,482,082)	\$ (9,535,144)	\$ (10,533,281)	\$ (8,576,635)	\$ (8,347,775)	\$ (9,172,406)	\$ (9,177,275)	\$ (9,746,763)	\$ (12,417,777)

(Continued)

VILLAGE OF WAUCONDA
SCHEDULE OF CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property	\$ 4,596,654	\$ 4,914,293	\$ 3,896,053	\$ 4,229,851	\$ 4,132,279	\$ 4,017,239	\$ 3,991,032	\$ 3,986,680	\$ 3,931,402	\$ 3,878,797
Intergovernmental - Unrestricted										
Sales	1,985,629	2,097,781	2,132,767	2,150,605	2,044,245	1,820,763	1,717,173	1,683,761	1,668,077	1,495,906
Use	425,932	-	-	-	-	-	-	-	-	-
Income	1,449,436	1,229,689	1,282,597	1,391,407	1,370,444	1,299,065	1,287,081	1,152,528	976,160	972,878
Utility	468,419	456,578	479,778	470,098	499,753	562,235	554,418	646,730	1,200,867	1,208,526
Other	277,705	271,184	248,187	225,019	196,418	149,328	80,445	62,965	97,435	89,175
Investment Income	72,417	583,224	10,017	13,417	798	1,273	3,767	3,685	37,418	92,961
Miscellaneous	29,450	29,217	112,066	242,753	345,672	399,083	321,063	433,590	209,815	206,958
Gain/(Loss) on Sale of Fixed Assets	7,704	(10,163)	-	-	-	-	-	-	-	-
Transfers	152,817	152,330	137,522	151,812	185,191	(1,587,233)	41,673	-	46,236	(48,406)
Total Governmental Activities	\$ 9,466,163	\$ 9,724,133	\$ 8,298,987	\$ 8,874,962	\$ 8,774,800	\$ 6,661,753	\$ 7,996,652	\$ 7,969,939	\$ 8,167,410	\$ 7,896,795
Business-Type Activities										
Taxes										
Property	\$ 1,528,314	\$ 607,281	\$ 604,669	\$ 604,668	\$ 601,027	\$ 610,447	\$ -	\$ -	\$ -	\$ -
Investment Income	227,948	576,181	19,536	7,444	20,121	24,381	2,808	23,273	14,928	32,174
CLCJAWA Reimbursement	1,737,457	-	-	-	-	-	-	-	-	-
Miscellaneous	738,480	334,583	313,312	311,858	248,007	310,586	294,879	252,866	252,866	2,200,395
Gain/(Loss) on Sale of Fixed Assets	-	9,993	-	-	-	-	-	-	-	-
Transfers	(152,817)	(152,330)	(137,522)	(151,812)	(185,191)	1,587,233	(41,673)	-	(46,236)	48,406
Total Business-Type Activities	\$ 4,079,382	\$ 1,375,708	\$ 799,995	\$ 772,158	\$ 683,964	\$ 2,532,647	\$ 256,014	\$ 276,139	\$ 221,558	\$ 2,280,975
Total Primary Government	\$ 13,545,545	\$ 11,099,841	\$ 9,098,982	\$ 9,647,120	\$ 9,458,764	\$ 9,194,400	\$ 8,252,666	\$ 8,246,078	\$ 8,388,968	\$ 10,177,770
Changes in Net Position										
Governmental Activities	\$ 1,501,761	\$ 841,848	\$ (446,697)	\$ (908,518)	\$ 552,902	\$ (1,290,085)	\$ 427,804	\$ 565,727	\$ (687,309)	\$ (3,142,830)
Business-Type Activities	(3,014,499)	(1,224,089)	10,535	22,357	329,227	2,136,710	(1,347,544)	(1,496,924)	(670,486)	902,823
Total Primary Government	\$ (1,512,738)	\$ (382,241)	\$ (436,162)	\$ (886,161)	\$ 882,129	\$ 846,625	\$ (919,740)	\$ (931,197)	\$ (1,357,795)	\$ (2,240,007)

