

Final Official Statement Dated September 20, 2018

Subject to compliance by the Village with certain covenants, in the opinion of Chapman and Cutler LLP, Chicago, Illinois (“Bond Counsel”), under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Interest on the Bonds is not exempt from present State of Illinois income taxes. See “TAX EXEMPTION” herein for a more complete discussion. The Bonds are “qualified tax-exempt obligations” under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See “QUALIFIED TAX-EXEMPT OBLIGATIONS” herein.



\$3,900,000
VILLAGE OF LOMBARD
DuPage County, Illinois
General Obligation Bonds (Alternate Revenue Source), Series 2018

Dated Date of Delivery Book-Entry Non-Callable Bank Qualified Due Serially January 1, 2021-2024

The \$3,900,000 General Obligation Bonds (Alternate Revenue Source), Series 2018 (the “Bonds”) are being issued by the Village of Lombard, DuPage County, Illinois, (the “Village”). Interest is payable semiannually on January 1 and July 1 of each year, commencing July 1, 2019. Interest is calculated based on a 360-day year of twelve 30-day months with minimum denominations of \$100,000 and integral multiples of \$5,000 in excess thereof. The Bonds will be issued using a book-entry system. The Depository Trust Company, New York, New York (“DTC”), will act as securities depository for the Bonds. The ownership of one fully registered Bond for each maturity will be registered in the name of Cede & Co., as nominee for DTC and no physical delivery of Bonds will be made to purchasers. The Bonds will mature on January 1 in the following years and amounts.

AMOUNTS, MATURITIES, INTEREST RATES, YIELDS, AND CUSIP NUMBERS

Principal Amount	Due Jan. 1	Interest Rate	Yield	CUSIP Number (1)	Principal Amount	Due Jan. 1	Interest Rate	Yield	CUSIP Number (1)
\$910,000	2021	4.000%	3.750%	541568 UM1	\$1,000,000	2023	5.000%	4.200%	541568 UP4
950,000	2022	5.000%	4.000%	541568 UN9	1,040,000	2024	5.000%	4.350%	541568 UQ2

OPTIONAL REDEMPTION

The Bonds are **not** subject to optional redemption prior to maturity.

PURPOSE, LEGALITY AND SECURITY

Bond proceeds will be used to (i) finance capital improvements to the waterworks and sewerage system (the “System”) of the Village including (a) repurposing the existing Central Station Reservoir and (b) rehabilitating three sections of water mains on Elizabeth Street, Lynne Lane and Grace Street, (ii) pay capitalized interest on the Bonds through January 1, 2020, and (iii) pay the costs of issuance of the Bonds. See “**THE PROJECT**” herein.

In the opinion of Bond Counsel, the Bonds will constitute valid and legally binding obligations of the Village payable as to principal and interest from: (a)(i) the System Revenues (as defined herein) and (ii) all collections distributed to the Village from those taxes imposed by the Village pursuant to the Non-Home Rule Municipal Retailers’ Occupation Tax Act and the Non-Home Rule Municipal Service Occupation Tax Act, each as supplemented and amended from time to time, or substitute taxes therefor as provided by the State of Illinois or the Village in the future, and (b) ad valorem taxes levied against all taxable property within the Village without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors’ rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. See “**DESCRIPTION OF CERTAIN PROVISIONS OF THE BOND ORDINANCE AND ESCROW AGREEMENT**” herein.

To further secure the payment of the principal of and interest on the Bonds, the Village will enter into a pledged moneys escrow agreement with Amalgamated Bank of Chicago, Chicago, Illinois (the “Escrow Agent”), pursuant to which a pledged moneys escrow account will be established from which the Escrow Agent will pay the principal of and interest on the Bonds. See “**DESCRIPTION OF CERTAIN PROVISIONS OF THE BOND ORDINANCE AND ESCROW AGREEMENT**” herein.

The Bonds are offered when, as, and if issued and received by Robert W. Baird & Co. Incorporated, Naperville, Illinois (the “Underwriter”), subject to the approving legal opinion of Bond Counsel, and certain other conditions. Miller, Canfield, Paddock and Stone, P.L.C., Chicago, Illinois will serve as Disclosure Counsel to the Village. Certain legal matters will be passed upon for the Underwriter by its counsel, Ice Miller LLP, Chicago, Illinois. It is expected that beneficial interests in the Bonds will be made available for delivery through the facilities of DTC on or about October 11, 2018.



(1) CUSIP numbers appearing in this Final Official Statement have been provided by the CUSIP Service Bureau, which is managed on behalf of the American Bankers Association by S&P Global Ratings. The Village is not responsible for the selection of CUSIP numbers and makes no representation as to their correctness on the Bonds or as set forth on the cover of this Final Official Statement.

No dealer, broker, salesman or other person has been authorized by the Village to give any information or to make any representations with respect to the Bonds other than as contained in the Official Statement or the Final Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the Village. Certain information contained in the Official Statement and the Final Official Statement may have been obtained from sources other than records of the Village and, while believed to be reliable, is not guaranteed as to completeness. **THE INFORMATION AND EXPRESSIONS OF OPINION IN THE OFFICIAL STATEMENT AND THE FINAL OFFICIAL STATEMENT ARE SUBJECT TO CHANGE, AND NEITHER THE DELIVERY OF THE OFFICIAL STATEMENT OR THE FINAL OFFICIAL STATEMENT NOR ANY SALE MADE UNDER EITHER SUCH DOCUMENT SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE VILLAGE SINCE THE RESPECTIVE DATES THEREOF.**

References herein to laws, rules, regulations, ordinances, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Official Statement or the Final Official Statement, they will be furnished on request. This Official Statement does not constitute an offer to sell, or solicitation of an offer to buy, any securities to any person in any jurisdiction where such offer or solicitation of such offer would be unlawful.

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BOND ISSUE SUMMARY

This Bond Issue Summary is expressly qualified by the entire Final Official Statement, which is provided for the convenience of potential investors and which should be reviewed in its entirety by potential investors.

Issuer:	Village of Lombard, DuPage County, Illinois.
Issue:	\$3,900,000 General Obligation Bonds (Alternate Revenue Source), Series 2018.
Dated Date:	Date of delivery, expected to be on or about October 11, 2018.
Interest Due:	Each January 1 and July 1, commencing July 1, 2019.
Principal Due:	Serially each January 1, commencing January 1, 2021 through January 1, 2024, as detailed on the front page of this Final Official Statement.
Optional Redemption:	The Bonds are not subject to optional redemption prior to maturity.
Authorization:	The Bonds are issued pursuant to the Illinois Municipal Code, as amended, the Local Government Debt Reform Act of the State of Illinois, as amended, and an ordinance adopted by the President and Board of Trustees of the Village on September 20, 2018 (the "Bond Ordinance").
Purpose:	Bond proceeds will be used to (i) finance capital improvements to the waterworks and sewerage system (the "System") of the Village including (a) repurposing the existing Central Station Reservoir and (b) rehabilitating three sections of water mains on Elizabeth Street, Lynne Lane and Grace Street, (ii) pay capitalized interest on the Bonds through January 1, 2020, and (iii) pay the costs of issuance of the Bonds. See " THE PROJECT " herein.
Security:	The Bonds will constitute valid and legally binding obligations of the Village payable as to principal and interest from: (a)(i) the System Revenues (as defined herein), and (ii) all collections distributed to the Village from those taxes imposed by the Village pursuant to the Non-Home Rule Municipal Retailers' Occupation Tax Act and the Non-Home Rule Municipal Service Occupation Tax Act, each as supplemented and amended from time to time, or substitute taxes therefor as provided by the State of Illinois or the Village in the future (the "Sales Tax Revenues" and, together with the System Revenues, the "Pledged Revenues"), and (b) ad valorem taxes levied against all taxable property within the Village without limitation as to rate or amount (the "Pledged Taxes" and, together with Pledged Revenues, the "Pledged Moneys"). See " DESCRIPTION OF CERTAIN PROVISIONS OF THE BOND ORDINANCE AND ESCROW AGREEMENT " herein.
Tax Intercept:	<p>To further secure the payment of the principal of and interest on the Bonds, the Village will enter into a pledged moneys escrow agreement (the "Agreement") with Amalgamated Bank of Chicago, Chicago, Illinois (the "Escrow Agent"), pursuant to which a pledged moneys escrow account (the "Pledged Moneys Escrow Account") will be established from which the Escrow Agent will pay the principal of and interest on the Bonds. The Village will direct the Illinois Department of Revenue, as authorized by the Local Government Debt Reform Act of the State of Illinois, as amended, to deposit the Sales Tax Revenues into the Pledged Moneys Escrow Account. The Village will further direct, as authorized by the Property Tax Code of the State of Illinois, as amended, the County Treasurer and ex-officio County Collector of The County of Cook, Illinois to deposit the Pledged Taxes directly into the Pledged Moneys Escrow Account. Such Pledged Taxes shall be used only for paying the principal of and interest on the Bonds.</p> <p>The amounts on deposit with the Escrow Agent pursuant to the Agreement shall be for the sole benefit of the holders of the Bonds (the "Bond Holders"), and such Bond Holders shall have a claim against and a first and prior lien upon the Sales Tax Revenues and Pledged Taxes while such amounts are on deposit with the Escrow Agent. See "DESCRIPTION OF CERTAIN PROVISIONS OF THE BOND ORDINANCE AND ESCROW AGREEMENT – The Bond Fund and the Direct Deposit of Certain Revenues" herein.</p>
Credit Rating:	A credit rating will not be requested for the Bonds.
Tax Exemption:	Chapman and Cutler LLP, Chicago, Illinois, will provide an opinion as to the federal tax exemption of the interest on the Bonds as discussed under " TAX EXEMPTION " in this Final Official Statement. Interest on the Bonds is not exempt from present State of Illinois income taxes.
Bank Qualification:	The Bonds are "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See " QUALIFIED TAX-EXEMPT OBLIGATIONS " herein.
Bond Registrar/Paying Agent/ Escrow Agent:	Amalgamated Bank of Chicago, Chicago, Illinois.
Delivery:	The Bonds are expected to be delivered on or about October 11, 2018.
Book-Entry Form:	The Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Bonds. See APPENDIX B herein.
Denomination:	Minimum denominations of \$100,000 and integral multiples of \$5,000 in excess thereof.
Underwriter:	Robert W. Baird & Co. Incorporated, Naperville, Illinois.
Municipal Advisor:	Speer Financial, Inc., Chicago, Illinois.
Disclosure Counsel:	Miller, Canfield, Paddock and Stone, P.L.C., Chicago, Illinois.
Underwriter's Counsel:	Ice Miller LLP, Chicago, Illinois.

VILLAGE OF LOMBARD
DuPage County, Illinois

Keith T. Giagnorio
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Board of Trustees

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Robyn Pike

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Timothy Sexton
Director of Finance

DESCRIPTION OF CERTAIN PROVISIONS OF THE BOND ORDINANCE AND ESCROW AGREEMENT

General

The \$3,900,000 General Obligation Bonds (Alternate Revenue Source), Series 2018 (the “Bonds”) will constitute valid and legally binding obligations of the Village of Lombard, DuPage County, Illinois (the “Village”) payable as to principal and interest from: (a)(i) the System Revenues (as defined herein) and (ii) all collections distributed to the Village from those taxes imposed by the Village pursuant to the Non-Home Rule Municipal Retailers’ Occupation Tax Act and the Non-Home Rule Municipal Service Occupation Tax Act, each as supplemented and amended from time to time, or substitute taxes therefor as provided by the State of Illinois (the “State”) or the Village in the future (the “Sales Tax Revenues” and, together with the System Revenues, the “Pledged Revenues”), and (b) ad valorem taxes levied against all taxable property within the Village without limitation as to rate or amount (the “Pledged Taxes” and, together with Pledged Revenues, the “Pledged Moneys”). Pursuant to the Local Government Debt Reform Act of the State of Illinois, as supplemented and amended from time to time (the “Debt Reform Act”), the Village will pledge the Pledged Revenues to the payment of Bonds and will covenant to provide for and apply such Pledged Revenues to the payment of Bonds and the provision of not less than an additional 0.25 times debt service, which pledge and covenant will constitute a continuing obligation of the Village and continuing appropriation of the amounts received. For the prompt payment of the Bonds, the full faith, credit and resources of the Village are irrevocably pledged. See “**General Covenants**” herein.

The Bonds are authorized to be issued by the Illinois Municipal Code, as amended and supplemented, the Debt Reform Act, as amended and supplemented, and an ordinance adopted by the President and Board of Trustees of the Village (the “Board”) on the 20th day of September, 2018 (the “Bond Ordinance”).

The Bond Ordinance provides for the levy of the Pledged Taxes, unlimited as to rate or amount, upon all taxable property within the Village in amounts sufficient to pay, as and when due, all principal of and interest on the Bonds. The Bond Ordinance will be filed with the County Clerk of The County of DuPage, Illinois (the “County Clerk”), and will serve as authorization to the County Clerk to extend and collect the property taxes as set forth in the Bond Ordinance to pay the Bonds.

All capitalized terms used in this section and not defined have the definitions ascribed to such terms under the heading “**Definitions**” herein.

The Bond Fund and the Direct Deposit of Certain Revenues

The Bond Ordinance establishes a special fund of the Village held separate and apart from all other funds and accounts of the Village known as the “2018 Alternate Bond Fund” (the “Bond Fund”). The purpose of the Bond Fund is to provide a fund to receive and disburse the Pledged Revenues and the Pledged Taxes for the payment of the Bonds. The Bond Fund and its respective accounts constitute a trust fund established for the purpose of carrying out the covenants, terms and conditions imposed upon the Village by the Bond Ordinance.

As additional security for the payment of the principal of and interest on the Bonds, the Village will enter into a pledged moneys escrow agreement (the “Agreement”) with Amalgamated Bank of Chicago, Chicago, Illinois, as escrow agent (the “Escrow Agent”), to be dated the date of issuance of the Bonds. The pledged moneys escrow account (the “Pledged Moneys Escrow Account”) established pursuant to the Agreement will constitute the Bond Fund with respect to the repayment of the Bonds. The Pledged Moneys Escrow Account will constitute a trust fund held for the benefit of the owners of the Bonds and will be held separate and apart from all other funds and accounts of the Village. Pursuant to Section 13 of the Debt Reform Act, the Village will direct the Department of Revenue of the State (the “Department”) to deposit all Sales Tax Revenues directly into the Pledged Moneys Escrow Account for the purpose of providing funds necessary to pay the Bonds. The Village will also, pursuant to Section 20-90 of the Property Tax Code of the State, as amended (the “Property Tax Code”), direct the County Collector of the County of DuPage, Illinois (the “County Collector”), to deposit the proceeds of the Pledged Taxes directly into the Pledged Moneys Escrow Account. Furthermore, in any year that the Pledged Taxes are extended for collection, the Village Treasurer (the “Treasurer”) will execute and deliver to the County Collector a segregation order directing the County Collector to make the deposits with the Escrow Agent as set forth in the Agreement.

Operation of the Pledged Moneys Escrow Account Pursuant to the Agreement

The form of Agreement is set forth in **APPENDIX F** hereto. The Agreement establishes four subaccounts of the Pledged Moneys Escrow Account: the “Revenue Subaccount”, the “Bond Payment Subaccount”, the “Pledged Taxes Subaccount” and the “Excess Revenues Subaccount”. For the purpose of providing the funds required to pay the interest on the Bonds when and as the same falls due and to pay and discharge the principal thereof at maturity, the Sales Tax Revenues, the Pledged Taxes and the Additional Deposits (as hereinafter defined) will be paid to the Escrow Agent for deposit into the Pledged Moneys Escrow Account in accordance with the following procedures:

(A) Initial Deposit – On the date of the issuance of the Bonds, the Village will deposit the amount necessary to pay the interest due on the Bonds through January 1, 2020, with the Escrow Agent (the “Initial Deposit”). The Initial Deposit will be deposited into the Bond Payment Subaccount for the purpose of making such payments of interest due on the Bonds.

(B) Sales Tax Revenues – All Sales Tax Revenues will be deposited into the Revenue Subaccount when received by the Escrow Agent. Beginning March 1, 2019, Sales Tax Revenues will be retained in the Revenue Subaccount in a fractional amount of the principal maturing and the interest becoming due in the next Levy Year, commencing with the 2019 Levy Year with respect to the July 1, 2020, and January 1, 2021 payment dates, until there has been accumulated in the Revenue Subaccount an amount sufficient to pay such principal of or interest, or both, of the Bonds due in the next Levy Year (the “Next Levy Year Requirement”). The fraction of the Sales Tax Revenues to be set aside each month in the Revenue Subaccount to satisfy the Next Levy Year Requirement will be not less than one-tenth of the principal and interest becoming due during the next Levy Year. All Sales Tax Revenues not so set aside in such month will be deposited into the Excess Revenues Subaccount. Amounts deposited in the Excess Revenues Subaccount are free and clear of the lien of the Bondholders with respect to the Pledged Moneys Escrow Account and are paid to the Village in accordance with the Agreement. Not later than December 31st in each year (the “Valuation Date”), the Escrow Agent will transfer the Sales Tax Revenues retained in the Revenue Subaccount to the Bond Payment Subaccount. If the amount so transferred is sufficient to provide for the Next Levy Year Requirement, the Escrow Agent will notify the Treasurer of the amount on deposit in the Bond Payment Subaccount to enable the Village to abate the Pledged Taxes levied to pay the Next Levy Year Requirement as described under “**Abatement of the Pledged Taxes**” herein. If the amount so transferred is insufficient to pay the Next Levy Year Requirement, the Escrow Agent will notify the Treasurer of the amount of such deficiency. If the Village does not make an Additional Deposit with the Escrow Agent in the amount of such deficiency on or before January 31st following the Valuation Date, then the applicable portion of the Pledged Taxes levied for the payment of the Bonds will be extended for payment. If the amount deposited into the Bond Payment Account on the Valuation Date in any year is sufficient to pay the Next Levy Year Requirement, then any funds on hand in the Revenue Subaccount during the period beginning on the Valuation Date and ending on the last day of February following the Valuation Date will be deposited into the Excess Revenue Subaccount. If the amount deposited into the Bond Payment Subaccount on such Valuation Date is insufficient to pay the Next Levy Year Requirement, then any such funds on hand in the Revenue Subaccount during the period beginning on the Valuation Date and ending on the last day of February following the Valuation Date will be deposited into the Bond Payment Subaccount until the amount on hand in the Bond Payment Subaccount is sufficient to pay the Next Levy Year Requirement, after which any funds on hand in the Revenue Subaccount during such period will be deposited into the Excess Revenue Subaccount.

(C) Pledged Taxes – In the event that the Pledged Taxes levied by the Village for the payment of the Bonds are extended for collection by the County Clerk in any year, the Treasurer will, no later than January 31st, deliver to the County Collector and to the Escrow Agent a segregation order specifying the percentage of each distribution to be received during such year which is attributable to the Pledged Taxes and directing that such percentage of each such distribution be segregated and paid to the Escrow Agent. Promptly upon receipt of such property taxes for distribution, the County Collector will segregate and pay directly to the Escrow Agent for deposit in the Pledged Taxes Subaccount an amount equal to the amount of such distribution multiplied by the percentage specified in the segregation order. Such amounts received by the Escrow Agent will be deposited directly to the Pledged Taxes Subaccount. The segregation order will be in the form and contain the substance as required by the County Collector at the time such segregation order is filed.

(D) Additional Deposits – The Village may make additional deposits from other moneys of the Village, including the System Revenues (“Additional Deposits”). If, following a Valuation Date, the amount on hand in the Bond Payment Subaccount is insufficient to provide for the respective Next Levy Year Requirement, the Village may make an Additional Deposit at any time prior to the January 31st immediately following such Valuation Date into the Bond Payment Subaccount in an amount not to exceed the deficiency between the Next Levy Year Requirement and the amount on hand in the Bond Payment Subaccount. In addition, in the event that sufficient moneys are not on deposit in the Bond Payment Subaccount to make any required principal or interest payment on the Bonds when due, then an Additional Deposit may be paid to the Escrow Agent for deposit therein not less than four (4) Business Days before such principal or interest is due, in an amount sufficient to provide for the full and timely payment thereof.

On each principal maturity or interest payment date on the Bonds, the Escrow Agent will withdraw (i) first from the Pledged Taxes Subaccount and (ii) second from the Bond Payment Subaccount such amounts as are necessary for the purpose of paying all principal of and interest on the Bonds coming due on such date and will transfer such amounts to Amalgamated Bank of Chicago, Chicago, Illinois, as bond registrar (the "Bond Registrar").

Flow of Funds of the System Revenues

Upon the issuance of the Bonds, the System will continue to be operated on a Fiscal Year basis. All of the Revenues will be set aside as collected and be deposited into the Fund which will be used only in paying Operation and Maintenance Costs, providing an adequate depreciation fund, paying the principal of and interest on all bonds and other obligations of the Village which by their terms are payable from the Revenues, and providing for the establishment of and expenditure from the respective accounts as described in the Bond Ordinance.