Data Source
Audited Financial Statements

VILLAGE OF WAUCONDA
 FUND BALANCES - GOVERNEMENTAL FUNDS
 LAST TEN FISCAL YEARS

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 686,502	\$ 244,597
Unreserved	-	-	-	-	-	-	-	-	2,086,658	6,138,116
Nonspendable	146,630	124,615	332,001	128,430	193,197	220,359	271,470	187,361	-	-
Restricted	297,284	25,297	809,601	1,017,721	913,232	768,087	121,291	216,560	-	-
Committed	123,203	147,530								
Unassigned	3,765,844	2,821,748	2,076,238	3,103,214	2,757,449	2,060,522	3,518,855	2,838,289	-	-
Total General Fund	\$ 4,332,961	\$ 3,119,190	\$ 3,217,840	\$ 4,249,365	\$ 3,863,878	\$ 3,048,968	\$ 3,911,616	\$ 3,242,210	\$ 2,773,160	\$ 6,382,713
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,035,150	\$ 860,781
Restricted	759,331	432,033	435,881	230,936	618,821	595,908	870,973	1,149,910	-	-
Assigned	-	-	-	-	-	74,872	74,871	74,871	-	-
Unassigned	-	-	(420,964)	(1,004)	(2,278)	-	-	-	-	-
Total All Other Governmental Funds	\$ 759,331	\$ 432,033	\$ 14,917	\$ 229,932	\$ 616,543	\$ 670,780	\$ 945,844	\$ 1,224,781	\$ 1,035,150	\$ 860,781
Total All Governmental Funds	\$ 5,092,292	\$ 3,551,223	\$ 3,232,757	\$ 4,479,297	\$ 4,480,421	\$ 3,719,748	\$ 4,857,460	\$ 4,466,991	\$ 3,808,310	\$ 7,243,494

Data Source

Audited Financial Statements

Note: The Village Implemented GASB No. 54 in 2012, therefore, financial information prior to that date is not available on the GASB No. 54 basis.

VILLAGE OF WAUCONDA
SCHEDULE OF CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
REVENUES										
Taxes	\$ 4,596,654	\$ 4,914,293	\$ 3,896,053	\$ 4,229,851	\$ 4,132,279	\$ 4,017,239	\$ 3,991,032	\$ 3,986,680	\$ 3,949,224	\$ 3,897,441
Licenses, Permits and Fees	234,704	252,246	162,425	180,761	147,215	134,744	236,244	251,266	209,107	266,547
Intergovernmental	5,026,648	4,563,181	4,639,498	4,630,217	4,604,809	4,256,487	4,119,223	3,981,344	4,454,547	4,197,783
Charges for Services	709,964	512,778	466,969	584,093	550,524	539,314	508,605	469,032	640,166	675,173
Fines and Forfeitures	327,339	318,984	259,128	278,319	259,380	440,293	393,769	384,362	469,824	368,652
Interest	72,417	24,700	10,017	13,417	798	1,273	3,767	3,685	37,418	92,961
Miscellaneous	95,982	174,040	112,066	242,753	345,672	399,083	321,063	433,590	209,815	206,958
Total Revenues	\$ 11,063,708	\$ 10,760,222	\$ 9,546,156	\$ 10,159,411	\$ 10,040,677	\$ 9,788,433	\$ 9,573,703	\$ 9,509,959	\$ 9,970,101	\$ 9,705,515
EXPENDITURES										
General Government	\$ 1,421,459	\$ 1,753,388	\$ 1,697,005	\$ 1,609,633	\$ 1,579,465	\$ 1,499,380	\$ 1,297,106	\$ 1,235,684	\$ 1,147,524	\$ 1,564,788
Public Safety	5,394,002	5,430,008	6,039,449	5,728,403	5,355,090	5,266,759	5,339,644	5,350,381	6,914,200	6,733,932
Public Works	1,425,807	1,432,582	1,760,539	1,385,532	1,116,474	1,515,768	1,065,988	1,092,006	1,104,073	1,206,675
Capital Outlay	599,301	1,279,109	293,765	675,920	490,978	123,711	658,129	824,347	3,569,954	3,357,373
Debt Service										
Principal Retirement	704,035	666,515	992,079	713,520	606,007	587,780	578,333	461,179	418,738	374,921
Interest and Fiscal Charges	153,852	165,220	195,391	199,339	318,275	370,462	391,801	396,797	405,829	420,724
Total Expenditures	\$ 9,698,456	\$ 10,726,822	\$ 10,978,228	\$ 10,312,347	\$ 9,466,289	\$ 9,363,860	\$ 9,331,001	\$ 9,360,394	\$ 13,560,318	\$ 13,658,413
Excess or (Deficiency) of Revenues Over (Under) Expenditures	\$ 1,365,252	\$ 33,400	\$ (1,432,072)	\$ (152,936)	\$ 574,388	\$ 424,573	\$ 242,702	\$ 149,565	\$ (3,590,217)	\$ (3,952,898)
Other Financing Sources (Uses)										
Debt Issuance	\$ -	\$ -	\$ -	\$ -	\$ 6,390,000	\$ 24,948	\$ 106,094	\$ 499,416	\$ 110,588	\$ -
Premium on Debt Issuance	-	-	-	-	89,010	-	-	-	-	-
Payment to Escrow Agent	-	-	-	-	(6,507,662)	-	-	-	-	-
Sale of Fixed Assets	23,000	38,446	48,010	-	29,746	-	-	9,700	4,197	48,787
Transfers In	152,817	447,330	170,973	719,707	200,000	12,767	518,209	60,267	2,040,248	642,441
Transfers Out	-	(295,000)	(33,451)	(567,895)	(14,809)	(1,600,000)	(476,536)	(60,267)	(2,000,000)	(690,847)
	\$ 175,817	\$ 190,776	\$ 185,532	\$ 151,812	\$ 186,285	\$ (1,562,285)	\$ 147,767	\$ 509,116	\$ 155,033	\$ 381
Net Change in Fund Balances	\$ 1,541,069	\$ 224,176	\$ (1,246,540)	\$ (1,124)	\$ 760,673	\$ (1,137,712)	\$ 390,469	\$ 658,681	\$ (3,435,184)	\$ (3,952,517)
Debt Service as a Percentage of Noncapital Expenditures	9.43%	8.80%	11.95%	9.58%	9.97%	10.75%	11.19%	10.13%	8.26%	6.65%