The Bond Ordinance creates separate accounts in the Fund known as the "Operation and Maintenance Account," such other accounts as may be established under any Future Bond Ordinances, the "Depreciation Account," and the "Surplus Account," to which there will be credited on or before the first day of each month by the financial officer of the Village, without any further official action or direction, in the order in which said accounts are hereinafter mentioned, all moneys held in the Fund, in accordance with the following provisions:

(a) **Operation and Maintenance Account:** There will be credited to or retained in the Operation and Maintenance Account an amount sufficient, when added to the amount then on deposit in the Operation and Maintenance Account, to establish or maintain a balance to an amount not less than the amount considered necessary to pay Operation and Maintenance Costs for the then current month.

(b) **Accounts Created Pursuant to Future Bond Ordinances:** Future Bond Ordinances may create additional accounts in the Fund for the payment and security of waterworks and sewerage revenue bonds that hereafter may be issued by the Village. Amounts in the Fund will be credited to and transferred from said accounts in accordance with the terms of the Future Bond Ordinances.

(c) **Depreciation Account:** Beginning the month after the delivery of the Bonds, there will be credited to the Depreciation Account and held, in cash and investments, such sum as the Village may deem necessary in order to provide an adequate depreciation fund for the System. In Future Bond Ordinances, the Village may covenant to make specific monthly deposits to the Depreciation Account and to accumulate funds therein.

Amounts to the credit of the Depreciation Account will be used for (i) the payment of the cost of extraordinary maintenance, necessary repairs and replacements, or contingencies, the payment for which no other funds are available, in order that the System may at all times be able to render efficient service, (ii) the purpose of acquiring or constructing improvements and extensions to the System, and (iii) the payment of principal of or interest and applicable premium on any Outstanding Bonds at any time when there are no other funds available for that purpose in order to prevent a default. Future Bond Ordinances may provide for additional deposits to said Depreciation Account and additional uses and transfers of the funds on deposit in the Depreciation Account.

(d) **Surplus Account:** All moneys remaining in the Fund, after crediting the required amounts to the respective accounts hereinabove provided for, and after making up any deficiency in said accounts, will be credited to the Surplus Account. Funds in the Surplus Account will first be used to make up any subsequent deficiencies in any of said accounts and then shall be deposited to a separate and segregated account hereby created and designated the "Bond and Interest Subaccount of the Surplus Account" (the "Bond and Interest Subaccount"), as follows:

A. There will be paid into the Bond and Interest Subaccount in any month after the required payments have been made into the Accounts above, the amount necessary to provide for any Additional Deposits requested by the Escrow Agent pursuant to the Agreement. Following deposit into the Bond and Interest Subaccount, such amounts will be immediately transferred to the Escrow Agent for deposit into the Bond Fund. All moneys in said Subaccount will be used only for the purpose of paying interest on and principal of Outstanding Bonds and Additional Bonds.

B. Any funds remaining in the Surplus Account after making the aforesaid deposits to the credit of the Bond and Interest Subaccount, at the discretion of the Board, will be used, first, to make up any subsequent deficiencies in any of the accounts hereinabove named; and then, for the remainder of all surplus Revenues, at the discretion of the Board, for one or more of the following purposes without any priority among them, provided, however, that the Board may provide for further priority among all or any of such purposes in the future by adoption of an ordinance of the Village so specifying such priority (1) for the purpose of constructing or acquiring repairs, replacements, improvements or extensions to the System; (2) for making transfers to the Fund generally to be applied and treated as Revenues when transferred; (3) for the purpose of calling and redeeming Outstanding Bonds or Additional Bonds payable from the System which are callable at the time; (4) for the purpose of purchasing Outstanding Bonds or Additional Bonds payable from the System; (5) for the purpose of paying principal of and interest on any subordinate bonds or obligations issued for the purpose of acquiring or constructing repairs, replacements, improvements or extensions to the System, including loans from the State, acting through the IEPA; (6) for any purpose enumerated in any Future Bond Ordinance; or (7) for any other lawful System purpose.

Abatement of the Pledged Taxes

Whenever the Pledged Revenues or other lawfully available funds are available and on deposit in the Bond Fund to pay all or a portion of the principal of or interest on the Bonds when due, the Board will direct the abatement of the Pledged Taxes by such available amount, and proper notification of such abatement will be filed with the County Clerk in a timely manner to effect such abatement.

Future Revenue Bonds, Additional Bonds and Subordinate Bonds

The Village reserves the right to issue without limit bonds payable solely and only from the Revenues, which bonds may have a lien on the Revenues prior to the lien on the Revenues that secures the Outstanding Bonds, provided that upon the issuance of such bonds, the Village will be able to demonstrate in the same manner as provided by the Debt Reform Act, as the Debt Reform Act is written at this time, that at such time all Outstanding Bonds could then be issued as if not then having previously been issued; that is, that the requirements of the Debt Reform Act for the issuance of alternate bonds payable from the Revenues will have been met on such date for all Outstanding Bonds.

The Village also reserves the right to issue Additional Bonds from time to time payable from the System Revenues, the Sales Tax Revenues, or both, and any such Additional Bonds will share ratably and equally in the System Revenues, the Sales Tax Revenues, or both with the Bonds; provided, however, that no Additional Bonds will be issued except in accordance with the provisions of the Debt Reform Act as the Debt Reform Act is written at the time of issuance of the Bonds.

The Village also reserves the right to issue revenue bonds from time to time payable from the Revenues that are subordinate to the Bonds and Additional Bonds and are payable from the money remaining in the Surplus Account created under the Bond Ordinance after making required deposits into the Bond and Interest Subaccount.

Treatment of Bonds as Debt

The Bonds are payable from the Pledged Moneys and do not and will not constitute an indebtedness of the Village within the meaning of any constitutional or statutory limitation, unless the Pledged Taxes shall be extended pursuant to the general obligation, full faith and credit promise supporting the Bonds, in which case the amount of the Bonds then Outstanding will be included in the computation of indebtedness of the Village for purposes of all statutory provisions or limitations until such time as an audit of the Village shows that the Bonds have been paid from the Pledged Revenues for a complete Fiscal Year, in accordance with the Debt Reform Act.

General Covenants

In the Bond Ordinance, the Village covenants and agrees with the registered owners of the Bonds that, so long as any Bonds remain Outstanding:

A. The Village will take all action necessary to direct (i) the Department to deposit the Sales Tax Revenues and (ii) the County Collector to deposit the Pledged Taxes directly into the Pledged Moneys Escrow Account, and that, while any of the Bonds are Outstanding, it will take no action to revoke or modify said directions to the Department or the County Collector.

B. The Village pledges the Pledged Revenues to the payment of the Bonds, and the Board covenants and agrees to provide for, collect and apply the Pledged Revenues to the payment of the Bonds and the provision of not less than an additional .25 times debt service, all in accordance with Section 15 of the Debt Reform Act. The determination of the sufficiency of the Pledged Revenues will be supported by reference to the annual audit of the Village and acceptance of said audit by the Board will be conclusive evidence that the conditions of Section 15 of the Debt Reform Act have been met.

C. The Village will punctually pay or cause to be paid from the Bond Fund the principal of and the interest on the Bonds in strict conformity with the terms of the Bonds and the Bond Ordinance, and it will faithfully observe and perform all of the conditions, covenants and requirements thereof.

D. The Village will pay and discharge, or cause to be paid and discharged, from the Bond Fund or the Bond and Interest Subaccount, any and all lawful claims which, if unpaid, might become a lien or charge upon the Pledged Moneys, or any part thereof, or upon any funds in the hands of the Bond Registrar, or which might impair the security of the Bonds. Nothing in the Bond Ordinance requires the Village to make any such payment so long as the Village in good faith contests the validity of said claims.

E. The Village will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Village, in which complete and correct entries will be made of all transactions relating to the Project, the Pledged Moneys, the Bond and Interest Subaccount and the Bond Fund. Such books of record and accounts will at all times during business hours be subject to the inspection of the registered owners of not less than ten percent (10%) of the principal amount of the Outstanding Bonds or their representatives authorized in writing.

F. The Village will preserve and protect the security of the Bonds and the rights of the registered owners of the Bonds, and will warrant and defend their rights against all claims and demands of all persons. From and after the sale and delivery of any of the Bonds by the Village, the Bonds will be incontestable by the Village.

G. The Village will adopt, make, execute and deliver any and all such further ordinances, resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention of, or to facilitate the performance of, the Bond Ordinance, and for the better assuring and confirming unto the registered owners of the Bonds of the rights and benefits provided in the Bond Ordinance.

H. As long as any Bonds are Outstanding, the Village will continue to deposit, or direct the deposit of, (i) the Sales Tax Revenues to the Bond Fund and (ii) the System Revenues to the Bond and Interest Subaccount, to the extent required hereunder and, (iii) if applicable, will deposit the Pledged Taxes to the Bond Fund. The Village covenants and agrees with the purchasers of the Bonds and with the registered owners thereof that so long as any Bonds remain Outstanding, the Village will take no action or fail to take any action which in any way would adversely affect the ability of the Village to collect the Pledged Taxes, except as described under “**Abatement of the Pledged Taxes**” herein, and to collect and to segregate the Pledged Moneys. The Village and its officers will comply with all present and future applicable laws in order to assure that the Pledged Taxes can be extended and that the Pledged Revenues and the Pledged Taxes may be collected and deposited to the Bond and Interest Subaccount or the Bond Fund, as applicable, as provided in the Bond Ordinance.

I. Once issued, the Bonds will be and forever remain until paid or defeased the general obligation of the Village, for the payment of which its full faith and credit are pledged, and will be payable, in addition to the Pledged Revenues, from the levy of the Pledged Taxes as provided in the Debt Reform Act.

J. The Village will maintain the System in good repair and working order, will operate the same efficiently and faithfully, will promptly proceed with the Project as defined under “**THE PROJECT**”, and will punctually perform all duties with respect thereto required by the Constitution and laws of the State and the United States of America.

K. The Village will establish and maintain at all times reasonable fees, charges, and rates for the use and service of the System and will provide for the collection thereof and the segregation and application of the Revenues in the manner provided by the Bond Ordinance, sufficient at all times (i) to pay Operation and Maintenance Costs, (ii) to provide an adequate depreciation fund, (iii) to pay the principal of and interest on all bonds of the Village which by their terms are payable from the Revenues, provided, however, with respect to the principal of and interest on the Bonds, such fees, charges and rates so established and maintained may be reduced to the extent of the availability of the Sales Tax Revenues to make payments of principal of and interest on the Bonds, and (iv) to provide for the creation and maintenance and funding of the respective accounts as provided in the Bond Ordinance. The pledge and establishment of rates or charges for use of the System constitutes a continuing obligation of the Village with respect to such establishment and a continuing appropriation of the amounts received.

L. There will be charged against all users of the System, including the Village, such rates and amounts for water services as is adequate to meet the requirements of the Bond Ordinance. Charges for services rendered to the Village will be made against the Village, and payment for the same will be made monthly from the corporate funds into the Fund as revenues derived from the operation of the System; provided, however, that the Village need not charge itself for such services if in the previous Fiscal Year Revenues, not including any payments made by the Village, will have met the requirements of the Bond Ordinance.

M. Within six months following the close of each Fiscal Year, the Village will cause the books and accounts of the System to be audited by independent certified public accountants in accordance with appropriate audit standards. Said audit will be available for inspection by the registered owners of any of the Bonds.

Definitions

The following capitalized terms used in this Final Official Statement have the following meanings:

“Additional Bonds” means any alternate revenue bonds or other obligations of the Village issued in the future on a parity with and sharing ratably and equally in the Pledged Revenues with the Bonds.

“Business Day” means any day other than (i) a Saturday, a Sunday or a legal holiday or (ii) a day on which banking institutions in Chicago, Illinois or New York, New York, are required or authorized by law, regulation or executive order to be closed.

“Fiscal Year” means that twelve-calendar month period beginning on January 1 of the calendar year and ending on December 31 of such year.

“Future Bond Ordinances” means the ordinances of the Village authorizing the issuance of bonds or other obligations payable from the Pledged Revenues, but not including the Bond Ordinance or any other ordinance authorizing the issuance of Additional Bonds.

“IEPA” means the Illinois Environmental Protection Agency.

“Levy Year” means the year for which a tax will be levied, to be extended by the County Clerk during the next succeeding year, to make payments of principal of and interest on the Bonds due on July 1 of such next succeeding year and on January 1 of the following year. For example, the 2019 Levy Year refers to the year in which the Village would levy a tax which would be extended for collection by the County Clerk during calendar year 2020, and the proceeds of which would be used to make payments on the Bonds due on July 1, 2020, and January 1, 2021.

“Operation and Maintenance Costs” means all costs of operating, maintaining and routine repair of the System, including wages, salaries, costs of materials and supplies, power, fuel, insurance, purchase of water treatment services (including all payments by the Village pursuant to long term contracts for such purpose) and all reasonable administrative fees and expenses; but excluding debt service, depreciation, or any reserve requirements and any costs of extending or enlarging the System or engineering expenses in anticipation thereof or in connection therewith; and otherwise determined in accordance with generally accepted accounting principles for municipal enterprise funds.

“Outstanding” when used with reference to the Bonds and Additional Bonds means any of those bonds which are outstanding and unpaid; provided, however, such term shall not include any one or more of such Bonds or Additional Bonds (i) which have matured and for which moneys are on deposit with proper paying agents or are otherwise properly available, sufficient to pay all principal or redemption price thereof, or (ii) the provision for payment of which has been made by the Village by the deposit in an irrevocable trust or escrow of funds or direct, full faith and credit obligations of the United States of America, the principal of and interest on which will be sufficient to pay at maturity or as called for redemption all the principal or redemption price of and interest on the Bonds or Additional Bonds.

“Revenues” means all income from whatever source derived from the System, including (i) investment income; (ii) connection, permit and inspection fees and the like; (iii) penalties and delinquency charges; (iv) capital development, reimbursement, or recovery charges and the like; and (v) annexation or pre-annexation charges insofar as designated by the Board as paid for System connection or service; but excluding expressly (a) non-recurring income from the sale of property of the System; (b) governmental or other grants; (c) advances or grants made from the Village; and as otherwise determined in accordance with generally accepted accounting principles for municipal enterprise funds.

“System” refers to all property, real, personal or otherwise owned or to be owned by the Village or under the control of the Village, and used for waterworks and sewerage purposes, including the construction, additions and improvements constituting a part of the Project and any and all further extensions, improvements and additions to the System.

“System Revenues” means moneys to the credit of the Bond and Interest Subaccount within the Surplus Account of the Waterworks and Sewerage Fund, said Surplus Account consisting of the funds remaining in the Waterworks and Sewerage Fund after the required monthly deposits and credits have been made to the Operation and Maintenance Account, to the accounts for the outstanding revenue bonds of the Village, including revenue bonds of the Village evidencing loan agreements with the IEPA, the Depreciation Account and any other accounts as may be created in the future, of said Waterworks and Sewerage Fund.

“Waterworks and Sewerage Fund” or “Fund” means the Waterworks and Sewerage Fund of the Village.

SALES TAX REVENUES

A 1% Non-Home Rule Sales Tax was approved by referendum and went into effect January 1, 2007. Sales Tax Revenues will be the primary revenue source for the payment of debt service on the Bonds. For additional information on System Revenues, see **APPENDIX E**.

Historical Non-Home Rule Sales Tax(1)

<u>Year</u>	<u>Total</u>	<u>Percent Change</u>
2007.....	\$7,643,834	-----
2008.....	9,163,409	19.88%
2009.....	7,960,956	(13.12%)
2010.....	8,109,321	1.86%
2011.....	8,374,889	3.27%
2012.....	8,715,440	4.07%
2013.....	8,894,311	2.05%
2014.....	8,819,473	(0.84%)
2015.....	9,006,217	2.12%
2016.....	9,187,058	2.01%
2017.....	9,191,667	0.05%

Note: (1) Source: Illinois Department of Revenue and the Village.

Debt Service Coverage Table(1)

<u>Fiscal Year</u>	<u>Sales Tax Revenues (2)</u>	<u>The Bonds (3)</u>	<u>Total Debt Service Secured by the Sales Tax Revenues (3)</u>	<u>Debt Service Coverage</u>
2020.....	\$9,191,667	\$ 227,211	\$ 227,211	40.45
2021.....	9,191,667	1,095,900	1,095,900	8.39
2022.....	9,191,667	1,099,500	1,099,500	8.36
2023.....	9,191,667	1,102,000	1,102,000	8.34
2024.....	9,191,667	<u>1,092,000</u>	<u>1,092,000</u>	8.42
Total.....		\$4,616,611	\$4,616,611	

- Notes: (1) This debt service coverage table shows only Sales Tax Revenues. System Revenues are also pledged to the Bonds. The Village, however, anticipates paying debt service from Sales Tax Revenues. For System information, see **APPENDIX E**.
- (2) Based on all collections distributed to the Village from those taxes imposed by the Village pursuant to the Non-Home Rule Municipal Retailers' Occupation Tax Act and the Non-Home Rule Municipal Service Occupation Tax Act as reflected in the Village's audited financial statements for the fiscal year ended December 31, 2017. See **“RISK FACTORS - Finances of the State of Illinois”** for discussion of a currently imposed administration fee.
- (3) Reflects debt service due on July 1 of the previous year and January 1 of the year listed.

RISK FACTORS

The purchase of the Bonds involves certain investment risks. Accordingly, each prospective purchaser of the Bonds should make an independent evaluation of the entirety of the information presented in this Final Official Statement and its appendices and exhibits in order to make an informed investment decision. Certain of the investment risks are described below. The following statements, however, should not be considered a complete description of all risks to be considered in the decision to purchase the Bonds, nor should the order of the presentation of such risks be construed to reflect the relative importance of the various risks. There can be no assurance that other risk factors are not material or will not become material in the future.

Payment of the Bonds from the Pledged Revenues

The ability of the Village to pay the Bonds from the Pledged Revenues may be limited by circumstances beyond the control of the Village. There is no guarantee that the Pledged Revenues will continue to be available at current levels.

To the extent that Pledged Revenues are insufficient to pay the Bonds, the Bonds are to be paid from the Pledged Taxes. If the Pledged Taxes are ever extended for the payment of the Bonds, the amount of the Bonds then outstanding will be included in the computation of indebtedness of the Village for purposes of all statutory provisions or limitations until such time as an audit of the Village shows that the Bonds have been paid from the Pledged Revenues for a complete fiscal year. See **“Treatment of Bonds as Debt”** under **“DESCRIPTION OF CERTAIN PROVISIONS OF THE BOND ORDINANCE AND ESCROW AGREEMENT”** herein.

Finances of the State of Illinois

The State has experienced adverse fiscal conditions resulting in significant shortfalls between the State’s general fund revenues and spending demands. The State failed to enact a full budget for the State fiscal years ending June 30, 2016, and June 30, 2017, which had a significant, negative impact on the State’s finances, although certain spending occurred through statutory transfers, statutory continuing appropriations, court orders and consent decrees, including spending for elementary and secondary education. In addition, the underfunding of the State’s pension systems and a bill backlog of billions of dollars contributed to the State’s poor financial health. On July 6, 2017, the General Assembly of the State (the “General Assembly”) enacted a budget (the “Fiscal Year 2018 Budget”) for the State fiscal year ending June 30, 2018 (“State Fiscal Year 2018”), overriding the Governor’s veto. On May 31, 2018, the General Assembly passed a budget (the “Fiscal Year 2019 Budget”) for the State for fiscal year ending June 30, 2019 (“State Fiscal Year 2019”), and on June 4, 2018, the Governor approved the same.

Under current law, the State shares a portion of sales tax, income tax and motor fuel tax revenue with municipalities, including the Village. The State’s general fiscal condition and the underfunding of the State’s pension systems have materially adversely affected the State’s financial condition and may result in decreased or delayed revenues allocated to the Village. In addition, both the Fiscal Year 2018 Budget and the Fiscal Year 2019 Budget contain a provision reducing the amount of income tax revenue to be deposited into the Local Government Distributive Fund (“LGDF”) for distribution to municipalities, like the Village, by 10% (for State Fiscal Year 2018) and by 5% (for State Fiscal Year 2019). The Fiscal Year 2018 Budget and the Fiscal Year 2019 Budget also include a service fee for sales taxes imposed locally and collected on behalf of municipalities by the State, the same being 2% of such sales taxes (for State Fiscal Year 2018) and 1.5% of such sales taxes (for State Fiscal Year 2019). For State Fiscal Year 2019, the Village anticipates a reduction in income tax revenue of approximately \$205,000 as a result of the State’s reduction in LGDF distributions, and a reduction in sales tax revenue of approximately \$135,000 as a result of the State’s service fee on locally imposed sales taxes.

The Village can give no assurance that there will not be additional changes in applicable law modifying the manner in which local revenue sharing is allocated by the State.

Future Pension Plan Funding Requirements

The Village participates in the Police Pension Plan and the Fire Pension Plan, both as hereinafter defined. Under the Illinois Pension Code, as amended and supplemented from time to time (the “Pension Code”), the Village is required to contribute to each plan in order to achieve a Funded Ratio of 90% by 2040. In order to achieve the 90% Funded Ratio for both plans by 2040, it is expected that the annual employer contributions required by the Village will increase over time. The Village also participates in the Illinois Municipal Retirement Plan (the “IMRF Plan”), which is a defined benefit pension plan administered by the Illinois Municipal Retirement Fund (“IMRF”); employer contributions are projected by the IMRF to increase over time. Increasing annual required employer contributions for the Village could have a material adverse effect on the finances of the Village.