Data Source
Audited Financial Statements

VILLAGE OF WAUCONDA
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN LEVY YEARS

Fiscal Year	Levy Year	Residential Property	Farm	Commercial Property	Industrial Property	Total Estimated Assessed Value	Total Direct Tax Rate
2010	2009	\$ 364,117,221	\$ 407,774	\$ 47,274,577	\$ 48,107,764	\$ 459,907,336	0.858
2011	2010	341,444,720	399,335	47,248,875	47,928,030	437,020,960	0.915
2012	2011	313,623,067	377,131	47,133,115	46,589,065	407,722,378	0.981
2013	2012	275,467,702	360,505	45,398,903	43,326,682	364,553,792	1.270
2014	2013	256,344,873	326,773	42,122,180	40,625,340	339,419,166	1.398
2015	2014	248,618,195	323,002	39,244,909	39,894,457	328,080,563	1.472
2016	2015	260,958,198	385,017	38,995,293	40,157,214	340,495,722	1.290
2017	2016	283,230,144	305,225	39,566,920	41,062,227	364,164,516	1.477
2018	2017	298,006,653	322,305	40,924,725	43,108,713	382,362,396	1.550
2019	2018	302,432,801	329,998	40,862,100	43,182,982	386,807,881	1.544

Data Source
 Office of the County Clerk

VILLAGE OF WAUCONDA
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Village Direct Rates										
General	0.253	0.258	0.280	0.312	0.332	0.319	0.438	0.438	0.438	0.429
Police Protection	0.338	0.335	0.339	0.363	0.384	0.374	0.209	0.181	0.150	0.141
Audit	-	-	-	-	0.011	0.011	0.010	0.009	0.008	0.008
Tort Immunity	0.046	0.046	0.049	0.052	0.054	0.052	0.052	0.045	0.042	0.034
Fire	-	-	-	-	-	-	-	-	-	0.001
Ambulance	-	-	-	-	-	-	-	-	-	0.001
Street and Bridge	0.003	0.003	0.003	0.003	0.003	0.003	0.003	0.002	0.002	-
Bond and Interest	0.564	0.579	0.479	0.230	0.382	0.364	0.335	0.146	0.132	0.121
IMRF	0.036	0.036	0.040	0.043	0.045	0.043	0.039	0.013	0.012	0.009
Social Security	0.033	0.033	0.035	0.037	0.040	0.038	0.034	0.020	0.019	0.017
Police Pension	0.274	0.260	0.253	0.250	0.221	0.194	0.150	0.127	0.112	0.097
Total Direct Rates	1.545	1.550	1.478	1.290	1.472	1.398	1.270	0.981	0.915	0.858
Overlapping Rates										
Lake County	0.612	0.622	0.632	0.663	0.683	0.663	0.608	0.554	0.505	0.464
Lake County Forest Preserve	0.182	0.187	0.193	0.208	0.210	0.218	0.212	0.201	0.198	0.200
Wauconda Park District	0.459	0.455	0.466	0.493	0.487	0.460	0.418	0.360	0.331	0.317
Wauconda Library District	0.446	0.442	0.450	0.480	0.526	0.527	0.474	0.412	0.369	0.342
Wauconda Fire District	0.657	0.652	0.662	0.699	0.709	0.681	0.614	-	-	-
Fremont Library District	0.357	0.358	0.457	0.484	0.489	0.468	0.430	0.3810	N/A	N/A
Wauconda Unit School District #118	6.981	7.063	7.076	7.452	7.446	7.074	6.296	5.363	4.802	4.228