The Pension Code allows the State Comptroller, after proper procedures have taken place, to divert State payments intended for the Village to the Police Pension Plan and the Firefighters’ Pension Plan to satisfy contribution shortfalls by the Village. If the Village does not make 100% of its annual required contributions to the Police Pension Plan and Firefighters’ Pension Plan, the Village may have revenues withheld by the State Comptroller. Such withholdings by the State Comptroller could adversely affect the Village’s financial health and operations.

Cybersecurity

Computer networks and data transmission and collection are vital to the efficient operation of the Village. Despite the implementation of network security measures by the Village, its information technology and infrastructure may be vulnerable to deliberate attacks by hackers, malware, ransomware or computer virus, or may otherwise be breached due to employee error, malfeasance or other disruptions. Any such breach could compromise networks and the information stored thereon could be disrupted, accessed, publicly disclosed, lost or stolen. Although the Village does not believe that its information technology systems are at a materially greater risk of cybersecurity attacks than other similarly-situated governmental entities, any such disruption, access, disclosure or other loss of information could have an adverse effect on the Village’s operations and financial health. Further, as cybersecurity threats continue to evolve, the Village may be required to expend significant additional resources to continue to modify and strengthen security measures, investigate and remediate any vulnerabilities, or invest in new technology designed to mitigate security risks.

Local Economy

The financial health of the Village is in part dependent on the strength of the local economy. Many factors affect the local economy, including rates of employment and economic growth and the level of residential and commercial development. It is not possible to predict to what extent any changes in economic conditions, demographic characteristics, population or commercial and industrial activity will occur and what impact such changes would have on the finances of the Village.

Secondary Market for the Bonds

No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The Underwriter (as defined herein) is not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof.

Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

Limited Continuing Disclosure

A failure by the Village to comply with the Undertaking (as defined herein) will not constitute a default under the Bond Ordinance and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. See **“THE UNDERTAKING - Consequences of Failure of the Village to Provide Information”**. The Village must report any failure to comply with the Undertaking in accordance with Rule 15c2-12 (the “Rule”) adopted by the Securities and Exchange Commission (the “Commission”) under the Securities Exchange Act of 1934, as amended (the “1934 Act”). Any broker, dealer or municipal securities dealer must consider such report before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Suitability of Investment

The interest rates borne by the Bonds are intended to compensate the investor for assuming the risk of investing in the Bonds. Each prospective investor should carefully examine this Final Official Statement and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Bonds are an appropriate investment for such investor.

Future Changes in Laws

Various state and federal laws, regulations and constitutional provisions apply to the Village and to the Bonds. The Village can give no assurance that there will not be a change in, interpretation of, or addition to such applicable laws, provisions and regulations which would have a material effect, either directly or indirectly, on the Village, or the taxing authority of the Village. For example, many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by state government. Future actions of the State may affect the overall financial conditions of the Village, the taxable value of property within the Village, and the ability of the Village to levy property taxes or collect revenues for its ongoing operations.

Bankruptcy

The rights and remedies of the Bondholders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws or equitable principles that may affect the enforcement of creditors’ rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The various opinions of counsel to be delivered with respect to the Bonds will be similarly qualified.

THE VILLAGE

General Information

The Village is located in the central portion of DuPage County (the “County”) approximately midway between Lake Michigan and the Fox River Valley. Located some 20 miles west of downtown Chicago, the Village neighbors the communities of Addison (north), Villa Park (east), Downers Grove (south), and Glen Ellyn (west). The Village covers approximately 10 square miles. Metra’s Union Pacific commuter depot is located in the center of town. In addition, Lombard is served by PACE bus transportation. The North-South (I-355) and East-West (I-88) tollways are located along the Village’s west and south borders respectively, providing convenient ground transportation to anywhere in the Chicago metropolitan area. The 1970 Census figure for the Village was 35,971; the 1980 Census reported the Village population to be 37,295 and in 1987 a special census recorded 38,080. The 1990 Census figure for the Village was 39,408, indicating a slowly growing population, and a 1995 special census recorded the Village’s population at 40,870. The 2000 Census reported the Village’s population at 42,322 and a special census in 2006 recorded a population of 43,894. The 2010 Census reported the Village’s population at 43,395. According to the U.S. Census Bureau, the County is ranked first among counties in family income in the State.

The Village is a well-established community that celebrated its quaquicentennial (125th) birthday in 1994. Each May, the Village celebrates its annual Lilac Festival, which it has done since 1935, featuring the traditional Lilac Parade, coronation, concert and the Lilac Ball. The Village began its association with lilacs in 1911 when Colonel William and Helen Plum planted 450 lilac bushes on their estate. The estate was later willed to the Village and it now presents 1,300 bushes of 200 varieties of lilacs, and 75,000 tulips of 50 types on 8.5 acres, to approximately 75,000 visitors each year.

The Village has been home to several important individuals, including: Harriet and Sheldon Peck, who were a part of the Underground Railroad during the Civil War; their son, Charles Peck, who founded the Chicago Academy of Design, which later became the Art Institute of Chicago; Harold Gray, a Chicago Tribune cartoonist who created Little Orphan Annie; and Daniel Tani, a NASA Astronaut.

The Village is also noted for the Lombard Park District (the “Park District”), which was established over sixty-five years ago and has over 450 acres of land. Many amenities are available for the residents, including fishing in Terrace View lagoon; numerous sports facilities, including basketball, soccer, baseball, softball and tennis; and other open areas for playgrounds, walking/jogging tracks, picnic areas and sledding hills. Also, Western Acres Golf Course is the Park District's 9-hole golf course for players of all ages and ability levels. In 2018, the Park District constructed the Madison Meadow Athletic Center, a 38,000 square foot athletic facility consisting of a fitness center, two fitness studios, two basketball courts, and an indoor track. The Paradise Bay Water Park (the “Water Park”), which replaced the Moran Water Park, opened in June 2009. A referendum for the Water Park was approved by voters in March 2008.

Other recreational activities are available for all ages through the Sunset Knoll Recreation Center located on Finley Road. They include pre-school programs, gymnastic classes, drama and dance programs, senior game room, summer camps and more. Overall, the Park District prides itself on providing ample recreational opportunities for its community.

Location, access, available land and facilities, and reliable sewer and water resources combine to contribute to the Village's strong economic base. The I-88 East-West Research and Development Corridor and Lombard's 22nd Street along the Village's southern border are home to modern office buildings and corporate clients. Three business parks located in the Village - Oak Creek, Woodlake and Yorkbrook - offer quality office, warehouse and light assembly space options. In addition, industrial parks along the Village's northern boundary are conveniently located along North Avenue with easy truck access to I-355 and I-294. These parks offer convenient and affordable sites for business.

Roosevelt Road, an east-west regional arterial, traverses the middle of the community and accommodates more than 45,000 cars per day. Roosevelt Road is home to both large national chains located in modern commercial centers and smaller, privately owned commercial establishments. In addition, the Village's two major auto dealerships, Toyota and Cadillac, are also located on Roosevelt Road. Each of these dealerships has completed major renovations or expansions since 2002. Additional retail options include strip malls and retail centers located throughout the Village such as High Point Centre, Lombard Pines Plaza, Yorktown Center, Northgate, Lombard Landings and Eastgate Shopping Centers and Fountain Square. The Village approved an economic incentive agreement in 2016 to bring a Mariano's grocery store to Lombard, replacing the Kmart that had been shuttered for several years. Traffic signal improvements at this intersection along Roosevelt Road also were made as part of this redevelopment, improving traffic flow at the intersection.

With close access to and from both I-88 and I-355 tollways, major retailers take advantage of Lombard's Yorktown Center regional mall anchored by Von Maur and J.C. Penney. Yorktown Center, an enclosed mall located on 120 acres of property, is one of the Chicagoland's major regional shopping malls. Yorktown recently partnered with GrayStar Development to begin construction of two developments on the outskirts of the mall: Elan, a 295 unit multi-family market-rate complex; and Overture, a 55 and over active adult living community with 175 units. AMC Yorktown theater completed an almost \$6 million renovation in early 2015, becoming the first AMC dine-in theater in the State. Also in the area, the 27 acre Northern Seminary property is currently for sale. This property sits between Yorktown Center and Fountain Square, a 50-acre parcel that was developed in the early 2000's and consists of mixed-use development including approximately 242 luxury condominiums, the Hyatt Place Hotel, and several restaurants including Weber Grill, P.F. Changs, Uncle Julio's Hacienda, and Yardhouse, which will be opening late July 2018. The retail establishments include Dick's Sporting Goods, Jared Jewelry, and Ethan Allen Furniture.

The Village established a tax increment financing ("TIF") district in 2017 that includes a portion of Yorktown Center and the Northern Seminary property. This was done to help facilitate redevelopment of the Northern Seminary property and provide funding for infrastructure improvements that will be needed in the area. Land is still available surrounding Yorktown and future planning includes space for new restaurants, retail establishments and multi-family housing. The Village and the owners of Yorktown Center work closely together in planning for the future changes that are happening in the retail landscape, and how to best position the area for long-term success in a challenging retail environment.

Government and Services

By referendum in 1955, the Village adopted the managerial form of government whereby policy is established by the elected (at-large) President and Board of six Trustees (elected from Districts). The day-to-day operations of the Village are the responsibility of the Village Manager.

Village services are provided by 235 full-time and 47 part-time or seasonal employees. The fire department currently has 65 firefighters, which include the lieutenants, battalion chiefs, deputy chief and chief. The fire department's 22 vehicles are housed in 2 fire stations. The police department consists of 67 police officers, including the lieutenants, deputy chiefs and chief, and operates out of one station.

The Village placed a non-home rule sales tax referendum on the March 2006 ballot. The residents of the Village approved this referendum. After the referendum passed, the Board adopted an ordinance imposing a 1% non-home rule sales tax. The approval of the non-home rule sales tax referendum has allowed the Village to fund necessary services, especially in the area of public safety, freeze the capital portion of the water and sewer rate for ten years and provide the flexibility to meet future Village operating needs. Also, in January 2017, a 1% increase in the Village's Places for Eating tax became effective. This rate increase was expected to generate an additional \$1.6 million for the Village, allowing the Village to continue to provide core services to residents and businesses of the community.

Utilities

The Village owns its water supply and distribution system and a sanitary sewage collection system. Sewage treatment is the responsibility of the Glenbard Wastewater Authority, which the Village owns jointly with the Village of Glen Ellyn. The Village's water supply is obtained from the DuPage Water Commission, which supplies Lake Michigan water. The Village has a separate storm sewer system. Other utilities serving the Village include: Comcast, AT&T, ComEd and Nicor. The Village has made a significant investment into water, sanitary sewer and stormwater projects over the past 10 years. One of the major projects in process during 2018 is the replacement of all residential water meters. The current meters are approximately 25 years old, and have recently begun to experience a significant failure rate. Replacement of these meters will allow the Village to capture more accurate water sales, and likely result in increased revenue.

Education

Elementary School District 44, with an enrollment of approximately 3,100, and Elementary School District 45, with an approximate enrollment of 3,400, are the main elementary school districts to serve the resident population of the community. Both districts offer special education, computer education and gifted classes, as well as, art, music and industrial arts programs. There are three high school districts that serve the community. DuPage High School District Number 87 has an enrollment of some 7,900 students and maintains four facilities which serve Village residents in Glenbard North, Glenbard South, Glenbard East and Glenbard West. High School District Number 88, which includes Addison Trail High School and Willowbrook High School, has an enrollment of approximately 3,900. High School District Number 99, which includes Downers Grove North and Downers Grove South High Schools, has an enrollment of some 5,100 students.

The College of DuPage ("COD"), Community College District Number 502, is located in the Village of Glen Ellyn and has an enrollment of over 36,000 full and part-time students. COD is the largest community college in the State in terms of enrollment. Educational programs in over 80 areas of study include associate degrees, college transfer classes, occupational and vocational programs, continuing education, and special programs such as the Older Adult Institute and the Business and Professional Institute. The main campus covers 273 acres in Glen Ellyn. COD employs approximately 2,500 full and part-time employees. Village residents have access to other colleges and universities, both public and private, throughout the Chicago metropolitan area.

Transportation

I-88 is on the Village's southern boundary, and I-355 runs along the Village's western boundary. I-294 is approximately 4 miles to the east and I-290 is approximately 3 miles to the north. RTA, Pace and Metra services are also available. By car, the Loop is 45 minutes away. Drive time to Midway Airport is an hour and O'Hare Airport is approximately 20 minutes away. Commuter express trains from the Village reach the Loop in 30 minutes, locals in 45 minutes.

Hotels

The Village currently has ten hotels: Comfort Suites, Fairfield Inn & Suites, Embassy Suites Hotel, Marriott TownePlace Suites, two Extended Stay Americas, Hyatt Place, Sonesta Extended Stay Suites, SureStay Plus, and the Westin. These hotels provide over 1,700 guestrooms as well as meeting and conference space. In addition, a Holiday Inn Express has received zoning entitlements to build a 96 room hotel. There is also one additional hotel currently in the process of seeking zoning entitlements for a 96 room hotel.

Library

The Helen M. Plum Memorial Library houses over 190,000 books, 4,100 videos, 11,800 audio recordings and 400 periodical titles in a 32,000 square foot building. Total circulation is some 450,000 items. The number of current cardholders is 18,500.

Village Support of the Westin Lombard Yorktown Center

In order to promote its economic development and redevelopment, the Village has actively supported the construction and operation of the Westin Lombard Yorktown Center (the “Conference Center”), a convention and meeting facility in the Village adjacent to the Yorktown Center regional shopping mall. The Conference Center, which opened in August, 2007, includes 500 hotel guest rooms and 45 meeting rooms, and has total meeting space of 39,135 square feet.

The Conference Center is owned and operated by the Lombard Public Facilities Corporation (the “LPFC”), an Illinois not-for-profit corporation, and was initially financed by various series of revenue bonds issued by the LPFC in 2005. The hotel and restaurant at the Conference Center are managed for the LPFC by private entities. The Village had certain rights to approve directors of the LPFC and to approve the issuance of its obligations. Due to economic conditions since the opening of the Conference Center, the LPFC underwent a federal Chapter 11 bankruptcy restructuring, and the restructuring plan was made effective by the court on March 15, 2018 (the “Restructuring Plan”).

As part of the Restructuring Plan, the owners of the original bonds and a credit enhancer of a portion of the original bonds agreed to a reissuance of and consented to changed payment terms of the original bonds, as well as agreeing to enter into a Restructuring Support Agreement dated as of July 25, 2017 (the “RSA”) with the Village and the LPFC, intending to settle and release various financial disputes and issues and to provide a framework for new or amended agreements relating to the operation and management of the Conference Center. Pursuant to the RSA, the Village created a TIF district in 2017, which includes the Conference Center and has agreed, under certain conditions, to enter into a tax increment redevelopment agreement with the LPFC concerning the use of future incremental property tax revenues and to issue a redevelopment revenue note to the LPFC, if certain redevelopment project costs are expended by the LPFC prior to September 15, 2019. If the redevelopment note is issued, the Village is obligated to pay a termination payment no later than October 31, 2027, which payment amount would relate to outstanding principal and accrued, but unpaid, interest in accordance with the terms of the RSA. The Village has also pledged certain sales taxes to the LPFC (being proceeds of the taxes imposed by the State pursuant to the Service Occupation Tax Act and the Retailers’ Occupation Tax Act and distributed to the Village), a places for eating tax and hotel/motel tax revenues derived from operations at the Conference Center as a rebate towards payment of future capital improvements at the Conference Center and then to pay certain of the reissued bonds. The rebate consists of the specific taxes mentioned that are generated at this particular property back to the LPFC on a semi-annual basis.

The LPFC has filed information concerning the executed version of the RSA on the EMMA website. Other than its agreement to enter into a redevelopment agreement and its related note and the use of Village funds as described above, the Village has no other financial obligations with respect to the LPFC and its financings related to the Conference Center. The obligations of the Village under the RSA do not compel the Village to levy additional taxes.

SOCIOECONOMIC INFORMATION

The following statistics principally pertain to the Village with additional comparisons with the County and the State.

Employment

Substantial employment is available in surrounding communities, the “Research and Development Corridor” immediately south of the Village, and throughout the Chicago metropolitan area. Numerous employers are located within the Village and in surrounding communities.

The following employment data show a consistently diverse and strong growth trend for employment in DuPage County. These data are **NOT** comparable to similar U.S. Census statistics, which would include government employment, and establishments not covered by the Illinois Unemployment Insurance Program, and could classify employment categories differently.

DuPage County Private, Non-Agricultural Employment Covered by the Illinois Unemployment Insurance Act(1)

	(Data as of March for each Year)				
	2013	2014	2015	2016	2017
Farm, Forestry, Fisheries	322	341	316	448	419
Mining and Quarrying	253	269	276	278	274
Construction	19,459	21,631	23,613	25,510	25,124
Manufacturing	53,073	53,269	55,224	55,017	55,641
Transportation, Communications, Utilities	35,232	34,486	34,863	35,981	38,673
Wholesale Trade	49,281	51,638	51,530	49,888	50,944
Retail Trade	61,834	62,292	59,960	60,072	61,065
Finance, Insurance, Real Estate	40,012	39,785	39,882	39,934	40,044
Services (2)	<u>270,266</u>	<u>278,525</u>	<u>278,699</u>	<u>287,722</u>	<u>292,950</u>
Total	529,732	542,236	543,363	554,850	565,134

- Notes: (1) Source: Illinois Department of Employment Security.
 (2) Includes unclassified establishments.

Following are lists of large employers located in the Village and in the surrounding area. Additional employment opportunities are available to Village residents throughout the Chicago metropolitan area.

Major Village Employers(1)

<u>Name</u>	<u>Product/Service</u>	<u>Approximate Employment</u>
Acosta Sales & Marketing	Food Brokers	500
Adjustable Forms, Inc.	Concrete Shell Contractors	350
Imperial Service Systems, Inc.	Janitorial Service Contractor	300
Waste Management Inc.	Waste Paper Brokerage	300
West Suburban Bancorp, Inc.	Corporate Headquarters, Consumer and Commercial Banking	300
Dearborn National Life Insurance Co.	Insurance Carrier	299
Andy Frain Services, Inc.	Commercial Security Guard Services	250
Break Thru Demolition	Demolition Contractor	200
CorpTrav	Travel Management	200
Draper & Kramer Mortgage Co.	Mortgage Services	200
Rolta TUSC, Inc.	Computer System Integration	200
Waste Management	Garbage Collection and Removal	200
Healthcare Solutions, LLC	Healthcare Insurance Providers	200
Valdes Engineering Co.	Engineering, Architecture and Piping Design Services	175
FIS	Investment Software Development	175
Line Craft, Inc.	Industrial Machinery	155
Demar Direct, Inc.	Direct Mail Services	150
U Marketing, LLC	Marketing Services	150

Note: (1) Source 2018 Illinois Manufacturers Directory, 2018 Illinois Services Directory, and a selective telephone survey.

Major Area Employers(1)

Location	Name	Product/Service	Approximate Employment
Downers Grove.....	The HAVI Group, L.P.	Headquarters; Frozen Packaged Foods and Disposable Food Service Materials.....	9,000
Downers Grove.....	DuPage Medical Group	Specialty Care Physician Medical Group.....	3,200
Elmhurst.....	Edward-Elmhurst Healthcare	General Hospital	2,758
Downers Grove.....	Advocate Good Samaritan Hospital	Hospital and Health Care Services.....	2,700
Oak Brook.....	McDonald's Corporation	Fast Food Restaurant Chain Headquarters.....	2,100
Addison.....	United Parcel Service, Inc.	Parcel Delivery Service.....	1,400
Downers Grove.....	Adtalem Global Education.....	Computer Information Education Services.....	1,306
Addison.....	The Pampered Chef Ltd.	Kitchen Tools Distributor.....	950
Oak Brook.....	Novipax, LLC.....	Headquarters; Polystyrene Foam Food Trays and Absorbent Pads	900
Elmhurst.....	Elmhurst Community S.D. #205	Public School District	850
Elmhurst.....	McMaster-Carr Supply Co.	Mail Order Sales	800
Oak Brook.....	Advocate Home Health Services	Home Health Care	800
Downers Grove.....	Ambitech Engineering Corp.	Project and Construction Management Services.....	750
Downers Grove.....	Hearthside Food Solutions, LLC.....	Headquarters; Dried Food Processing.....	720

Note: (1) Source: 2018 Illinois Manufacturers Directory, 2018 Illinois Services Directory and a selective telephone survey.

The following tables show employment by industry and by occupation for the Village, the County, and the State as reported by the U.S. Census Bureau 2012-2016 American Community Survey 5-year estimated values.

Employment By Industry(1)

Classification	The Village		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, Forestry, Fishing and Hunting, and Mining	101	0.4%	965	0.2%	65,146	1.1%
Construction	1,078	4.7%	22,217	4.6%	317,245	5.2%
Manufacturing	2,558	11.1%	59,904	12.4%	763,429	12.4%
Wholesale Trade	755	3.3%	18,673	3.9%	187,477	3.1%
Retail Trade	2,637	11.4%	50,046	10.4%	670,576	10.9%
Transportation and Warehousing, and Utilities	1,511	6.6%	27,572	5.7%	370,802	6.0%
Information	513	2.2%	12,692	2.6%	121,338	2.0%
Finance, Insurance, Real Estate, and Rental and Leasing	1,740	7.6%	43,104	8.9%	448,924	7.3%
Professional, Scientific, Management, Administrative and Waste Management Services	3,084	13.4%	70,501	14.6%	709,106	11.6%
Educational, Health and Social Services	5,083	22.1%	100,905	20.9%	1,404,905	22.9%
Arts, Entertainment, Recreation, Accommodation and Food Services	2,141	9.3%	41,498	8.6%	556,087	9.1%
Other Services (Except Public Administration)	1,213	5.3%	23,375	4.8%	291,022	4.7%
Public Administration	624	2.7%	11,398	2.4%	228,064	3.7%
Total	23,038	100.0%	482,850	100.0%	6,134,121	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2012 to 2016.

Employment By Occupation(1)

Classification	The Village		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Management, Business, Science and Arts	10,683	46.4%	217,828	45.1%	2,280,198	37.2%
Service	3,248	14.1%	63,863	13.2%	1,062,499	17.3%
Sales and Office	5,590	24.3%	124,582	25.8%	1,489,090	24.3%
Natural Resources, Construction, and Maintenance	1,484	6.4%	25,940	5.4%	443,197	7.2%
Production, Transportation, and Material Moving	2,033	8.8%	50,637	10.5%	859,137	14.0%
Total	23,038	100.0%	482,850	100.0%	6,134,121	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2012 to 2016.

Unemployment Rates

The following table shows the trend in annual average unemployment rates for the Village, the County and the State.

Annual Average Unemployment Rates(1)

Calendar Year	The Village	The County	The State
2008	5.3%	5.0%	6.3%
2009	9.1%	8.6%	10.2%
2010	8.8%	8.9%	10.4%
2011	8.3%	8.2%	9.7%
2012	7.3%	7.5%	9.0%
2013	7.3%	7.4%	9.0%
2014	5.7%	5.7%	7.1%
2015	4.7%	4.7%	6.0%
2016	4.6%	4.7%	5.8%
2017	3.9%	4.1%	5.0%
2018 (2)	3.2%	3.3%	4.3%

Notes: (1) Source: Illinois Department of Employment Security.
 (2) Preliminary rates for the month of July 2018.

Building Permits

Single-family building permits have averaged \$331,059 over the last three full years in the Village, excluding the value of land.

Village Building Permits(1) (Excludes the Value of Land)

Calendar Year	Single-Family		Commercial		Total	
	Number	Value	Number	Value	Number	Value
2008	17	\$5,003,000	7	\$ 12,419,600	24	\$ 17,422,600
2009	16	4,151,000	0	0	16	4,151,000
2010	6	1,560,000	2	950,000	8	2,510,000
2011	14	3,255,000	3	11,490,000	17	14,745,000
2012	16	3,757,538	3	7,965,070	19	11,722,608
2013	42	6,215,697	0	0	42	6,215,697
2014	16	3,339,840	4	4,344,536	20	7,684,376
2015	14	5,571,477	2	30,461,106	16	36,032,583
2016	20	6,153,224	5	15,933,631	25	22,086,855
2017	20	6,152,470	7	155,662,984	27	161,815,454
2018 (2)	16	5,159,000	1	2,500,000	17	7,659,000

Notes: (1) Source: the Village. Includes only Single-Family and Commercial building permits.
 (2) Permits as of July 16, 2018.

Housing

The U.S. Census Bureau 5-year estimated values reported that the median value of the Village's owner-occupied homes was \$240,600. This compares to \$283,500 for the County and \$174,800 for the State. The following table represents the five year average market value of specified owner-occupied units for the Village, the County and the State at the time of the 2012-2016 American Community Survey.

Home Values(I)

Value	The Village		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Under \$50,000.....	274	2.2%	5,473	2.2%	236,380	7.5%
\$50,000 to \$99,999.....	781	6.2%	10,104	4.1%	514,549	16.2%
\$100,000 to \$149,999.....	794	6.3%	18,637	7.5%	527,244	16.6%
\$150,000 to \$199,999.....	2,062	16.4%	31,924	12.9%	520,909	16.4%
\$200,000 to \$299,999.....	5,663	44.9%	68,547	27.7%	643,217	20.3%
\$300,000 to \$499,999.....	2,598	20.6%	73,679	29.8%	479,792	15.1%
\$500,000 to \$999,999.....	411	3.3%	31,389	12.7%	196,189	6.2%
\$1,000,000 or more.....	24	0.2%	7,402	3.0%	48,801	1.5%
Total	12,607	100.0%	247,155	100.0%	3,167,081	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2012 to 2016.

Mortgage Status(I)

Mortgage Status	The Village		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Housing Units with a Mortgage.....	8,474	67.2%	173,367	70.1%	2,071,942	65.4%
Housing Units without a Mortgage....	4,133	32.8%	73,788	29.9%	1,095,139	34.6%
Total	12,607	100.0%	247,155	100.0%	3,167,081	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2012 to 2016.

Income

Per Capita Personal Income for the Highest Income Counties in the State(I)

Rank		2012 to 2016
1	Lake County.....	\$40,655
2	DuPage County	40,547
3	Monroe County	35,699
4	McHenry County	34,589
5	Piatt County	33,197
6	Putnam County	32,584
7	Woodford County	32,360
8	Will County	32,311
9	Cook County	32,179
10	Kendall County	31,920
11	Sangamon County	31,904
12	Kane County	31,774

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2012 to 2016.

The following shows the median family income for counties in the Chicago metropolitan area.

Ranking of Median Family Income(I)

County	Family Income	Rank
DuPage County	\$100,467	1
Lake County	97,079	2
Kendall County	93,135	3
McHenry County	92,187	4
Will County	90,541	5
Kane County	83,680	8
Cook County	70,076	20

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2012 to 2016.

The U.S. Census Bureau 5-year estimated values reported that the Village had a median family income of \$84,229. This compares to \$100,467 for the County and \$73,714 for the State. The following table represents the distribution of family incomes for the Village, the County and the State at the time of the 2012-2016 American Community Survey.

Family Income(I)

Income	The Village		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Under \$10,000.....	318	2.8%	4,896	2.1%	132,725	4.3%
\$10,000 to \$14,999.....	186	1.6%	2,835	1.2%	80,194	2.6%
\$15,000 to \$24,999.....	360	3.2%	8,608	3.6%	209,560	6.7%
\$25,000 to \$34,999.....	743	6.5%	11,820	5.0%	238,239	7.6%
\$35,000 to \$49,999.....	1,052	9.3%	20,443	8.6%	366,398	11.7%
\$50,000 to \$74,999.....	2,147	18.9%	35,450	14.9%	559,852	17.9%
\$75,000 to \$99,999.....	2,023	17.8%	34,339	14.4%	458,296	14.7%
\$100,000 to \$149,999.....	2,602	22.9%	54,152	22.7%	568,779	18.2%
\$150,000 to \$199,999.....	1,086	9.6%	29,503	12.4%	248,870	8.0%
\$200,000 or more.....	833	7.3%	36,155	15.2%	259,684	8.3%
Total.....	11,350	100.0%	238,201	100.0%	3,122,597	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community 5-year estimates 2012 to 2016.

The U.S. Census Bureau 5-year estimated values reported that the Village had a median household income of \$73,201. This compares to \$81,521 for the County and \$59,196 for the State. The following table represents the distribution of household incomes for the Village, the County and the State at the time of the 2012-2016 American Community Survey.

Household Income(I)

Income	The Village		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Under \$10,000.....	837	4.8%	12,998	3.8%	341,280	7.1%
\$10,000 to \$14,999.....	414	2.4%	7,932	2.3%	212,171	4.4%
\$15,000 to \$24,999.....	887	5.1%	20,909	6.2%	463,092	9.6%
\$25,000 to \$34,999.....	1,603	9.2%	22,970	6.8%	439,726	9.2%
\$35,000 to \$49,999.....	1,895	10.9%	36,122	10.7%	605,086	12.6%
\$50,000 to \$74,999.....	3,261	18.8%	55,454	16.4%	842,052	17.5%
\$75,000 to \$99,999.....	2,992	17.2%	46,329	13.7%	612,265	12.7%
\$100,000 to \$149,999.....	3,261	18.8%	64,529	19.0%	698,513	14.5%
\$150,000 to \$199,999.....	1,289	7.4%	32,608	9.6%	289,346	6.0%
\$200,000 or more.....	952	5.5%	39,136	11.5%	298,593	6.2%
Total.....	17,391	100.0%	338,987	100.0%	4,802,124	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community 5-year estimates 2012 to 2016.

Retail Activity

The table below shows the distribution of the municipal portion of the Retailers' Occupation and Service Occupation Tax ("Sales Tax") collected by the Department from retailers within the Village. The table indicates the level of retail activity in the Village.

Retailers' Occupation and Service Occupation Tax(1)

State Fiscal Year Ending June 30	State Sales Tax Distributions(2)	Annual Percentage Change + (-)
2008.....	\$11,281,215	3.98% (3)
2009.....	10,621,844	(5.84%)
2010.....	9,863,141	(7.14%)
2011.....	10,272,143	4.15%
2012.....	10,874,779	5.87%
2013.....	10,873,205	(0.01%)
2014.....	10,865,247	(0.07%)
2015.....	11,445,127	5.34%
2016.....	11,736,830	2.55%
2017.....	11,876,572	1.19%

- Notes:
- (1) Source: Illinois Department of Revenue.
 - (2) Tax distributions are based on records of the Department relating to the 1% municipal portion of the Retailers' Occupation, Service Occupation and Use Tax, collected on behalf of the Village, less a State administration fee. The municipal 1% portion includes tax receipts from the sale of food and drugs which are not taxed by the State. See "RISK FACTORS - Finances of the State of Illinois" for discussion of a currently imposed administration fee.
 - (3) The 2008 percentage change is based on 2007 sales tax of \$10,849,680.

THE PROJECT

Bond proceeds will be used to (i) finance the costs of improving the System including (a) the repurposing of the existing Central Station Reservoir (the "Central Station Reservoir Improvement Project"), and (b) the rehabilitation of three sections of water mains on Elizabeth Street, Lynne Lane and Grace Street (the "Water Main Rehabilitation Project" and together with the Central Station Reservoir Project, the "Project"), (ii) pay capitalized interest on the Bonds through January 1, 2020, and (iii) pay the costs of issuance of the Bonds.

Central Station Reservoir Improvement Project: The existing Central Station Reservoir was originally constructed in 1935. This portion of the Project includes the demolition of the existing 600,000 gallon reservoir and pump station and the construction of a new 68' x 60' building, which will include a laboratory for water testing, air conditioned storage space for the Public Works Department and Fire Department and indoor vehicle storage areas. The existing reservoir will be converted into commuter parking upon completion of this portion of the Project. An additional 18 parking spaces will be created to serve the commuter operations and downtown shopping district.

Water Main Rehabilitation Project: This portion of the Project includes the rehabilitation of three sections of water main that serve the Village's water distribution system. The rehabilitation method will be conducted either through cured in place pipe (CIPP) or the spray liner technique. The three sections of water main rehabilitation will not require by-pass pumping as there are no direct taps off of the mains. The three sections are defined below.

- Elizabeth Street Water Main – Three hundred (300) feet of six (6) inch water main running underneath the Union Pacific Railroad have been abandoned due to the condition of the main. The lining of the main would allow the Village to place the main back in service and provide additional connectivity between the north and south sides of the railroad tracks, which will improve reliability and operations.
- Lynne Lane Water Main – Four hundred (400) feet of eight (8) inch water main have a number of breaks that impact the operation of the Village's water system.

- Grace Street Water Main – One hundred and sixty (160) feet of twelve (12) inch water main running underneath the Union Pacific Railroad have been abandoned due to condition of the main. The lining of the main would allow the Village to place the main back in service and provide additional connectivity between the north and south sides of the railroad tracks, which improve reliability and operations.

The Project is expected to be completed October 2018 for the water main projects and April 2019 for the Central Station Reservoir Improvement Project.

SHORT-TERM BORROWING

The Village has not issued tax anticipation warrants or revenue anticipation notes during the last five years to meet its short-term current year cash flow requirements.

DEBT INFORMATION

After issuance of the Bonds, the Village will have outstanding \$6,951,000 principal amount of general obligation debt. The Village has outstanding \$10,393,075 IEPA loans as of December 31, 2017.

The Village does not intend to issue additional debt within the next twelve months.

General Obligation Debt(1) (Principal Only)

Calendar Year	Debt	Debt	The	Total	Cumulative Retirement	
	Certificates	Certificates			Bonds	Outstanding
	Series 2009	Series 2013		Debt		
2018	\$160,000	\$ 740,000	\$ 0	\$ 900,000	\$ 900,000	12.95%
2019	335,000	1,311,000	0	1,646,000	2,546,000	36.63%
2020	0	505,000	0	505,000	3,051,000	43.89%
2021	0	0	910,000	910,000	3,961,000	56.98%
2022	0	0	950,000	950,000	4,911,000	70.65%
2023	0	0	1,000,000	1,000,000	5,911,000	85.04%
2024	0	0	1,040,000	1,040,000	6,951,000	100.00%
Total	\$495,000	\$2,556,000	\$3,900,000	\$6,951,000		

Note: (1) Source: the Village.

Detailed Overlapping Bonded Debt(I)
 (As of May 14, 2018)

	Outstanding Debt	Applicable to the Village	
		Percent (2)	Amount
Schools:			
School District Number 4	\$ 8,390,000	5.53%	\$ 463,698
School District Number 15	38,395,000	0.89%	342,988
School District Number 41	23,755,000	1.74%	414,248
School District Number 44	8,572,500	82.96%	7,111,878
School District Number 45	32,702,070	32.34%	10,575,098
School District Number 58	12,579,958	1.10%	138,143
School District Number 89	13,600,000	8.45%	1,149,490
High School District Number 87	65,105,000	19.30%	12,562,040
High School District Number 88	84,035,000	13.91%	11,688,384
High School District Number 99	18,121,560	0.68%	122,887
Community College District Number 502	227,460,000	3.46%	<u>7,863,422</u>
Total Schools			\$52,432,276
Other:			
DuPage County	\$160,900,000	3.85%	\$ 6,199,249
DuPage County Forest Preserve District	111,117,382	3.85%	4,281,195
DuPage Water Commission	0	4.26%	0
DuPage Airport Authority	0	4.05%	0
Lombard Park District	7,215,000	97.66%	7,046,025
Butterfield Park District	4,230,000	23.03%	974,016
Glen Ellyn Park District	3,030,000	1.46%	44,109
Oak Brook Park District	0	0.16%	0
York Center Park District	310,000	39.37%	122,032
Village of Lombard TIF	0	100.00%	0
Lombard Special Service Area Number 2	0	100.00%	0
Lombard Special Service Area Number 4	0	100.00%	0
Lombard Special Service Area Number 5	0	100.00%	0
Lombard Special Service Area Number 6	0	100.00%	0
Total Other			<u>\$18,666,626</u>
Total Schools and Other Overlapping Bonded Debt			\$71,098,902

- Notes: (1) Source: DuPage County Clerk. Includes alternate revenue source bonds.
 (2) Overlapping debt percentages based on 2017 equalized assessed valuation ("EAV"), the most current available.

Statement of Bonded Indebtedness(I)

	Amount Applicable	Ratio To		Per Capita (2010 Census Pop. 43,165)
		Equalized Assessed	Estimated Actual	
Village EAV of Taxable Property, 2017	\$1,473,640,391	100.00%	33.33%	\$ 34,139.71
Estimated Actual Value, 2017	\$4,420,921,173	300.00%	100.00%	\$102,419.12
Total Direct Bonded Debt (2)	\$ 6,951,000	0.47%	0.16%	\$ 161.03
Overlapping Bonded Debt (3):				
Schools	\$ 52,432,276	3.56%	1.19%	\$ 1,214.69
All Other	<u>18,666,626</u>	<u>1.27%</u>	<u>0.42%</u>	<u>432.45</u>
Total Overlapping Bonded Debt	<u>\$ 71,098,902</u>	<u>4.82%</u>	<u>1.61%</u>	<u>\$ 1,647.14</u>
Total Direct and Overlapping Bonded Debt (2)	\$ 78,049,902	5.30%	1.77%	\$ 1,808.18

- Notes: (1) Source: DuPage County Clerk.
 (2) Includes the Bonds.
 (3) Overlapping debt as of May 14, 2018.

Legal Debt Margin(I)

2017 Equalized Assessed Valuation.....		\$1,473,640,391
Statutory Debt Limitation (8.625% of EAV).....		127,101,484
Debt Certificates:		
Series 2009	\$ 495,000	
Series 2013	<u>2,556,000</u>	
Total Certificates	\$3,051,000	
General Obligation Bonds:		
The Bonds (2)	\$3,900,000	
Total Applicable Debt		\$ 3,051,000
Legal Debt Margin		\$ 124,050,484

- Notes: (1) Source: the Village.
 (2) As general obligation alternate bonds under Illinois statutes, the Bonds do not count against the 8.625% of EAV debt limitation for general obligation bonded debt, so long as the debt service levy for such bonds is abated annually and not extended.

PROPERTY ASSESSMENT AND TAX INFORMATION

For the 2017 levy year, the Village's EAV comprised 67.37% residential, 5.38% industrial, 27.18% commercial, and 0.07% railroad property valuations, as shown below.

Equalized Assessed Valuation(I)

Property Class	Levy Years				
	2013	2014	2015	2016	2017
Residential	\$ 881,175,298	\$ 870,626,683	\$ 882,424,333	\$ 931,670,039	\$ 992,795,708
Commercial	338,283,194	329,667,597	362,080,187	383,249,331	400,597,255
Industrial	65,424,010	67,025,110	68,736,210	73,714,620	79,245,500
Railroad	<u>776,655</u>	<u>808,262</u>	<u>966,159</u>	<u>982,368</u>	<u>1,001,928</u>
Total	\$1,285,659,157	\$1,268,127,652	\$1,314,206,889	\$1,389,616,358	\$1,473,640,391
Percent Change +(-)	(6.45%) (2)	(1.36%)	3.63%	5.74%	6.05%

- Notes: (1) Source: DuPage County Clerk.
 (2) Percentage change based on the Village's 2012 EAV of \$1,374,238,004.

Representative Tax Rates(I) (Per \$100 EAV)

	Levy Years				
	2013	2014	2015	2016	2017
Village:					
Corporate	\$0.0898	\$0.1010	\$0.0058	\$0.0000	\$0.0000
IMRF	0.0603	0.0609	0.0676	0.0635	0.0603
Firefighter's Pension	0.1363	0.1506	0.1472	0.1498	0.1448
Fire Pension Exempt	0.0149	0.0080	0.0079	0.0080	0.0077
Police Pension	0.2042	0.2004	0.2238	0.2186	0.2033
Liability Insurance	0.0700	0.0720	0.1284	0.1141	0.1172
Public Benefit	0.0500	0.0496	0.0470	0.0471	0.0498
Social Security	<u>0.0487</u>	<u>0.0492</u>	<u>0.0470</u>	<u>0.0442</u>	<u>0.0419</u>
Total Village Rates (2)	\$0.6742	\$0.6917	\$0.6747	\$0.6453	\$0.6250
DuPage County					
DuPage County	0.2040	0.2057	0.1971	0.1848	0.1749
DuPage County Forest Preserve District.....	0.1657	0.1691	0.1622	0.1514	0.1306
DuPage County Airport Authority.....	0.0178	0.0196	0.0188	0.0176	0.0166
DuPage Water Commission	0.0000	0.0000	0.0000	0.0000	0.0000
York Township(3)	0.1017	0.1049	0.1002	0.0952	0.0924
Helen Plum Library	0.2743	0.2832	0.2763	0.4908	0.4754
Lombard Park District	0.4543	0.4664	0.4546	0.4374	0.4249
School District Number 44	4.2995	4.4326	4.3039	4.1201	3.9701
High School District Number 87.....	2.4877	2.5824	2.5173	2.4030	2.3402
Community College District Number 502.....	<u>0.2956</u>	<u>0.2975</u>	<u>0.2786</u>	<u>0.2626</u>	<u>0.2431</u>
Total Rates (4)	\$8.9748	\$9.2531	\$8.9837	\$8.8082	\$8.4932

- Notes: (1) Source: DuPage County Clerk.
 (2) Statutory tax rate limits for the Village are as follows: Public Benefit (\$0.0500).
 (3) Includes York Township Road District.
 (4) Representative tax rates for other government units are from York Township tax code 6011, which represents the largest portion of the Village's 2017 EAV, the most current available.