Fremont School District #79	3.176	3.209	3.298	3.514	3.607	3.521	3.267	2.9370	N/A	N/A
Mundelein High School District #12	2.543	2.552	2.620	2.771	2.828	2.645	2.439	2.1650	N/A	N/A
Community School District #532	0.282	0.281	0.285	0.299	0.306	0.296	0.272	0.240	0.218	0.200
Total Direct and Overlapping Rates	17.239	17.371	17.617	18.353	18.763	17.951	16.300	13.594	7.338	6.609

Data Source

Office of the County Clerk

Note: Rates are per \$1,000 of Assessed Value. Overlapping property tax rates are not available for all fiscal years.

N/A - Information Not Available

VILLAGE OF WAUCONDA
 SCHEDULE OF PRINCIPAL TAXPAYERS IN THE DISTRICT
 CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value
Synergy Flavors, Inc	\$ 3,771,915	1	1.11%			
RGP-LP Liberty Square	3,514,960	2	1.04%			
Fidelitone Inc	3,071,556	3	0.90%	2,666,478	1	0.58%
Wauconda Health Care	2,670,896	4	0.79%			
K-Wall Corporation	1,923,736	5	0.57%	1,055,898	10	0.23%
Brown Street LLC	1,497,987	6	0.44%			
Lemoyne Associates	1,470,190	7	0.43%			
Wauconda Plaza LLC	1,462,312	8	0.43%			
Cannella Properties Wauconda	1,271,925	9	0.37%			
American Mobile Home	1,025,106	10	0.30%			
Wauconda LLC				N/A	2	N/A
Wauconda Associates				N/A	3	N/A
Kangas Antti				N/A	4	N/A
Amalgamated Bank of Chicago				N/A	5	N/A
Den Mar V				N/A	6	N/A
Individual				N/A	7	N/A
Henri Studio Inc.				1,633,188	8	0.36%
Stack-On Products				1,232,633	9	0.27%

Data Source
 Office of the County Clerk

VILLAGE OF WAUCONDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN LEVY YEARS

Fiscal Year	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Tax Levy Year	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Taxes Extended for Levy Year	\$ 5,974,136	\$ 5,925,826	\$ 5,380,301	\$ 4,391,881	\$ 4,828,253	\$ 4,745,080	\$ 4,629,833	\$ 3,999,757	\$ 3,998,742	\$ 3,946,005
Amount of Levy Collected within the Fiscal Year of the Levy	-	5,919,574	5,363,805	4,375,907	4,828,253	4,728,776	4,623,156	3,991,031	3,986,681	3,931,402
Percentage of Levy Collected within the Fiscal Year of the Levy	0.00%	99.89%	99.69%	99.64%	100.00%	99.66%	99.86%	99.78%	99.70%	99.63%
Amount of Collections in Subsequent Years	-	-	-	-	-	-	4,531	-	-	-
Amount of Levy Collected to Date	-	5,919,574	5,363,805	4,375,907	4,828,253	4,728,776	4,627,687	3,991,031	3,986,681	3,931,402
Percentage of Levy Collected to Date	0.00%	99.89%	99.69%	99.64%	100.00%	99.66%	99.95%	99.78%	99.70%	99.63%

Data Source

Office of the County Clerk

Note: The 2018 Levy is not collected until the next fiscal year.