Tax Extensions and Collections(I) (Includes Road and Bridge Levy)

Levy Year	Coll. Year	Taxes Extended (2)	Current Collections		Total Collections(3)	
			Amount	Percent	Amount	Percent
2010.....	2011	\$8,205,437	\$8,179,909	99.69%	\$8,181,651	99.71%
2011.....	2012	8,398,591	8,362,665	99.57%	8,362,665	99.57%
2012.....	2013	8,667,319	8,655,270	99.86%	8,655,270	99.86%
2013.....	2014	8,667,914	8,629,546	99.56%	8,629,546	99.56%
2014.....	2015	8,845,190	8,756,121	98.99%	8,756,121	98.99%
2015.....	2016	8,866,954	8,851,327	99.82%	8,851,327	99.82%
2016.....	2017	8,967,194	8,952,364	99.83%	8,952,364	99.83%
2017.....	2018 (4) ..	9,210,252	3,559,314	38.65%	3,559,314	38.65%

- Notes: (1) Source: the Village's audited financial statements and DuPage County Treasurer.
 (2) Tax extensions have been adjusted for abatements.
 (3) Total collections include back taxes, taxpayer refunds, interest, etc.
 (4) Collections as of September 4, 2018.

Principal Taxpayers(I)

Taxpayer Name	Business/Service	2017 EAV (2)
YTC Mall Owner LLC/HRC YTC LLC.....	Yorktown Shopping Center.....	\$ 21,654,920
CH VII Marquette MF Chicago.....	Apartments.....	19,819,450
F & F Realty(3).....	Real Estate Agency and Property Management.....	18,418,690
Clover Creek Apartments(4).....	Real Property.....	18,146,100
Highland Pointe LLC(5).....	Office.....	13,952,700
Three Galleria Tower (6).....	Real Property.....	12,165,430
YTC Butterfield Owner LLC.....	Shops.....	11,853,250
Oak Creek Center LL LLC.....	Real Property.....	11,051,820
RRE Martins Point Holding.....	Real Property.....	10,087,970
800 Parkview LLC.....	Real Property.....	7,230,820
Total.....		\$144,381,150
Ten Largest Taxpayers as Percent of Village's 2017 EAV (\$1,473,640,391).....		9.80%

- Notes: (1) Source: DuPage County Clerk.
 (2) Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers listed own multiple parcels and it is possible that some parcels and their valuations have been overlooked. The 2017 EAV is the most current available.
 (3) Previously Villages 11 LLC.
 (4) Previously Flanagan/Bilton EPT.
 (5) Previously Carramerica IL Holdings.
 (6) Previously AIMCO.

REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

Summary of Property Assessment, Tax Levy and Collection Procedures

A separate tax to pay the principal of and certain interest on the Bonds will be levied on all taxable real property within the Village. The information under this caption describes the current procedures for real property assessments, tax levies and collections in the County. There can be no assurance that the procedures described herein will not change.

Tax Levy and Collection Procedures

Local assessment officers determine the assessed valuation of taxable real property and railroad property not held or used for railroad operations. The Department assesses certain other types of taxable property, including railroad property held or used for railroad operations. Local assessment officers' valuation determinations are subject to review at the county level and then, in general, to equalization by the Department. Such equalization is achieved by applying to each county's assessments a multiplier determined by the Department. The purpose of equalization is to provide a common basis of assessments among counties by adjusting assessments toward the statutory standard of 33-1/3% of fair cash value. Farmland is assessed according to a statutory formula which takes into account factors such as productivity and crop mix. Taxes are extended against the assessed values after equalization.

Property tax levies of each taxing body are filed in the office of the county clerk of each county in which territory of that taxing body is located. The county clerk computes the rates and amount of taxes applicable to taxable property subject to the tax levies of each taxing body and determines the dollar amount of taxes attributable to each respective parcel of taxable property. The county clerk then supplies to the appropriate collecting officials within the county the information needed to bill the taxes attributable to the various parcels therein. After the taxes have been collected, the collecting officials distribute to the various taxing bodies their respective shares of the taxes collected. Taxes levied in one calendar year are due and payable in two installments during the next calendar year. Taxes that are not paid when due, or that are not paid by mail and postmarked on or before the due date, are subject to a penalty of 1-1/2% per month until paid. Unpaid property taxes, together with penalties, interest and costs, constitute a lien against the property subject to the tax.

Exemptions

The Property Tax Code exempts certain property from taxation. Certain property is exempt from taxation on the basis of ownership and/or use, including, but not limited to, public parks, not-for-profit schools, public schools, churches, not-for-profit hospitals and public hospitals. In addition, the Property Tax Code provides a variety of homestead exemptions, which are discussed below.

An annual General Homestead Exemption provides that the EAV of certain property owned and used for residential purposes ("Residential Property") may be reduced by the amount of any increase over the 1977 EAV, up to a maximum reduction of \$6,000 for tax year 2012 and thereafter.

The Homestead Improvement Exemption applies to Residential Property that has been improved and to properties that have been rebuilt in the two years following a catastrophic event, as defined in the Property Tax Code. The exemption is limited to \$75,000 for up to four years, to the extent the assessed value is attributable solely to such improvements or rebuilding.

The Senior Citizens Homestead Exemption annually reduces the EAV on residences owned and occupied by senior citizens. Beginning with tax year 2013, the maximum exemption is \$5,000.

The Senior Citizens Assessment Freeze Homestead Exemption freezes property tax assessments for homeowners who are 65 and older and receive a household income not in excess of the maximum income limitation. The maximum income limitation is \$55,000 for assessment year 2008 through assessment year 2017. Beginning in assessment year 2018, the maximum income limitation is \$65,000. This exemption grants to qualifying senior citizens an exemption equal to the difference between (a) the current EAV of the residence and (b) the EAV of a senior citizen's residence for the year prior to the year in which he or she first qualifies and applies for the exemption, plus the EAV of improvements since such year.

Beginning January 1, 2015, purchasers of certain single family homes and residences of one to six units located in certain targeted areas (as defined in the applicable section of the Property Tax Code) can apply for the Community Stabilization Assessment Freeze Pilot Program. To be eligible, the purchaser must meet certain requirements for rehabilitating the property, including expenditures of at least \$5 per square foot, adjusted by the Consumer Price Index (“CPI”). Upon meeting the requirements, the assessed value of the improvements is reduced by (a) 90% in the first seven years, (b) 65% in the eighth year and (c) 35% in the ninth year. The benefit ceases in the tenth year. The program will be phased out by June 30, 2029.

The Natural Disaster Homestead Exemption (the “Natural Disaster Exemption”) applies to homestead properties containing a residential structure that has been rebuilt following a natural disaster occurring in taxable year 2012 or any taxable year thereafter. A natural disaster is an occurrence of widespread or severe damage or loss of property resulting from any catastrophic cause including but not limited to fire, flood, earthquake, wind, or storm. The Natural Disaster Exemption is equal to the EAV of the residence in the first taxable year for which the taxpayer applies for the exemption minus the base amount. To be eligible for the Natural Disaster Exemption, the residential structure must be rebuilt within two years after the date of the natural disaster, and the square footage of the rebuilt residential structure may not be more than 110% of the square footage of the original residential structure as it existed immediately prior to the natural disaster. The Natural Disaster Exemption remains at a constant amount until the taxable year in which the property is sold or transferred.

Three exemptions are available to veterans of the United States armed forces. The Veterans with Disabilities Exemption for Specially-Adapted Housing exempts up to \$100,000 of the Assessed Valuation of property owned and used exclusively by veterans with a disability, their spouses or unmarried surviving spouses. Qualification for this exemption requires the veteran’s disability to be of such a nature that the federal government has authorized payment for purchase of specially adapted housing under the U.S. Code as certified to annually by the Illinois Department of Veterans Affairs or for housing or adaptations donated by a charitable organization to such disabled veteran.

The Standard Homestead Exemption for Veterans with Disabilities provides an annual homestead exemption to veterans with a service-connected disability based on the percentage of such disability. If the veteran has a (a) service-connected disability of 30% or more but less than 50%, the annual exemption is \$2,500, (b) service-connected disability of 50% or more but less than 70%, the annual exemption is \$5,000, and (c) service-connected disability of 70% or more, the property is exempt from taxation.

The Returning Veterans’ Homestead Exemption is available for property owned and occupied as the principal residence of a veteran in the assessment year, and the year following the assessment year, in which the veteran returns from an armed conflict while on active duty in the United States armed forces. This provision grants a one-time, two-year homestead exemption of \$5,000.

Finally, the Homestead Exemption for Persons with Disabilities provides an annual homestead exemption in the amount of \$2,000 for property that is owned and occupied by certain disabled persons who meet State-mandated guidelines.

Property Tax Extension Limitation Law

The Property Tax Extension Limitation Law, as amended (the “Limitation Law”), limits the annual growth in the amount of property taxes to be extended for certain Illinois non-home rule units, including the Village. In general, the annual growth permitted under the Limitation Law is the lesser of 5% or the percentage increase in the Consumer Price Index during the calendar year preceding the levy year. Taxes can also be increased due to new construction, referendum approval of tax rate increases, mergers and consolidations.

The effect of the Limitation Law is to limit the amount of property taxes that can be extended for a taxing body. In addition, general obligation bonds, notes and installment contracts payable from ad valorem taxes unlimited as to rate and amount cannot be issued by the affected taxing bodies unless they are approved by referendum, are alternate bonds or are for certain refunding purposes.

The Village has the authority to levy taxes for many different purposes. See the table entitled “**Representative Tax Rates**” under “**PROPERTY ASSESSMENT AND TAX INFORMATION**” herein. The ceiling at any particular time on the rate at which these taxes may be extended for the Village is either (i) unlimited (as provided by statute), (ii) initially set by statute but permitted to be increased by referendum, (iii) capped by statute, or (iv) limited to the rate approved by referendum. Public Act 94-0976, effective June 30, 2006, provides that the only ceiling on a particular tax rate is the ceiling set by statute above, at which the rate is not permitted to be further increased by referendum or otherwise. Therefore, taxing districts (such as the Village) will have increased flexibility to levy taxes for the purposes for which they most need the money. The total aggregate tax rate for the various purposes subject to the Limitation Law, however, will not be allowed to exceed the Village’s limiting rate computed in accordance with the provisions of the Limitation Law.

Local governments, including the Village, can issue limited tax bonds in lieu of general obligation bonds that have otherwise been authorized by applicable law.

Illinois legislators have introduced several proposals to modify the Limitation Law, including freezing property taxes and extending tax caps to all taxing bodies in the State. In particular, the House passed Senate Bill 851 (“Senate Bill 851”) on November 8, 2017. Senate Bill 851 provides that for levy years 2017 and 2018, for taxing districts (including home rule units) with a majority of EAV in Cook and the collar counties (Lake, McHenry, Kane, DuPage and Will Counties), other than qualified school districts, the extension limitation under the Limitation Law will be 0% or the rate of increase approved by voters. In addition, Senate Bill 851 allows county boards for counties, other than Cook and the collar counties, to submit to their voters at the general primary or general election in 2018 the question of whether to subject all taxing districts (including home rule units) with a majority of EAV in their county, other than qualified school districts, to the provisions of the Limitation Law and an extension limitation under the Limitation Law of 0% or the rate of increase approved by voters for levy years 2018 and 2019. Senate Bill 851 is subject to a vote of concurrence by the Senate and approval from the Governor prior to being enacted into law. If Senate Bill 851 or similar legislation were to become law, such reform may have a material impact on the finances of the Village. The Village cannot predict whether, or in what form, any change to the Limitation Law, including Senate Bill 851, may be enacted into law, nor can the Village predict the effect of any such change on the Village’s finances.

Truth in Taxation Law

Legislation known as the Truth in Taxation Law (the “Law”) limits the aggregate amount of certain taxes which can be levied by, and extended for, a taxing district to 105% of the amount of taxes extended in the preceding year unless specified notice, hearing and certification requirements are met by the taxing body. The express purpose of the Truth in Taxation Law is to require published disclosure of, and hearing upon, an intention to adopt a levy in excess of the specified levels. The provisions of the Truth in Taxation Law do not apply to levies made to pay principal of and certain interest on the Bonds.

FINANCIAL INFORMATION

Financial Reports

The Village’s financial statements are audited annually by certified public accountants. The Village’s financial statements are completed on a modified accrual basis of accounting consistent with generally accepted accounting principles applicable to governmental entities. See **APPENDIX A** for more detail.

No Consent or Updated Information Requested of the Auditor

The tables and excerpts (collectively, the “Excerpted Financial Information”) contained in this “**FINANCIAL INFORMATION**” section and in **APPENDIX A** are from the audited financial statements of the Village, including the audited financial statements for the fiscal year ended December 31, 2017 (the “2017 Audit”), which was approved by formal action of the Board. The Village has not requested the Auditor to update information contained in the Excerpted Financial Information; nor has the Village requested that the Auditor consent to the use of the Excerpted Financial Information in this Final Official Statement. Other than as expressly set forth in this Final Official Statement, the financial information contained in the Excerpted Financial Information has not been updated since the date of the 2017 Audit. The inclusion of the Excerpted Financial Information in this Final Official Statement in and of itself is not intended to demonstrate the fiscal condition of the Village since the date of the 2017 Audit. Questions or inquiries relating to financial information of the Village since the date of the 2017 Audit should be directed to the Village.

Fund Balance and Reserve Policy

The Village has established an adequate fund balance to pay for expenses caused by unforeseen emergencies or for shortfalls caused by revenue declines. For the general operating fund, this fund balance is maintained at an amount which represents an average of three months operating expenditures.

Maintaining reserves is a prudent management practice. Reserves are an important indicator of the Village’s financial position and its ability to withstand adverse events. At the end of each fiscal year, year-end revenues over expenses should be distributed to each reserve in the following order:

1. An Emergency General Fund Reserve should be maintained equal to 5% of the current year’s budgeted unassigned expenses in the General Fund. The Emergency Reserve may be used for unexpected, large-scale events where costs in excess of \$1 million are incurred, and immediate, remedial action must be taken to protect the health and safety of residents (e.g. major flood, earthquake, event requiring significant overtime, etc.).

2. The Village should maintain a “Revenue Stabilization” reserve with a goal of reaching 3.5% of the current year’s budgeted unassigned expenses in the General Fund. This reserve may be used to provide funding to temporarily offset unanticipated fluctuations in on-going revenues or unanticipated events, such as unexpected external mandates, reductions in state shared revenues, closure of large sales taxpayer, etc. The reserve funds will provide time for the Village to 2-25 restructure its operations in a deliberate manner to ensure continuance of critical Village activities. Revenues should be down at least 1.5% compared to prior year budget to utilize this fund.

3. Remaining funds should be split equally (50/50) between a Building Reserve Fund and a Pension Stabilization Fund. The Building Reserve Fund may be used to help fund the cost to build new, replace, or complete a major renovation to an existing Village owned building. The Pension Stabilization Fund may be used if the annual actuarially determined pension funding requirement exceeds the total statutorily permissible annual property tax levy. Funds over \$1M should be distributed as follows to pay down unfunded pension liabilities: Illinois Municipal Retirement Fund: 20%, Police Pension Fund: 40%, and Fire Pension Fund: 40%.

Investment Policy

Specific objectives include:

Safety of principal is the foremost objective of the investment policy of the Village. Each investment transaction shall seek to first ensure that capital losses are avoided, whether they be from securities defaults or erosion of market value.

The Village shall diversify its investments to avoid incurring unreasonable risks regarding specific security types and/or individual institutions.

The Village's investment portfolio shall remain sufficiently liquid to enable the Village to meet all operating requirements which may be reasonably anticipated in any Village fund.

The investment portfolio of the Village, except for the pension funds, shall be designed with the objective of regularly exceeding the average return of three month U.S. Treasury Bills. The investment program shall seek to augment returns above this threshold, consistent with risk limitations identified herein and prudent investment principles.

In managing its investment portfolio, Village officials shall avoid any transaction that might impair public confidence in the Village. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

The Village may invest in any type of security allowed by law as set out in Illinois Compiled Statutes.

The Village will specifically avoid any purchase of financial forwards or futures, any leveraged investments, lending securities or reverse repurchase agreements. Repurchase agreements will only be purchased if specific securities are under the control of the Village or its agent depository.

To reduce the risk of default, the investment portfolio of the Village shall not exceed the following diversification limits:

No financial institution shall hold more than 20% of the Village's investment portfolio, exclusive of U.S. Treasury securities and collateralized investments held in safekeeping.

Commercial paper shall not exceed 10% of the Village's investment portfolio.

Illinois Public Treasurer's Investment Pool shall not exceed 25% of the investment portfolio.

Illinois Metropolitan Investment Trust shall not exceed 35% of the investment portfolio.

Maturities of investments of the various funds of the Village shall be determined to enable the Village to have available sufficient cash for all operating purposes. Investment maturities in all Funds shall be limited to a maximum maturity of 60 months from the date of purchase. Investments in other funds may be purchased with maturities to match future projected liability requirements.

Notwithstanding the provisions of the above paragraph, no investment in any fund shall have a maturity date greater than the period allowed by the Illinois Compiled Statutes, by Village ordinance or by other standards of this policy.

It is the policy of the Village to require that funds on deposit in excess of FDIC or FSLIC limits be secured by some form of collateral. The Village will accept any of the following assets as collateral:

U.S. Government Securities

Obligations of Federal Agencies

Obligations of Federal Instrumentalities

Obligations of the State

Obligations of the Village

General Municipal Certificates Rated "A" or better

Any other collateral identified in the Illinois Compiled Statutes as acceptable for use by the Treasurer of the State of Illinois.

The amount of collateral provided will be not less than 110% of the fair market value of the net amount of public funds secured. Pledged collateral will be held by the Village or in safekeeping and evidenced by a safekeeping agreement. If collateral is held in safekeeping, it may be held by a third party or by an escrow agent of the pledging institution. Collateral agreements will preclude the release of the pledged assets without an authorized signature from the Village, but they will allow for an exchange of collateral of like value.

Summary Financial Information

The following tables are summaries from the Village's audits from 2013-2017 and do not purport to be the complete audits, copies of which are available upon request. See APPENDIX A for the Village's 2017 Audit.

Statement of Net Position Governmental Activities

	Audited Fiscal Year Ending December 31				
	2013	2014	2015 (1)	2016	2017
ASSETS:					
Cash and Investments.....	\$ 28,569,211	\$ 30,067,372	\$ 29,587,042	\$ 32,480,102	\$ 35,076,230
Receivables, Net.....	15,501,837	15,407,355	15,132,023	14,910,956	13,982,308
Prepaid/Deposits.....	339,072	588,720	857,860	1,565,759	1,745,588
Internal Balances.....	0	0	0	0	0
Inventory.....	0	0	0	0	0
Nondepreciable Capital Assets.....	34,787,649	36,982,612	39,096,123	33,259,340	34,433,423
Depreciable Capital Assets.....	134,858,047	135,891,776	137,870,932	148,805,530	150,088,049
Accumulated Depreciation.....	(74,344,787)	(77,956,106)	(81,397,729)	(84,350,850)	(87,915,795)
Total Assets.....	\$139,711,029	\$140,981,729	\$141,146,251	\$146,670,837	\$147,409,803
DEFERRED OUTFLOWS OF RESOURCES:					
Deferred Items - IMRF.....	\$ 0	\$ 0	\$ 6,019,012	\$ 2,444,825	\$ 1,595,137
Deferred Items - OPEB.....	0	0	0	0	260,782
Deferred Items - Police Pension.....	0	0	8,355,530	1,475,082	7,047,366
Deferred Items - Firefighters' Pension.....	0	0	7,445,499	1,982,786	6,392,149
Total Assets and Deferred Outflows of Resources..	\$139,711,029	\$140,981,729	\$162,966,292	\$152,573,530	\$162,705,237
LIABILITIES:					
Accounts Payable.....	\$ 2,462,879	\$ 2,828,484	\$ 2,342,200	\$ 1,903,777	\$ 2,386,999
Accrued Payroll.....	1,317,066	1,326,477	546,528	695,432	737,653
Deposits Payable.....	288,224	1,232,995	664,605	550,850	580,893
Claims Payable.....	146,403	253,461	185,985	265,596	158,910
Interest Payable.....	109,979	75,012	47,992	33,437	16,357
Due To Other Funds.....	20,314	0	0	0	0
Current Long-Term Debt.....	2,716,792	2,363,070	1,801,203	1,794,378	1,040,125
Net Pension Liability - IMRF.....	0	0	12,565,788	8,318,823	2,791,928
Net Pension Liability - Police.....	0	0	39,113,492	37,898,787	32,615,756
Net Pension Liability - Fire.....	0	0	23,227,071	23,228,031	18,723,515
Net Pension Obligation Payable.....	47,431	68,681	0	0	0
Net Other Postemployment Benefit Payable.....	1,472,679	2,195,987	2,342,355	2,473,303	7,241,099
Compensated Absences Payable.....	1,958,927	1,849,179	1,803,213	1,775,213	1,823,498
Installment Contracts Payable/Debt Certificates....	5,838,800	3,938,025	2,587,625	1,237,050	652,800
Total Liabilities.....	\$ 16,379,494	\$ 16,131,371	\$ 87,228,057	\$ 80,174,677	\$ 68,769,533
DEFERRED INFLOWS OF RESOURCES:					
Property Taxes.....	\$ 8,676,400	\$ 8,801,900	\$ 8,876,000	\$ 8,976,800	\$ 9,104,000
Deferred Items - IMRF.....	0	0	0	255,083	5,176,489
Deferred Items - Police Pension.....	0	0	428,903	3,244,714	5,843,737
Deferred Items - Firefighters' Pension.....	0	0	507,365	2,512,332	6,218,006
Total Liabilities and Deferred Inflows of Resources	\$ 25,055,894	\$ 24,933,271	\$ 97,040,325	\$ 95,163,606	\$ 95,111,765
NET POSITION:					
Invested in Capital Assets, Net.....	\$ 88,985,049	\$ 89,079,482	\$ 91,631,301	\$ 95,126,395	\$ 95,368,627
Restricted.....	8,470,057	8,708,131	7,925,287	8,782,371	9,912,080
Unrestricted.....	17,200,029	18,260,845	(33,630,621)	(46,498,842)	(37,687,235)
Total Net Position.....	\$114,655,135	\$116,048,458	\$ 65,925,967	\$ 57,409,924	\$ 67,593,472

Note: (1) The Village implemented GASB Statement No. 68 in fiscal year 2015, which revised and established new financial reporting requirements related to pension liabilities.

Statement of Activities Governmental Activities

	Audited Fiscal Year Ending December 31				
	2013	2014	2015	2016	2017
FUNCTIONS/PROGRAMS:					
General Government	\$ (7,317,544)	\$ (7,434,225)	\$ (6,226,169)	\$ (4,346,245)	\$ (3,961,266)
Public Safety	(22,089,705)	(23,071,333)	(31,399,871)	(40,290,132)	(11,458,543)
Physical Environment	(1,447,328)	(1,513,731)	(1,538,966)	(1,629,603)	(1,651,411)
Public Works	(10,703,000)	(8,877,097)	(8,263,007)	(4,306,619)	(8,795,231)
Interest on Long-Term Debt	(244,159)	(183,751)	(120,882)	(86,322)	(50,903)
Total Governmental Activities	<u>\$ (41,801,736)</u>	<u>\$ (41,080,137)</u>	<u>\$ (47,548,895)</u>	<u>\$ (50,658,921)</u>	<u>\$ (25,917,354)</u>
GENERAL REVENUES:					
Taxes	\$ 17,741,129	\$ 17,792,625	\$ 17,706,666	\$ 17,623,368	\$ 19,122,397
Intergovernmental - Unrestricted	22,643,623	23,488,527	22,035,405	22,421,004	19,142,881
Interest Income	79,631	(23,122)	324,455	214,042	293,212
Miscellaneous	594,625	724,920	355,529	1,342,640	608,017
Transfers	549,805	490,510	575,832	541,824	525,850
Total General Revenues	<u>\$ 41,608,813</u>	<u>\$ 42,473,460</u>	<u>\$ 40,997,887</u>	<u>\$ 42,142,878</u>	<u>\$ 39,692,357</u>
Change In Net Assets	\$ (192,923)	\$ 1,393,323	\$ (6,551,008)	\$ (8,516,043)	\$ 13,775,003
Net Position, Beginning	114,848,058	114,655,135	72,476,975 ⁽¹⁾	65,925,967	53,818,469 ⁽²⁾
Net Position, Ending	<u>\$ 114,655,135</u>	<u>\$ 116,048,458</u>	<u>\$ 65,925,967</u>	<u>\$ 57,409,924</u>	<u>\$ 67,593,472</u>

Notes: (1) Restated due to the implementation of GASB Statement No. 68.
 (2) Restated due to the implementation of GASB Statement No. 75.

General Fund Balance Sheet

	Audited as of December 31				
	2013	2014	2015	2016	2017
ASSETS:					
Cash and Investments	\$17,248,784	\$16,836,006	\$15,947,479	\$15,662,459	\$19,133,429
Receivables (Net of Allowances):					
Property Taxes	8,033,600	8,173,000	8,258,400	8,322,300	8,486,600
Other Taxes	3,763,153	3,842,596	3,901,898	3,942,883	3,547,834
Accounts	1,319,012	1,318,377	869,979	797,975	738,640
Accrued Interest	40,674	45,911	39,287	24,018	41,501
Due from Other Funds	0	0	0	0	60,860
Prepaid/Deposits	339,072	588,720	857,860	1,565,759	1,745,588
Total Assets	<u>\$30,744,295</u>	<u>\$30,804,610</u>	<u>\$29,874,903</u>	<u>\$30,315,394</u>	<u>\$33,754,452</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 1,329,390	\$ 1,052,007	\$ 1,211,991	\$ 1,284,410	\$ 1,287,580
Accrued Payroll	1,263,588	1,299,967	525,146	673,391	703,566
Deposits Payable	288,224	1,232,995	664,605	550,850	580,893
Claims Payable	146,403	253,461	185,985	265,596	158,910
Due to Other Funds	20,314	0	0	0	0
Total Liabilities	<u>\$ 3,047,919</u>	<u>\$ 3,838,430</u>	<u>\$ 2,587,727</u>	<u>\$ 2,774,247</u>	<u>\$ 2,730,949</u>
DEFERRED INFLOWS OF RESOURCES:					
Property Taxes	\$ 8,033,600	\$ 8,173,000	\$ 8,258,400	\$ 8,322,300	\$ 8,486,600
Total Liabilities and Deferred Inflows of Resources	<u>\$11,081,519</u>	<u>\$12,011,430</u>	<u>\$10,846,127</u>	<u>\$11,096,547</u>	<u>\$11,217,549</u>
FUND BALANCES:					
Restricted	\$ 5,355,457	\$ 4,585,568	\$ 3,972,654	\$ 3,806,465	\$ 3,807,634
Nonspendable	339,072	588,720	857,860	1,565,759	1,745,588
Committed	4,652,500	6,900,547	7,811,170	7,337,681	8,432,807
Unassigned	9,315,747	6,718,345	6,387,092	6,508,942	8,550,874
Total Fund Balances	<u>\$19,662,776</u>	<u>\$18,793,180</u>	<u>\$19,028,776</u>	<u>\$19,218,847</u>	<u>\$22,536,903</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$30,744,295</u>	<u>\$30,804,610</u>	<u>\$29,874,903</u>	<u>\$30,315,394</u>	<u>\$33,754,452</u>

General Fund Revenues and Expenditures

	Audited Years Ending December 31				
	2013	2014	2015	2016	2017
REVENUES:					
Property Tax	\$ 8,116,029	\$ 8,117,331	\$ 8,277,864	\$ 8,360,730	\$ 8,428,614
Other Tax	8,362,101	8,795,560	5,611,856	8,438,584	9,841,655
Licenses and Permits	1,140,082	1,199,891	1,286,559	1,121,197	1,455,518
Intergovernmental	16,707,785	16,594,670	17,953,123	17,560,002	17,683,107
Charges for Services	4,040,224	4,406,641	3,960,748	4,017,724	4,806,728
Fines and Forfeits	843,194	885,958	850,836	876,196	1,025,527
Interest	62,500	(18,930)	143,584	40,813	117,983
Miscellaneous	186,886	252,576	264,810	860,446	356,619
Total Revenues	\$39,458,801	\$40,233,697	\$38,349,380	\$41,275,692	\$43,715,751
EXPENDITURES:					
General Government	\$ 9,893,544	\$10,107,819	\$ 7,661,812	\$ 7,924,067	\$ 8,067,440
Public Safety	24,771,528	25,825,972	25,444,257	26,853,707	27,030,606
Physical Environment	1,447,328	1,513,731	1,538,966	1,629,603	1,651,411
Public Works	4,054,885	4,146,281	4,044,581	4,146,747	4,174,088
Total Expenditures	\$40,167,285	\$41,593,803	\$38,689,616	\$40,554,124	\$40,923,545
Excess of Revenues Over (Under) Expenditures	\$ (708,484)	\$ (1,360,106)	\$ (340,236)	\$ 721,568	\$ 2,792,206
Other Financing Sources (Uses):					
Operating Transfers In	\$ 549,805	\$ 490,510	\$ 575,832	\$ 587,926	\$ 525,850
Operating Transfers Out	0	0	0	(1,119,423)	0
Total Other Financing Sources (Uses)	\$ 549,805	\$ 490,510	\$ 575,832	\$ (531,497)	\$ 525,850
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	\$ (158,679)	\$ (869,596)	\$ 235,596	\$ 190,071	\$ 3,318,056
Beginning Fund Balance	19,821,455	19,662,776	18,793,180	19,028,776	19,218,847
Ending Fund Balance	\$19,662,776	\$18,793,180	\$19,028,776	\$19,218,847	\$22,536,903

General Fund Budget Financial Information(1)

	Budget Twelve Months Ending 12/31/18
REVENUES:	
Taxes	\$36,459,860
Licenses and Permits	1,191,470
Intergovernmental	586,090
Charges for Services	5,139,770
Fines and Forfeits	944,150
Miscellaneous	535,250
Total Revenues	\$44,856,590
EXPENDITURES:	
Personal Services	\$25,233,970
Commodities	2,491,790
Contractual Services	17,071,600
Capital Expenditures	0
Other Financing Uses	0
Other	4,000
Total Expenditures	\$44,801,360
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 55,230

Note: (1) Source: the Village.

EMPLOYEE RETIREMENT AND OTHER POSTEMPLOYMENT BENEFITS OBLIGATIONS

For detailed information relating to the Village's pension plans, see the notes and the Required Supplementary Information to the Village's 2017 Audit, which have been attached hereto as **APPENDIX D**. A summary of the plans' descriptions and funding progress provided below.

The Village contributes to three defined benefit pension plans, the IMRF, a defined benefit agent multiple-employer public employee retirement system; the Police Pension Plan which is a single-employer pension plan; and, the Firefighters' Pension Plan, which is also a single-employer pension plan.

Illinois Municipal Retirement Fund (IMRF)

Plan Descriptions

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

Contributions: As set by statute, the Village's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year-ended December 31, 2017, the Village's contribution was 16.24% of covered payroll.

Actuarial Assumptions: The total pension liability was determined by an actuarial valuation performed, as of December 31, 2017, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method.....	Market
Actuarial Assumptions Interest Rate	7.50%
Salary Increases	3.39% to 14.25%
Cost of Living Adjustments	2.50%
Inflation	2.50%

For nondisabled retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-20 17 (base year 2015). IMRF-specific rates were developed from the RP-20 14 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for nondisabled lives. For active members, an IMRF-specific mortality table was used with fully generational projection scale MP-20 17 (base year 2015). IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

IMRF Discount Rate

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

IMRF Discount Rate Sensitivity

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability/(Asset).....	\$13,210,385	\$3,936,635	\$(3,739,654)

IMRF Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A)(B)
Balances at December 31, 2016.....	\$77,823,173	\$66,099,091	\$11,724,082
Changes for the Year:			
Service Cost	819,812	0	819,812
Interest on the Total Pension Liability	5,698,024	0	5,698,024
Difference Between Expected and Actual			
Experience of the Total Pension Liability	233,077)	0	233,077
Changes of Assumptions	(2,226,914)	0	(2,226,914)
Contributions -Employer	0	1,253,498	(1,253,498)
Contributions -Employees	0	369,970	(369,970)
Net Investment Income	0	12,084,849	(12,084,849)
Benefit Payments, including Refunds			
of Employee Contributions	(4,518,863)	(4,518,863)	0
Administrative Expense.....	0	(1,396,871)	1,396,871
Net Changes	\$ 5,136	\$ 7,792,583	\$(7,787,447)
Balances at December 31, 2017.....	\$77,828,309	\$73,891,674	\$ 3,936,635

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

For the year ended December 31, 2017, the Village recognized pension expense of \$1,605,441. At December 31, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Totals</u>
Difference Between Expected and Actual Experience ...	\$ 141,083	\$ (47,627)	\$ 93,456
Change in Assumptions	0	(1,420,552)	(1,420,552)
Net Difference Between Projected and Actual			
Earnings on Pension Plan Investments	<u>2,108,070</u>	<u>(5,830,702)</u>	<u>(3,722,632)</u>
Total Deferred Amounts Related to IMRF	<u>\$2,249,153</u>	<u>\$(7,298,881)</u>	<u>\$(5,049,728)</u>

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

<u>Fiscal Year</u>	<u>Net Deferred (Inflows) of Resources</u>
2018.....	\$(1,257,830)
2019.....	(932,744)
2020.....	(1,401,477)
2021.....	(1,457,677)
2022.....	0
Thereafter	<u>0</u>
Total	<u>\$(5,049,728)</u>

Police Pension Plan

Plan Descriptions

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

Contributions: Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended December 31, 2017, the Village's contribution was 47.96% of covered payroll.

Police Pension Plan Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of December 31, 2017, using the following actuarial methods and assumptions:

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

Mortality rates were based on the RP-2014 Mortality Table (BCHA) projected to 2018 using improvement scale MP-20 17. The other non-economic actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance in 2017.

Police Pension Plan Discount Rate

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

Police Pension Plan Discount Rate Sensitivity

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability.....	\$45,876,500	\$32,615,756	\$21,671,435

Police Pension Plan Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A)(B)
Balances at December 31, 2016.....	\$ 99,202,675	\$61,303,888	\$37,898,787
Changes for the Year:			
Service Cost	1,531,174	0	1,531,174
Interest on the Total Pension Liability	6,796,831	0	6,796,831
Difference Between Expected and Actual			
Experience of the Total Pension Liability	(659,841)	0	(659,841)
Changes of Assumptions	(2,555,004)	0	(2,555,004)
Contributions -Employer	0	3,080,872	(3,080,872)
Contributions -Employees	0	699,450	(699,450)
Net Investment Income	0	6,681,876	(6,681,876)
Benefit Payments, including Refunds			
of Employee Contributions	(4,210,233)	(4,210,233)	0
Administrative Expense.....	0	(66,007)	66,007
Net Changes	<u>\$ 902,927</u>	<u>\$ 6,185,958</u>	<u>\$(5,283,031)</u>
Balances at December 31, 2017.....	\$100,105,602	\$67,489,846	\$32,615,756

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

For the year ended December 31, 2017, the Village recognized pension expense of \$11,337,164. At December 31, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience.....	\$ 368,391	\$ (731,031)	\$ (362,640)
Change in Assumptions.....	4,086,146	(3,571,613)	514,533
Net Difference Between Projected and Actual			
Earnings on Pension Plan Investments	<u>2,592,829</u>	<u>(1,541,093)</u>	<u>1,051,736</u>
Total Deferred Amounts Related to Police Pension.....	\$7,047,366	\$(5,843,737)	\$1,203,629

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

Fiscal Year	Net Deferred Outflows/(Inflows) of Resources
2018	\$ 807,145
2019	807,145
2020	11,733
2021	(371,721)
2022	(50,673)
Thereafter.....	<u>0</u>
Total	\$1,203,629

Firefighters' Pension Plan

Plan Descriptions

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

Contributions: Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, State law requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended December 31, 2017, the Village's contribution was 34.69% of covered payroll.

Firefighters' Pension Plan Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of December 31, 2017, using the following actuarial methods and assumptions:

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

Mortality rates were based on the RP-2014 Mortality Table (BCHA) projected to 2018 using improvement scale MP-2017. The other non-economic actuarial assumptions used in the December 31 2017 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance in 2017.

Firefighters' Pension Plan Discount Rate

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

Firefighters' Pension Plan Discount Rate Sensitivity

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

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
Net Pension Liability	\$29,232,653	\$18,723,515	\$10,010,905

Firefighters' Pension Plan Changes in the Net Pension Liability

	Total Pension Liability <u>(A)</u>	Plan Fiduciary Net Position <u>(B)</u>	Net Pension Liability <u>(A)(B)</u>
Balances at December 31, 2016	\$77,782,977	\$54,554,946	\$23,228,031
Changes for the Year:			
Service Cost	1,643,565	0	1,643,565
Interest on the Total Pension Liability	5,329,656	0	5,329,656
Difference Between Expected and Actual Experience of the Total Pension Liability	1,170	0	1,170
Changes of Assumptions	(1,530,549)	0	(1,530,549)
Contributions -Employer	0	2,237,228	(2,237,228)
Contributions -Employees	0	658,618	(658,618)
Net Investment Income	0	7,095,084	(7,095,084)
Benefit Payments, including Refunds of Employee Contributions	(3,290,005)	(3,290,005)	0
Administrative Expense.....	0	(42,572)	42,572
Net Changes	<u>\$ 2,153,837</u>	<u>\$ 6,658,353</u>	<u>\$ (4,504,516)</u>
Balances at December 31, 2017	\$79,936,814	\$61,213,299	\$18,723,515

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

For the year ended December 31, 2017, the Village recognized pension expense of \$7,445,433. At December 31, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 859	\$(1,224,564)	\$(1,223,705)
Change in Assumptions	358,1094	(2,886,866)	694,228
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	<u>2,810,196</u>	<u>(2,106,576)</u>	<u>703,620</u>
Total Deferred Amounts Related to Police Pension.....	\$6,392,149	\$(6,218,006)	\$ 174,143

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

<u>Fiscal Year</u>	<u>Net Deferred Outflows/(Inflows) of Resources</u>
2018	\$ 329,153
2019	329,153
2020	329,150
2021	(53,531)
2022	(572,512)
Thereafter	<u>(187,270)</u>
Total	\$ 174,143

Other Post-Employment Benefits (OPEB)

Plan Description: The Village's defined benefit OPEB plan, Village of Lombard Postretirement Health Plan (VLPHP), provides OPEB for all permanent full-time general and public safety employees of the Village. VLPHP is a single employer defined benefit OPEB plan administered by the District. The Illinois Compiled Statutes grant the authority to establish and amend the benefit terms and financing requirements to the Village Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

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

Plan Membership: As of December 31, 2017, the measurement date, the following employees were covered by the benefit terms:

Active Employees Full Eligible.....	208
Active Employees not yet Eligible	8
Retired Plan Members	<u>54</u>
Total.....	270

Total OPEB Liability

The Village's total OPEB liability of \$7,241,099 was measured as of December 31, 2017 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs: The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	3.00%
Discount Rate	3.44%
Healthcare Cost Trend Rates	8.50% in fiscal year 2017, trending to 5.50% in fiscal year 2027, and an ultimate trend rate of 5.00% in 2073.
Asset Valuation Method	Market

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

Change in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at December 31, 2016	\$6,867,533
Changes for the Year:	
Service Cost	250,008
Interest on the Total Pension Liability	263,184
Changes of Benefit Terms	0
Difference Between Expected and Actual Experience	0
Changes of Assumptions or Other Inputs	289,583
Benefit Payments	<u>(429,209)</u>
Net Changes	<u>\$ 373,566</u>
Balance at December 31, 2017	\$7,241,099

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

The following presents the total OPEB liability, calculated using a Single Discount Rate of 3.44%, as well as what the total OPEB liability would be if it were calculated using a Single Discount Rate that is one percentage point lower or one percentage point higher:

	1% Decrease	Current Discount Rate	1% Increase
	<u>(2.44%)</u>	<u>(3.44%)</u>	<u>(4.44%)</u>
Total OPEB Liability.....	<u>\$8,933,090</u>	<u>\$7,241,099</u>	<u>\$7,241,371</u>

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

The following presents the total OPEB liability, calculated using a Healthcare Trend Rate of 8.50%, as well as what the total OPEB liability would be if it were calculated using a Healthcare Trend Rate that is one percentage point lower or one percentage point higher:

	(7.50% decreasing to 4.50%)	Healthcare Cost Trend Rates (8.50% decreasing to 5.50%)	(9.50% decreasing to 6.50%)
Total OPEB Liability.....	\$7,284,195	\$7,241,099	\$8,861,718

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

For the year ended December 31, 2017, the Village recognized OPEB expense of \$541,993. At December 31, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 0	\$ 0	\$ 0
Change in Assumptions	260,782	0	260,782
Net Difference Between Projected and Actual			
Earnings on Pension Plan Investments	0	0	0
Total Deferred Amounts Related to OPEB	\$260,782	\$ 0	\$260,782

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

Fiscal Year	Net Deferred Outflows of Resources
2018.....	\$ 28,801
2019.....	28,801
2020.....	28,801
2021.....	28,801
2022.....	28,801
Thereafter	116,777
Total	\$260,782

	<u>2017</u>
Total OPEB Liability	
Service Cost	\$ 541,993
Interest	(429,209)
Changes in Benefit Terms.....	0
Differences Between Expected and Actual Experience.....	0
Change of Assumptions or Other Inputs	260,782
Benefit Payments	<u>0</u>
Net Change in Total OPEB Liability	\$ 373,566
Total OPEB Liability – Beginning	<u>\$ 6,867,533</u>
Total OPEB Liability – Ending	\$ 7,241,099
Covered Payroll.....	\$17,601,304
Total OPEB Liability as a Percentage of Covered Payroll	41.14%

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

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

<u>Fiscal Year</u>	<u>Healthcare Trend</u>
2018	7.50%
2019	6.50%
2020	6.00%
2021	5.50%
2022	5.00%
2023	5.00%
2024	5.00%
2025	5.00%
2026	5.00%
2027	5.00%
Ultimate	5.00%

In 2017, there was no change in the healthcare trend rates from the prior year.

REGISTRATION, TRANSFER AND EXCHANGE

See also **APPENDIX B** for information on registration, transfer and exchange of book-entry bonds. The Bonds will be initially issued as book-entry bonds.

The Village shall cause books for the registration and for the transfer of the Bonds to be kept at the principal office maintained for the purpose by the Bond Registrar. The Village will authorize to be prepared, and the Bond Registrar shall keep custody of, multiple bond blanks executed by the Village for use in the transfer and exchange of Bonds.