VILLAGE OF WAUCONDA
SCHEDULE OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities			Business-Type Activities				Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Alternate Revenue Bonds	Installment Contracts	General Obligation Bonds	Installment Contracts	Alternate Revenue Bonds	IEPA Loan			
2010	\$ 6,780,000	\$ 2,250,000	\$ 332,140	\$ -	\$ 904,521	\$ 4,495,000	\$ 4,548,539	\$ 19,310,200	4.79%	1,531
2011	6,530,000	2,160,000	363,990	-	768,492	4,315,000	4,436,105	18,573,587	4.14%	1,365
2012	6,250,000	2,065,000	777,227	-	748,116	6,106,161	4,229,650	20,176,154	4.96%	1,483
2013	5,940,000	1,965,000	714,988	9,500,000	589,155	5,930,000	4,245,470	28,884,613	7.10%	2,123
2014	5,600,000	1,860,000	597,156	9,100,000	424,393	5,725,000	3,993,843	27,300,392	5.83%	1,975
2015	5,500,000	1,745,000	471,149	8,735,000	272,355	5,465,000	3,737,338	25,925,842	5.67%	1,866
2016	4,995,000	1,625,000	382,629	8,360,000	113,009	5,220,000	3,475,832	24,171,470	5.06%	1,750
2017	4,495,000	1,505,000	10,550	7,975,000	45,317	4,970,000	7,163,439	26,164,306	5.36%	1,902
2018	3,965,000	1,375,000	4,035	20,843,425	16,153	4,715,000	2,937,314	33,855,927	6.81%	2,465
2019	3,400,000	1,240,000	-	23,144,174	-	4,455,000	2,660,038	34,899,212	6.92%	2,471

Data Source

Debt Information - Audited Financial Statements

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

VILLAGE OF WAUCONDA
SCHEDULE OF NET BONDED DEBT
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	Less Amount Available	Totals	Percentage of Total Taxable Assessed Value of Property (1)	Per Capita (2)
2010	\$ 6,780,000	\$ -	\$ 6,780,000	1.47%	718
2011	6,530,000	-	6,530,000	1.49%	480
2012	6,250,000	-	6,250,000	1.53%	459
2013	5,940,000	-	5,940,000	1.63%	437
2014	14,700,000	-	14,700,000	4.33%	1,063
2015	14,235,000	-	14,235,000	4.34%	1,024
2016	13,355,000	-	13,355,000	3.92%	967
2017	12,470,000	-	12,470,000	3.42%	906
2018	24,808,425	-	24,808,425	6.49%	1,806
2019	26,544,174	-	26,544,174	6.86%	1,879

Data Source

Debt Information - Audited Financial Statements

(1) See Assessed Value and Actual Value of Taxable Property for property value data.

(2) See Demographic and Economic Statistics for population data.

VILLAGE OF WAUCONDA
 COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 APRIL 30, 2019

Governmental Unit	Gross Debt	Percentage of Debt Applicable to Village (1)	Village's Share of Debt
Village	\$ 4,640,000	100.000%	\$ 4,640,000
Overlapping Debt			
Lake County	\$ 187,240,885	1.455%	\$ 2,724,355
Lake County Forest Preserve	269,000,032	1.455%	3,913,950
Wauconda Park District	396,000	100.000%	396,000
Wauconda Fire Protection District	847,614	31.236%	264,761
Fremont Public Library District	-	6.208%	-
Wauconda Library District	865,000	47.624%	411,948
Fremont Grade School District #79	16,260,000	8.526%	1,386,328
Mundelein High School District #120	20,949,600	5.383%	1,127,717
Wauconda Unit School District #118	61,990,000	47.875%	29,677,713
College of Lake County District #532	60,664,874	1.530%	928,173
Total Overlapping Debt	\$ 618,214,005		\$ 40,830,943
Total Direct and Overlapping Debt	\$ 622,854,005		\$ 45,470,943

Data Source

Office of the County Clerk

(1) Determined by ratio of assessed valuation of property subject to taxation in the Village to valuation of property subject to taxation in overlapping unit.

VILLAGE OF WAUCONDA
SCHEDULE OF LEGAL DEBT MARGINS
LAST TEN FISCAL YEARS

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Legal Debt Limit	\$ 33,362,180	\$ 32,978,757	\$ 31,409,190	\$ 29,359,131	\$ 28,296,949	\$ 29,274,903	\$ 31,442,765	\$ 35,166,055	\$ 37,693,058	\$ 39,667,008
Total Net Debt Applicable to Limit	28,569,996	24,808,425	12,525,867	13,850,638	14,978,504	15,721,549	16,744,143	9,715,343	7,607,482	7,981,661
Legal Debt Margin	\$ 4,792,184	\$ 8,170,332	\$ 18,883,323	\$ 15,508,493	\$ 13,318,445	\$ 13,553,354	\$ 14,698,622	\$ 25,450,712	\$ 30,085,576	\$ 31,685,347
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	85.64%	75.23%	39.88%	47.18%	52.93%	53.70%	53.25%	27.63%	20.18%	20.12%

Data Source

Audited Financial Statements

VILLAGE OF WAUCONDA
SCHEDULE OF LEGAL DEBT MARGIN CALCULATION
FISCAL YEAR 2019

Assessed Value	<u>\$ 386,807,881</u>
Bonded Debt Limit - 8.625% of Assessed Value	\$ 33,362,180
Amount of Debt Applicable to Limit	<u>28,569,996</u>
Legal Debt Margin	<u>\$ 4,792,184</u>

Data Source
Audited Financial Statements

VILLAGE OF WAUCONDA
 PLEDGED REVENUE COVERAGE
 LAST TEN FISCAL YEARS

Fiscal Year	Operating Revenues (1)	Less: Operating Expenses (2)	Net Available Revenue (3)	Principal	Interest	Coverage (4)
2010	\$ 3,553,554	\$ 3,987,139	\$ (433,585)	\$ 175,564	\$ 348,544	\$ (1)
2011	3,909,199	3,581,756	327,443	179,980	92,886	1.20
2012	4,091,078	3,982,446	108,632	206,455	88,358	0.37
2013	4,171,313	4,016,824	154,489	233,043	83,754	0.49
2014	4,676,648	2,960,242	1,716,406	251,627	77,876	5.21
2015	4,366,631	2,723,200	1,643,431	256,505	73,147	4.99
2016	4,401,180	3,160,701	1,240,479	261,506	68,123	3.76
2017	4,501,571	3,321,747	1,179,824	266,633	62,972	3.58
2018	4,718,851	5,119,159	(400,308)	356,181	91,119	(0.89)
2019	5,227,147	3,338,196	1,888,951	255,003	103,667	5.27

Data Source

Audited Financial Statements

- (1) As defined in applicable bond indentures and governing laws - includes charges for services in Water and Sewer Fund
- (2) Operating expenses exclusive of depreciation
- (3) Gross revenues minus expenses
- (4) Net revenue available for debt service divided by total debt requirements

VILLAGE OF WAUCONDA
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS

Year	Population	Personal Income	Per-Capita Personal Income	Unemployment Rate
2010	12,614	\$ 402,941,616	\$ 31,944	8.30%
2011	13,603	448,314,071	32,957	10.30%
2012	13,603	407,028,966	29,922	10.60%
2013	13,603	407,028,966	29,922	11.20%
2014	13,823	468,267,948	33,876	7.20%
2015	13,896	457,581,384	32,929	6.90%
2016	13,814	477,922,958	34,597	4.70%
2017	13,758	488,422,758	35,501	4.30%
2018	13,737	497,416,770	36,210	3.50%
2019	14,125	504,206,000	35,696	4.50%

Data Source

Illinois Department of Employment Security (IDES)

VILLAGE OF WAUCONDA
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND NINE YEARS AGO

Employer	2019			2010		
	Employees	Rank	Percentage of Total Village Employment	Employees	Rank	Percentage of Total Village Employment
Lacosta Inc	1,100	1	11.2%	15	9	0.0%
Wauconda Community School Dist. 118	586	2	6.0%			
Synergy Flavors	214	3	2.3%			
Acres	208	4	2.2%			
Wauconda Health Care	173	5	1.8%			
Jewel Osco	160	6	1.7%			
Berger Excavating	152	7	1.6%			
Fidelitone, Inc	131	8	1.4%			
Wauconda Park District	65	9	0.7%			
Stonecrafters	61	10	0.6%			
Stack On Products				156	1	3.0%
Henri Studio, Inc.				89	2	1.7%
I L T Vignocci				80	3	1.5%
Logan Graphic Products				43	4	0.8%
Morris Mailing				34	5	0.6%
AccuRest, Inc.				25	6	0.5%
Samco				20	7	0.4%
Asbach & Vanselow				19	8	0.4%
Hearland Computers				N/A	10	N/A