Any Bond may be transferred or exchanged, but only in the manner, subject to the limitations, and upon payment of the charges as set forth in the Bond Ordinance. Upon surrender for transfer or exchange of any Bond at the principal corporate trust office of the Bond Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Bond Registrar and duly executed by the registered owner or such owner's attorney duly authorized in writing, the Village shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the registered owner, transferee or transferees (as the case may be) a new fully registered Bond or Bonds of the same maturity and interest rate of authorized denominations, for a like aggregate principal amount.

The execution by the Village of any fully registered Bond shall constitute full and due authorization of such Bond, and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond, provided, however, the principal amount of outstanding Bonds of each maturity authenticated by the Bond Registrar shall not exceed the authorized principal amount of Bonds for such maturity less Bonds previously paid.

The Bond Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on the fifteenth day of the month next preceding any interest payment date on such Bond (known as the record date), and ending at the opening of business on such interest payment date.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal or interest on any Bonds shall be made only to or upon the order of the registered owner thereof or such owner's legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

No service charge shall be made for any transfer or exchange of Bonds, but the Village or the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds.

TAX EXEMPTION

Federal tax law contains a number of requirements and restrictions which apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The Village has covenanted to comply with all requirements that must be satisfied in order for the interest on the Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Bonds to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Subject to the Village's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes, and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but interest on the Bonds is taken into account, however, in computing an adjustment used in determining the federal alternative minimum tax for certain corporations.

In rendering its opinion, Bond Counsel will rely upon certifications of the Village with respect to certain material facts within the Village's knowledge. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

The Internal Revenue Code of 1986, as amended (the “Code”), includes provisions for an alternative minimum tax (“AMT”) for corporations in addition to the regular corporate tax in certain cases. The AMT, if any, depends upon the corporation’s alternative minimum taxable income (“AMTI”), which is the corporation’s taxable income with certain adjustments. One of the adjustment items used in computing the AMTI of a corporation (with certain exceptions) is an amount equal to 75% of the excess of such corporation’s “adjusted current earnings” over an amount equal to its AMTI (before such adjustment item and the alternative tax net operating loss deduction). “Adjusted current earnings” would include certain tax-exempt interest, including interest on the Bonds. The AMT for corporations is repealed for taxable years beginning after December 31, 2017.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price for original issue discount (as further discussed below) and market discount purposes (the “OID Issue Price”) for each maturity of the Bonds is the price at which a substantial amount of such maturity of the Bonds is first sold to the public (excluding bond houses and brokers and similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers). The OID Issue Price of a maturity of the Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the cover page hereof.

If the OID Issue Price of a maturity of the Bonds is less than the principal amount payable at maturity, the difference between the OID Issue Price of each such maturity, if any, of the Bonds (the “OID Bonds”) and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Bond in the initial public offering at the OID Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the condition that the Village complies with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Bond constitutes interest which is excludable from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bond at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Code, but is taken into account in computing an adjustment used in determining the alternative minimum tax for certain corporations under the Code, as described above; and (d) the accretion of original issue discount in each year may result in an alternative minimum tax liability for corporations or certain collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Based upon the stated position of the Illinois Department of Revenue under Illinois income tax law, accreted original issue discount on such OID Bonds is subject to taxation as it accretes, even though there may not be a corresponding cash payment until a later year. Owners of OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Bonds.

Owners of Bonds who dispose of Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Bonds in the initial public offering, but at a price different from the OID Issue Price or purchase Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Bond is purchased at any time for a price that is less than the Bond's stated redemption price at maturity or, in the case of an OID Bond, its OID Issue Price plus accreted original issue discount (the "Revised Issue Price"), the purchaser will be treated as having purchased a Bond with market discount subject to the market discount rules of the Code (unless a statutory *de minimis* rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Bonds.

An investor may purchase a Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the Bond. Investors who purchase a Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Bond.

There are or may be pending in Congress legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Service has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service may treat the Village as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

Interest on the Bonds is not exempt from present State income taxes. Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

QUALIFIED TAX-EXEMPT OBLIGATIONS

Subject to the Village's compliance with certain covenants, in the opinion of Bond Counsel, the Bonds are "qualified tax-exempt obligations" under the small issuer exception provided under Section 265(b)(3) of the Code, which affords banks and certain other financial institutions more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code.

LIMITED CONTINUING DISCLOSURE

Because at the time of the delivery of the Bonds the Village will be an "obligated person" (as such term is defined in the Rule) with respect to less than \$10,000,000 in aggregate amount of outstanding municipal securities, including the Bonds, the Village is required to provide to the Municipal Securities Rulemaking Board (the "MSRB"), as specified in the Rule, annual financial information or operating data regarding the Village which annual financial information and operating data shall include, at a minimum, that annual financial information and operating data which is customarily prepared by the Village and is publicly available. Consequently, pursuant to the Rule, the Village will enter into a Continuing Disclosure Undertaking (the "Undertaking") for the benefit of the beneficial owners of the Bonds to send certain annual financial information and operating data to the MSRB for purposes of the Rule and to provide notice of certain events to the MSRB pursuant to the requirements of Section (d)(2) of the Rule adopted by the Commission under the 1934 Act. No person, other than the Village, has undertaken or is otherwise expected, to provide continuing disclosure with respect to the Bonds.

A failure by the Village to comply with the Undertaking will not constitute a default under the Bond Ordinance and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. The Village must report any failure to comply with the Undertaking in accordance with the Rule. Any broker, dealer or municipal securities dealer must consider such report before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Late Filing of Reportable Events and Corrective Action

In the past five years there have been numerous rating actions reported by S&P Global Ratings affecting Assured Guaranty Municipal Corp., which had insured the General Obligation Debt Certificates, Series 2010 (the "2010 Certificates") previously issued by the Village. Due to widespread knowledge of these rating actions, reportable event notices were not filed by the Village within the required time frame pursuant to the Rule. The 2010 Certificates are no longer outstanding.

THE UNDERTAKING

The following is a brief summary of certain provisions of the Undertaking of the Village and does not purport to be complete. The statements made under this caption are subject to the detailed provisions of the Undertaking, a copy of which is available upon request from the Village.

Financial Information Disclosure

At present, such dissemination is made through the MSRB's Electronic Municipal Market Access system, referred to as EMMA ("EMMA"). The Village is required to deliver such information within 210 days after the last day of the Village's fiscal year (currently December 31). If audited financial statements are not available when the Financial Information is required to be filed, the Village will file unaudited financial statements. In such case, the Village will submit audited financial statements to EMMA within 30 days after availability to the Village. MSRB Rule G-32 requires all EMMA filings to be in word searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

"Financial Information" means financial statements of the Village as audited annually by independent certified public accountants. The Village's audited financial statements are prepared according to Generally Accepted Accounting Principles as applicable to governmental units (i.e., as subject to the pronouncements of the Governmental Accounting Standards Board and subject to any express requirements of State law).

Reportable Events Disclosure

The Village covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to the MSRB in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. The "Reportable Events" are:

1. Principal and interest payment delinquencies
2. Non-payment related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to the rights of security holders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the Village *
13. The consummation of a merger, consolidation, or acquisition involving the Village or the sale of all or substantially all of the assets of the Village, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

**This Reportable Event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Village in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Village, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Village.*

Consequences of Failure of the Village to Provide Information

In the event of a failure of the Village to comply with any provision of the Undertaking, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the Village to comply with its obligations under the Undertaking. A default under the Undertaking shall not be deemed a default under the Bond Ordinance, and the sole remedy under the Undertaking in the event of any failure of the Village to comply with the Undertaking shall be an action to compel performance.

Amendment; Waiver

Notwithstanding any other provision of the Undertaking, the Village by ordinance authorizing such amendment or waiver, may amend the Undertaking, and any provision of the Undertaking may be waived, if:

(a) (i) The amendment or the waiver is made in connection with a change in circumstances that arises from a change in legal requirements including, without limitation, pursuant to a “no-action” letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the Village, or type of business conducted; or

(ii) The Undertaking, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined by parties unaffiliated with the Village (such as Bond Counsel).

In the event that the Commission or the MSRB or other regulatory authority approves or requires Financial Information or notices of a Reportable Event to be filed with a central post office, governmental agency or similar entity other than the MSRB or in lieu of the MSRB, the Village shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending the Undertaking.

Termination of Undertaking

The Undertaking shall be terminated if the Village shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Bond Ordinance. The Village shall give notice to the MSRB in a timely manner if this paragraph is applicable.

Additional Information

Nothing in the Undertaking shall be deemed to prevent the Village from disseminating any other information, using the means of dissemination set forth in the Undertaking or any other means of communication, or including any other information in any Financial Information or notice of occurrence of an event, in addition to that which is required by the Undertaking. If the Village chooses to include any information from any document or notice of occurrence of an event in addition to that which is specifically required by the Undertaking, the Village shall have no obligation under the Undertaking to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event.

Dissemination of Information; Dissemination Agent

When filings are required to be made with the MSRB in accordance with the Undertaking, such filings are required to be made through EMMA or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

The Village may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under the Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

NO OPTIONAL REDEMPTION

The Bonds are **not** subject to optional redemption prior to maturity.

LITIGATION

There is no litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings of the Village taken with respect to the issuance or sale thereof. There is no litigation now pending, or to the knowledge of the Village, threatened against the Village that is expected to materially impact the financial condition of the Village.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois, as Bond Counsel (the “Bond Counsel”), which has been retained by, and acts as, Bond Counsel to the Village. Bond Counsel has not been retained or consulted on disclosure matters and has not undertaken to review or verify the accuracy, completeness or sufficiency of this Final Official Statement or other offering material relating to the Bonds and assumes no responsibility for the statements or information contained in or incorporated by reference in this Final Official Statement, except that in its capacity as Bond Counsel, Chapman and Cutler LLP has, at the request of the Village, reviewed only those portions of this Final Official Statement involving the description of the Bonds, the security for the Bonds (excluding forecasts, projections, estimates or any other financial or economic information in connection therewith), the description of the federal tax exemption of the interest on the Bonds and the “bank-qualified” status of the Bonds, if any. This review was undertaken solely at the request and for the benefit of the Village and did not include any obligation to establish or confirm factual matters set forth herein. Miller, Canfield, Paddock and Stone, P.L.C., Chicago, Illinois will serve as Disclosure Counsel to the Village. Certain legal matters will be passed upon for the Underwriter by its counsel, Ice Miller LLP, Chicago, Illinois.

FINAL OFFICIAL STATEMENT AUTHORIZATION

This Final Official Statement has been authorized for distribution to prospective purchasers of the Bonds. All statements, information, and statistics herein are believed to be correct but are not guaranteed by the consultants or by the Village, and all expressions of opinion, whether or not so stated, are intended only as such.

NO INVESTMENT RATING

The Village **does not** intend to seek a rating for the Bonds.

UNDERWRITING

Robert W. Baird & Co. Incorporated, Naperville, Illinois (the “Underwriter”) has agreed to purchase all but not less than all of the Bonds at a price of \$3,916,944.80 (reflecting the par amount of \$3,900,000.00, plus a reoffering premium of \$94,944.80, and less an Underwriter’s discount of \$78,000.00). It is anticipated that delivery of the Bonds will occur on the date shown on the cover page hereof. The Bonds may be offered and sold to certain dealers (including the Underwriter or other dealers depositing Bonds into investment trusts) at prices or yields other than such public offering prices or yields shown in the Final Official Statement, and such public offering prices or yields may be changed, from time to time, by the Underwriter.

MUNICIPAL ADVISOR

The Village has engaged Speer Financial, Inc. as municipal advisor (the “Municipal Advisor”) in connection with the issuance and sale of the Bonds. The Municipal Advisor is a Registered Municipal Advisor in accordance with the rules of the MSRB. The Municipal Advisor will not participate in the underwriting of the Bonds. The financial information included in this Final Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. The Municipal Advisor is not a firm of certified public accountants and does not serve in that capacity or provide accounting services in connection with the Bonds. The Municipal Advisor is not obligated to undertake any independent verification of or to assume any responsibility for the accuracy, completeness or fairness of the information contained in this Final Official Statement, nor is the Municipal Advisor obligated by the Undertaking.

CERTIFICATION

We have examined this Final Official Statement dated September 20, 2018, for the \$3,900,000 General Obligation Bonds (Alternate Revenue Source), Series 2018, believe it to be true and correct and will provide to the purchaser of the Bonds at the time of delivery a certificate confirming to the purchaser that to the best of our knowledge and belief information in this Final Official Statement was at the time of acceptance of the bid for the Bonds and, including any addenda thereto, was at the time of delivery of the Bonds true and correct in all material respects and does not include any untrue statement of a material fact, nor does it omit the statement of any material fact required to be stated therein, or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

/s/ **KEITH D. GIAGNORIO**
President
Village of Lombard
DuPage County, Illinois

/s/ **TIMOTHY SEXTON**
Director of Finance
Village of Lombard
DuPage County, Illinois

APPENDIX A

**VILLAGE OF LOMBARD
DUPAGE COUNTY, ILLINOIS**

FISCAL YEAR 2017 AUDITED FINANCIAL STATEMENTS

VILLAGE OF LOMBARD, ILLINOIS
COMPREHENSIVE ANNUAL FINANCIAL
REPORT



FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2017

VILLAGE OF LOMBARD, ILLINOIS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

Prepared by Accounting and Financial Services Division
Finance Department
Timothy K. Sexton
Director of Finance
Anne M. Fairbairn
Accounting Manager

VILLAGE OF LOMBARD, ILLINOIS

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VILLAGE OF LOMBARD, ILLINOIS

**OFFICERS AND OFFICIALS
YEAR ENDED DECEMBER 31, 2017**

INTRODUCTORY SECTION

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

LEGISLATIVE

Board of Trustees

Keith Giagnorio, Village President

Dan Whittington

Michael Fugiel

Reid Foltyniewicz

William Johnston

Robyn Pike

William Ware

Sharon Kuderna, Village Clerk

EXECUTIVE

Scott Niehaus, Village Manager

FINANCE

Timothy Sexton, Director of Finance



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

May 17, 2018

To the Citizens of the Village of Lombard:

We submit to you the Comprehensive Annual Financial Report of the Village of Lombard, Illinois for the fiscal year ended December 31, 2017. The responsibility for the accuracy of the data and the completeness and fairness of the presentation, including disclosures, rests with the management of the Village of Lombard. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the Village of Lombard's financial statements in conformity with generally accepted accounting principal (GAAP). Because the cost of internal controls should not outweigh their benefits, the Village of Lombard's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Village of Lombard's financial statements have been audited in accordance with generally accepted auditing standards by Lauterbach & Amen, LLP, a firm of licensed certified public accountants. The independent auditor concluded, based upon the audit that there was a reasonable basis for rendering an unmodified opinion that the Village's financial statements for the fiscal year ended December 31, 2017, are fairly presented in conformity with GAAP. The report of the independent auditor is presented as the first component of the financial section of this report.

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

Village President
 Keith T. Giagnorio

Village Clerk
 Sharon Kuderna

Trustees

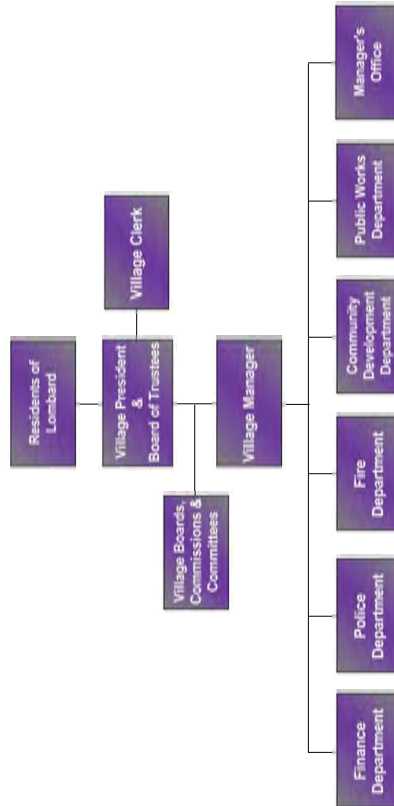
- Dan Whittington, Dist. 1
- Michael A. Fugiel, Dist. 2
- Reid Polyniewicz, Dist. 3
- Bill T. Johnston, Dist. 4
- Robyn Pike, Dist. 5
- William "Bill" Ware, Dist. 6

Village Manager
 Scott R. Nicholas

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

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

VILLAGE OF LOMBARD



COMMUNITY PROFILE

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

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

Lombard covers an area of 10.93 square miles. The actual value of property in the Village increased by 6.7% in 2017. New construction in 2017 resulted in a 0.6% or \$8,659,870 increase in the Village's EAV. In addition, there were no annexations made during the year. Current projections anticipate an increase in EAV of 6.5% for 2018, based on information from the assessor's office as well as a significantly higher level of new construction. In 2018, the rate of new construction and annexations is projected to result in an increase of approximately 1.9% or \$30,000,000 in EAV for the 2018 tax year.

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

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

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

MAJOR INITIATIVES

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

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

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

The strategic planning session priorities for 2016-2018 are summarized as follows:

I. Financial Stability:

- a. Resolution of LPFC debt issue.
- b. Set policy for revenue review.
- c. CIP refined/updated to reflect major projects by 2018.

II. Economic Development:

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

III. Communication and Community Image:

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

IV. Operational Sustainability:

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

The Village of Lombard engaged in a team building and strategic planning process over three sessions in 2015. The sessions yielded an improved understanding of effective governance and a finalized strategic plan for the three-year period 2016-2018.

What follows are several of the capital projects scheduled in fiscal year 2018. Funding information for each project is set forth in detail in the fiscal year 2018 Village Budget and the fiscal year 2018 to fiscal year 2027 Capital Improvement Plan.

To the Citizens of the Village of Lombard
May 17, 2018

Bikeway & Pedestrian Path Improvements

- Sustainable transportation program
- Westmore-Meyers bicycle pedestrian improvements

Commuter Parking Facilities

- General maintenance of parking lots

Facility Maintenance and Improvements

- Security card access system
- Utilities outdoor storage facilities
- Pedestrian bridge rehabilitation
- Underground utilities office construction
- Fire station #1 outdoor storage garage
- General facility maintenance
- Downtown camera maintenance

Parking Lot Improvements

- Village complex pavement maintenance

Professional Services

- Fleet maintenance facility master plan
- Consulting engineering services

Right of Way Maintenance and Beautification

- Public information notification signage - FD
- Right-of-way beautification program
- Downtown TIF streetscape improvements program
- Parkway ash tree removal and replacement program

Sewer System/Stormwater Improvements

- Pump station component maintenance & replacement
- Backyard sewer lining program
- Detention pond maintenance & improvements
- Manhole inspection & rehabilitation
- Large diameter combined sewer rehabilitation (108")
- Highland Estates lift station cathodic protection
- Lift station flow monitors
- Edson/Wilson manhole aerator
- Terrace View pond-maintenance
- SCADA system hardware upgrade
- Cambria lift station rehabilitation
- Maintenance programs

To the Citizens of the Village of Lombard
May 17, 2018

Sidewalk Improvements

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

Street Construction and Improvements

- Maintenance programs

Traffic Signal and Street Lighting Improvements

- Street light & traffic signal pole replacement
- Traffic signal modernization program replacement
- Downtown LED streetlight replacement program
- Pole/Arm/Lighthouse replacement

Water System Improvements

- Elizabeth Street watermain replacement
- Watermain maintenance & improvements program
- High service pump rehabilitation
- Lead service line replacement program
- Water meter replacement
- Central station reservoir improvement
- Pipe gallery & concrete rehabilitation program
- Oak Creek water reservoir
- Water distribution & PW security improvements
- Civic center reservoir SCADA upgrades

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

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy: The Village of Lombard continues to maintain a stable financial position, with overall revenues exceeding fiscal year 2017 estimates. Revenues were fairly strong during the fiscal year, mainly led by a significant increase in building permits. However, we continue to be cautious as the governor and state legislature continue to threaten cuts to local government revenue sharing. At this point, it is anticipated that there will be a cut to the income tax that is shared with local governments. However, it is uncertain to what level this revenue will be reduced. In addition, recently it was announced that all Carson's stores would be going out of business. Carson's is one of the anchor tenants of Yorktown Center. This will likely have a negative impact on sales tax revenue beginning late in 2018.

Overall, the Village anticipates that revenues will increase minimally or be flat during fiscal year 2018. The Village Board and staff have taken steps to monitor the situation and make adjustments as needed. In addition, the financial condition of the State of Illinois, and its potential impact on the revenues that are shared with municipalities, is of concern and will continue to be monitored. Despite the slow recovery in the economy over the previous several years, the Village continues to maintain a strong financial condition, mainly due to the Long Term Financial Planning effort.

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

In an effort to be proactive, the Village of Lombard developed a Long Range Plan in fiscal year 2016, with strategies to address the rising costs of non-discretionary (required) expenses. The Long Range Plan focuses on fiscal responsibility, prudent planning, and the implementation of resident recommendations via Village Committees. The challenges faced by the Village are associated with maintaining excellent core service levels to residents and business owners, while expenses continue to increase faster than revenues, due to State mandates beyond the Village's control. The strategy approved in the Long Range Plan commits the Village to matching dollar for dollar (50/50) revenue increases and expenditure reductions, in order to maintain a balanced General Fund operating budget. This planning effort continues as the Village begins working on the 2019 budget.