Data Source

Village Community Development Department Records
 ReferenceUSA
 American Fact Finder - in Labor Force
 U.S. Census Bureau

VILLAGE OF WAUCONDA
NUMBER OF EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Government										
Administration	5	5	5	5	4	5	5	5	5	6
Building Department	1	3	2	1	1	1	2	2	1	1
Environmental	-	-	-	-	-	-	-	-	-	-
Economic Development	-	-	-	1	1	1	1	1	1	-
Public Safety										
Police	26	26	29	39	36	35	38	37	37	37
Public Works										
Highways and Streets	7	6	7	7	7	6	6	9	9	9
Waterworks and Sewerage	13	14	14	14	14	13	15	14	13	13
Total	52	54	57	67	63	61	67	68	66	66

Data Source

Various Village Departments

VILLAGE OF WAUCONDA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Government										
Business Licenses	119	142	145	126	155	122	125	133	119	119
Tobacco Licenses	15	15	18	15	16	18	14	19	17	15
Liquor Licenses	35	35	32	35	36	30	35	35	31	30
Public Safety										
Police										
Part I Crimes	85	100	80	171	125	157	169	340	196	226
Part II Crimes	329	436	588*	4,169	5,976	6,110	6,308	6,150	6,251	6,521
Parking Violations	735	1,337	802	617	1,005	948	810	978	1,177	1,449
Public Works										
Parkway Trees Planted	-	26	71	-	18	-	32	23	-	35
Parkway Trees Trimmed	498	600	650	850	750	850	275	800	750	113
Street Resurfacing (Miles)	-	219.00	-	3.00	-	-	1.25	1.00	6.00	5.40
Waterworks and Sewerage										
Number of Metered Accounts	5,852	5,841	5,838	5,555	5,554	5,554	5,537	5,499	5,466	5,429
Number of Hydrants Flushed/Inspected	-	300	243	300	300	300	279	317	256	211
New Connections	-	3	1	4	-	20	51	39	43	50
Winter Mains Breaks	1	9	7	2	3	15	7	11	17	12
Water Average Daily Consumption (In Gallons)	1,056,504	1,064,257	1,054,323	1,052,341	804,000	1,087,000	1,121,000	1,127,000	1,135,000	943,243
Average Daily Sewage Treatment (In Gallons)	1,771,000	1,678,372	1,532,616	1,549,000	1,485,000	1,211,000	1,437,000	1,458,000	1,510,000	1,472,000

Data Source

Various Village Departments

N/A - Information Not Available

VILLAGE OF WAUCONDA
 CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Fleet	22	22	20	17	15	19	19	19	19	21
Public Works										
Streets (Miles)	109	109	109	54	54	54	54	54	54	53
Streetlights*	180	180	157	741	741	741	741	741	741	741
Water and Sewer										
Water Mains (Miles)	77	77	76	71	71	70	70	70	70	70
Fire Hydrants Total	997	998	996	971	971	956	952	952	952	924
Fire Hydrants (Additions)	-	2	25	-	-	4	-	N/A	N/A	N/A
Sanitary Sewers (Miles)	60	60	60	60	60	60	60	60	60	60
Storm Sewers (Miles)	20	20	20	20	20	20	20	20	20	20

Data Source

Various Village Departments

N/A - Information Not Available

* ComEd owns additional streetlights; this is the Village's portion

VILLAGE OF WAUCONDA
 WATER AND SEWER CONSUMER DATA
 LAST TEN FISCAL YEARS

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Metered Consumers	5,852	5,841	5,838	5,555	6,172	6,449	6,304	6,253	6,116	5,921
Unmetered Consumers	30	12	12	32	32	32	-	2	2	2
Number of Hydrants	997	998	971	971	971	956	952	952	952	924
Gallons of Water Pumped	412,580,000	410,762,000	436,500,000	399,552,000	417,554,000	311,149,000	429,999,000	431,077,000	414,435,000	480,331,428

Data Source

Various Village Departments