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

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

The Village purchases excess insurance coverage from private insurers while self-insuring a portion of its overall risk. From 2012-2014, the insurance market had been very competitive, resulting in lower premium costs for the Village. However, that trend ended with higher premium costs in 2015. We received a normal inflationary increase for 2016 through 2018, and currently anticipate the same for 2019.

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

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

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

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

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

Awards: The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Lombard for its comprehensive annual financial report for the fiscal year ended December 31, 2016. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

To the Citizens of the Village of Lombard
May 17, 2018

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

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

Sincerely,


Scott R. Nicholas
Village Manager


Timothy Sexton
Director of Finance



Government Finance Officers Association


Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Village of Lombard
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016


Executive Director/CEO

FINANCIAL SECTION

This section includes:

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

INDEPENDENT AUDITORS' REPORT

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



INDEPENDENT AUDITORS' REPORT

May 17, 2018

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Lombard, Illinois, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Lombard Public Facilities Corporation. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Lombard Public Facilities Corporation, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit(s), each major fund, and the aggregate remaining fund information of the Village of Lombard, Illinois, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

Other Matters – Continued

Other Information – Continued

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 17, 2018, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provision of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

MANAGEMENT'S DISCUSSION AND ANALYSIS


LAUTERBACH & AMEN, LLP

VILLAGE OF LOMBARD, ILLINOIS

**Management's Discussion and Analysis
December 31, 2017**

Our discussion and analysis of the Village of Lombard's financial performance provides an overview of the Village's financial activities for the fiscal year ended December 31, 2017. Please read it in conjunction with the transmittal letter beginning on page iii and the Village of Lombard's financial statements, which begin on page 4. A comparative analysis of government-wide data has been presented. Please note throughout the MD&A, amounts are rounded to nearest 100,000.

FINANCIAL HIGHLIGHTS

- The Village of Lombard's net position totals \$151.6 million. Net position for government activities account for \$59.7 million or 39.4% of the total and business-type activities account for \$91.8 million or 60.6%.
- During the year, expenses were \$63.6 million on a government-wide basis as compared to \$76.7 million in revenue. Governmental activities accounted for \$44.5 million or 70.0% of total expenses with business-type activities accounting for \$19.1 million or 30.0%.
- Revenues for governmental activities exceeded expenses by \$5.9 million and business-type activities revenues exceeded expenses by \$7.2 million.
- Due to the Village implementing GASB Statement Number 75 related to OPEB net pension liability, the 2016 net position has been restated for governmental activities.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 4-7) provide information about the activities of the Village of Lombard as a whole and present a longer-term view of the Village of Lombard's finances. Fund financial statements begin on page 8. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Village of Lombard's operation in more detail than the government-wide statements by providing information about the Village of Lombard's most significant funds. The remaining statements provide financial information about activities for which the Village of Lombard acts solely as a trustee or agent for the benefit of those outside of the government.

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the Village of Lombard's finances, in a matter similar to a private-sector business. The government-wide financial statements can be found on pages 4-7 of this report.

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VILLAGE OF LOMBARD, ILLINOIS

**Management's Discussion and Analysis
December 31, 2017**

USING THIS ANNUAL REPORT – Continued

Government-Wide Financial Statements – Continued

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

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

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

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

The Lombard Public Facilities Corporation, an Illinois not-for-profit corporation, was created to, among other things, issue revenue bonds to finance the cost of acquiring, designing, constructing, equipping, operating and financing a Conference Center, Hotel, Restaurants and related improvements adjacent to the Yorktown Center regional shopping mall. Additional information on the Lombard Public Facilities Corporation can be found in Note 1 on page 19 of this report.

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VILLAGE OF LOMBARD, ILLINOIS

Management's Discussion and Analysis
December 31, 2017

USING THIS ANNUAL REPORT – Continued

Fund Financial Statements

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

Governmental Funds

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

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

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

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

The basic governmental fund financial statements can be found on pages 8-11 of this report.

Proprietary Funds

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

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VILLAGE OF LOMBARD, ILLINOIS

Management's Discussion and Analysis
December 31, 2017

USING THIS ANNUAL REPORT – Continued

Fund Financial Statements – Continued

Proprietary Funds – Continued

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

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

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

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village of Lombard's own programs. The accounting use for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 16-17 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 18-74 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village of Lombard's Illinois Municipal Retirement Fund (IMRF), police, and firefighters' employee pension obligations and the Village's other postemployment benefit obligation. Required supplementary information can be found on pages 75-87 of this report. Combining and individual fund statements and schedules can be found on pages 88-153 of this report.

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VILLAGE OF LOMBARD, ILLINOIS

Management's Discussion and Analysis
December 31, 2017

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

	Net Position (in Millions)					
	Governmental Activities		Business-Type Activities		Total	
	Dec-17	Dec-16	Dec-17	Dec-16	Dec-17	Dec-16
Current and Other Assets	\$ 50.8	49.0	35.9	36.0	86.7	84.9
Capital Assets	96.6	97.7	74.8	64.1	171.4	161.8
Total Assets	147.4	146.7	110.7	100.0	258.1	246.7
Deferred Outflows	7.4	5.9	0.7	1.0	8.0	6.9
Total Assets/Deferred Outflows	154.8	152.6	111.4	101.1	266.2	253.6
Long-Term Debt Outstanding	63.8	75.0	12.9	10.4	76.7	85.4
Other Liabilities	4.9	5.2	4.5	5.9	9.4	11.1
Total Liabilities	68.8	80.2	17.4	16.3	86.2	96.5
Deferred Inflows	26.3	15.0	2.1	0.1	28.4	15.1
Total Liabilities/Deferred Inflows	95.0	95.2	19.5	16.4	114.6	111.6
Net Position						
Net Investment in Capital Assets	95.4	95.1	61.5	55.2	156.9	150.3
Restricted	9.9	8.8	-	-	9.9	8.8
Unrestricted	(45.5)	(46.5)	30.3	29.5	(15.2)	(17.0)
Total Net Position	\$ 59.7	57.4	91.8	84.6	151.6	142.0

Current Year Impacts on Net Position. The Village's total net position increase from \$142.0 million to \$151.6 million was the result of the governmental activities net position increasing by \$5.9 million and business-type activities increasing by \$7.2 million, along with a restatement for GASB 75 of \$3.5 million. The governmental activities assets/deferred outflows increased \$2.2 million while governmental activities total liabilities/deferred inflows decreased \$0.2 million. The increase in governmental activities assets/deferred outflows is due to police and fire assumption changes being deferred to subsequent years.

Total assets/deferred outflows of business-type activities increased 10.3 million. The increase is primarily due to the large infrastructure projects in capital assets which include Roosevelt Road water main lining, transmission main, Route 53 pump station and Gatz Pond.

Of the Village of Lombard's total net position at December 31, 2017 of \$151.6 million, the unrestricted net position increased \$1.8 million due primarily to the overall improved financial impact in the current year of the net pension liabilities to the Village's basic financial statements. The unrestricted business-type activities totaled \$30.3 million; the Village's investment in the Glenbard Wastewater Authority, a joint agency with the Village of Glen Ellyn, Illinois to

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VILLAGE OF LOMBARD, ILLINOIS

Management's Discussion and Analysis
December 31, 2017

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Current Year Impacts on Net Position – continued. provide wastewater treatment to the two communities, represents \$23.7 million. Net investment in capital assets is \$156.9 million which includes land, buildings, machinery, equipment and infrastructure. The Village of Lombard uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village of Lombard's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The remaining \$9.9 million of the Village of Lombard's net position represents resources that are subject to external restrictions on how they may be used.

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

	Village of Lombard Changes in Net Position (In Millions)					
	Governmental Activities		Business-Type Activities		Total	
	Dec-17	Dec-16	Dec-17	Dec-16	Dec-17	Dec-16
Revenues						
Program Revenues	\$ 7.3	6.0	16.7	16.5	24.0	22.5
Changes for Services	0.2	0.2	0.3	-	0.6	0.2
Operating Grants/Contributions	3.2	7.6	0.3	0.1	3.5	7.7
Capital Grants/Contributions						
General Revenues	38.3	40.0	7.8	4.4	46.1	44.5
Taxes	0.3	0.2	0.1	0.1	0.4	0.3
Interest Income	0.6	1.3	1.5	1.5	2.1	2.8
Miscellaneous	49.9	55.5	26.8	22.6	76.7	78.0
Total Revenues						
Expenses						
General Government	8.4	7.7	-	-	8.4	7.7
Public Safety	22.3	43.0	-	-	22.3	43.0
Physical Environment	1.7	1.6	-	-	1.7	1.6
Public Works	12.2	12.1	-	-	12.2	12.1
Interest on Long-Term Debt	0.1	0.1	-	-	0.1	0.1
Waterworks and Sewerage	-	-	18.9	17.2	18.9	17.2
Parking	-	-	0.2	0.1	0.2	0.1
Total Expenses	44.5	64.5	19.1	17.2	63.6	81.8
Increase (Decrease) in Net Position Before Transfers	5.4	(9.1)	7.7	5.3	13.1	(3.7)
Transfers	0.5	0.5	(0.5)	(0.5)	-	-
Change in Net Position	5.9	(8.5)	7.2	4.8	13.1	(3.7)
Net Position - Beginning as Restated*	53.8	65.9	84.6	79.9	138.5	145.8
Net Position - Ending	\$ 59.7	57.4	91.8	84.6	151.6	142.0

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

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VILLAGE OF LOMBARD, ILLINOIS

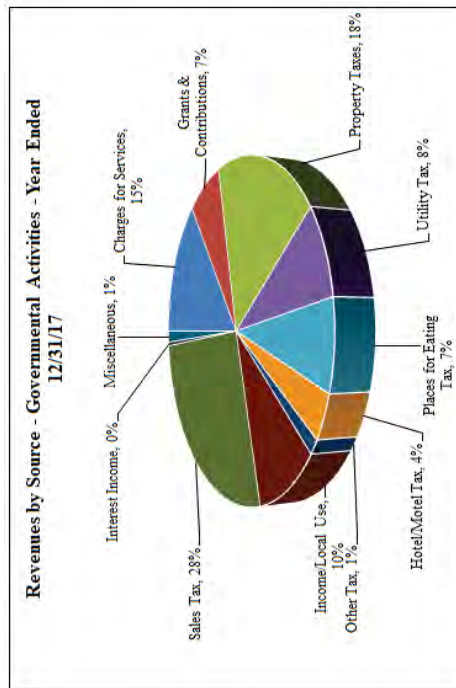
Management's Discussion and Analysis
December 31, 2017

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Governmental Activities

As shown in the Changes in Net Position table on the previous page, revenues for governmental activities in the fiscal year ended December 31, 2017 totaled \$49.9 million or 65.1% of the total revenues received. In the fiscal year ended December 31, 2016, revenues for governmental activities totaled \$55.5 million or 71.1% of the total revenues received during that period. The majority of the \$5.6 million decrease in 2017 from 2016 is due to the capital contribution recognized for the construction of the Great Western Trail Bridge in 2016.

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



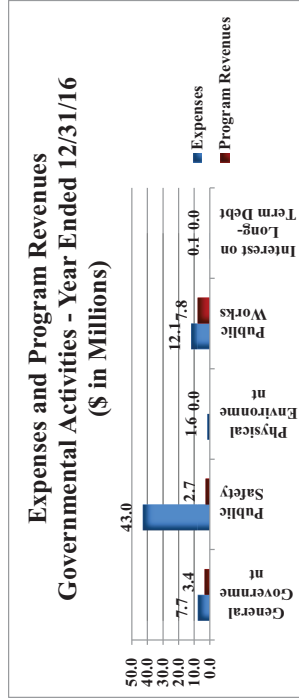
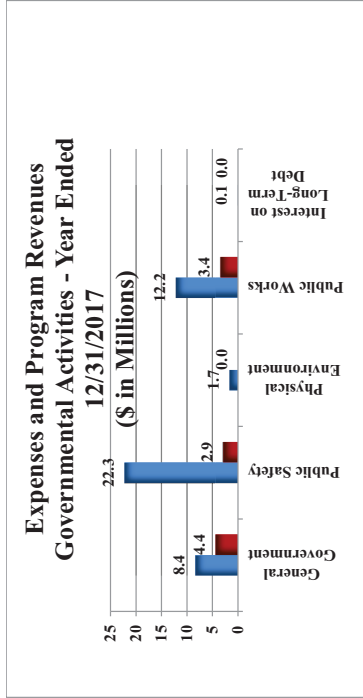
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VILLAGE OF LOMBARD, ILLINOIS

Management's Discussion and Analysis
December 31, 2017

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Governmental Activities – Continued



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

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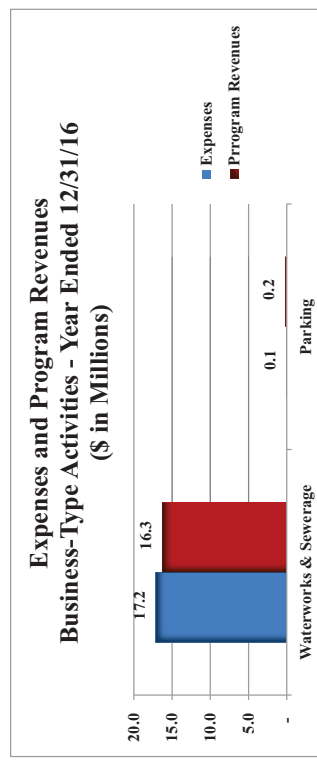
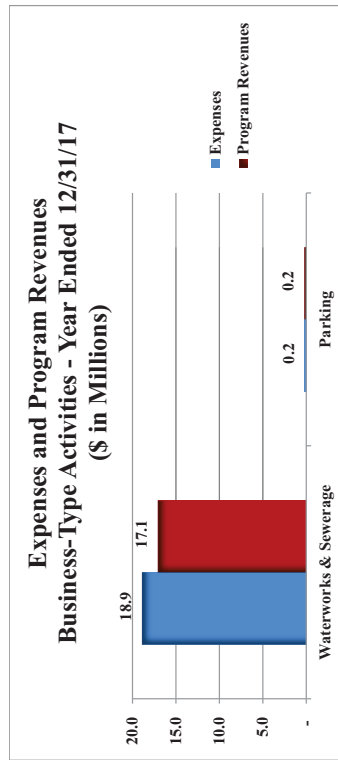
VILLAGE OF LOMBARD, ILLINOIS

Management's Discussion and Analysis
December 31, 2017

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Business-Type Activities

Program revenues of the Village's business-type activities in the fiscal year ended December 31, 2017 were \$17.3 million while expenses totaled \$19.1 million. Program revenues of the business-type activities in the fiscal year ended December 31, 2016 were \$16.6 million while expenses totaled \$17.3 million.



The above graphs compare program revenues to expenses for waterworks and sewerage operations, and parking operations for the fiscal year ended December 31, 2017 and the fiscal year ended December 31, 2016.

VILLAGE OF LOMBARD, ILLINOIS

Management's Discussion and Analysis
December 31, 2017

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. As of the end of the current fiscal year, the major governmental funds reported combined ending fund balances of \$30.8 million. The following table provides information on the major funds: General, Capital Projects and Debt Service. Additional information is provided on page 50 of this report.

Major Governmental Funds	Major Governmental Funds Fund Balance Analysis			Change	% Chg
	Current Year	Prior Year			
Nonspendable Fund Balance:					
General Fund	\$ 1,745,588	1,565,759	179,829	11.5%	
Restricted Fund Balance:					
General Fund	\$ 3,807,634	3,806,465	1,169	0.0%	
Capital Projects Fund	5,771,804	4,796,242	975,562	20.3%	
Debt Service Fund	348,999	213,101	135,898	63.8%	
Committed Fund Balance:					
General Fund	\$ 8,432,807	7,337,681	1,095,126	14.9%	
Capital Projects Fund	1,119,423	1,119,423	-	NA	
Assigned Fund Balance:					
Capital Projects Fund	\$ 1,058,027	4,859,378	(3,801,351)	-78.2%	
Unassigned Fund Balance:					
General Fund	\$ 8,550,874	6,508,942	2,041,932	31.4%	
Total	\$ 30,835,156	30,206,991	628,165	2.1%	

- The Village maintains General Fund Balance restrictions for special revenues totaling \$3.8 million. The largest restriction maintained in the General Fund is for Liability Insurance and totaled \$1.5 million at year-end which decreased \$287,254 compared to FYE 2016. The Village also maintains restrictions for Illinois Municipal Retirement Fund, Public Safety, Recycling and Hotel/Motel tax funds and other smaller accounts.
- The Village maintains a committed portion of General Fund balance for the future replacement of computer hardware and software and other technology in the Village.

VILLAGE OF LOMBARD, ILLINOIS

Management's Discussion and Analysis
December 31, 2017

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS – Continued

Governmental Funds – Continued

- The Village Board approved a year-end General Fund Reserve Maintenance Policy in 2016. This policy created four new committed accounts (Emergency Reserve, Revenue Stabilization Reserve, Pension Reserve, and Building Reserve). Note the Building account is in the Capital Projects Fund.
- The Debt Service Fund is also reported as a major fund and is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest for the Village's governmental funds. For the fiscal year ended December 31, 2017, the Village reported an increase in the Debt Service fund balance of \$135,898, resulting in ending fund balance of \$348,999 which is restricted for future debt service costs. The increase in fund balance is due to an increase in the property tax levy revenue allocation.
- The Capital Projects Fund, also a major fund of the Village, is used to account for resources used for the acquisition of capital assets by the Village, except those financed by proprietary funds, including general and infrastructure capital assets. For the year ended December 31, 2017, the Capital Projects Fund reported a decrease in fund balance of \$2.8 million. Over \$2.4 million was spent on maintenance of the Village's infrastructure.

Proprietary Funds

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

The Village reports the Waterworks and Sewerage Fund as a major proprietary fund. This fund accounts for all of the operations of the municipal water and sewer system. Water is purchased from the City of Chicago (through the DuPage Water Commission) at a rate of \$4.88 per thousand gallons. Water is sold to all municipal customers at a rate of \$7.64 per thousand gallons. The spread between purchase and sale rates is intended to finance the operations of the waterworks and sewerage system, including labor costs, supplies, and infrastructure maintenance.

The Village intends to run the water and sewerage fund and parking fund at breakeven rates. Periodically, there will be an annual surplus or draw down due to timing of capital projects. The change in net position in the Proprietary Funds during the current fiscal year was \$7.2 million. This money has been designated by the Village for future rate stabilization or capital improvements.

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VILLAGE OF LOMBARD, ILLINOIS

Management's Discussion and Analysis
December 31, 2017

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Village of Lombard's investment in capital assets for its governmental and business-type activities as of December 31, 2017, was \$171.4 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, land improvements, vehicles, machinery and equipment, roads, sidewalks, bridges and utility infrastructure. The total increase in the Village of Lombard investment in capital assets for the current fiscal year was \$9.6 million over the prior fiscal year due mainly to construction in progress.

Capital Assets - Net of Depreciation (in Millions)

	Governmental Activities		Business-Type Activities		Total	
	Dec-17	Dec-16	Dec-17	Dec-16	Dec-17	Dec-16
Land	\$ 31.0	31.0	2.3	2.4	33.3	33.5
Construction in Progress	3.4	2.2	20.8	12.6	24.2	14.8
Land Improvements	1.3	1.3	1.0	-	2.3	1.3
Buildings	4.3	3.5	0.8	1.0	5.1	4.6
Vehicles and Equipment	4.7	4.8	-	-	4.7	4.8
Water and Sewerage Infrastructure	-	-	49.9	48.0	49.9	48.0
Other Infrastructure	51.9	54.7	-	-	51.9	54.7
Total	96.6	97.7	74.8	64.1	171.4	161.8

The December 31, 2017 fiscal capital budget included \$22.2 million for capital projects, maintenance of infrastructure, and debt payments on prior year projects. Many of these projects are still in progress at December 31, 2017, which is reflected in the significant increase to construction in progress in business type activities above. In addition, as discussed earlier in the MD&A, the Village's Roosevelt Road water main lining and Transmission Main projects funded with an IEPA loan in the amount of \$10 million for water and sewer infrastructure improvements is shown under Construction in Progress. The Hammerschmidt Parking Lot extension was completed in 2017. Additional information on the Village of Lombard's capital assets can be found in Note 3 on pages 42-43 of this report.

Debt Administration

At December 31, 2017, the Village of Lombard had total outstanding debt of \$14.5 million, as compared to \$11.5 million the previous year, an increase of 26.3%. At the end of fiscal year December 31, 2017, the Village's governmental activities had \$1.2 million in outstanding debt certificates as compared to \$2.6 million at the end of fiscal year December 31, 2016. The business-type activities outstanding debt certificates decreased from \$4.9 million at the end of fiscal year ended December 31, 2016 to \$2.9 million at the end of fiscal year ended December 31, 2017. The Village's \$4.1 million in IEPA Loans at December 31, 2016 increased to \$10.4 million at December 31, 2017.

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VILLAGE OF LOMBARD, ILLINOIS

**Management's Discussion and Analysis
December 31, 2017**

CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

Debt Administration – Continued

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

The Village's legal debt limit is \$127.1 million. The amount currently applicable to this limit is \$4.2 million, leaving a legal debt margin available of \$122.9 million. Specifics on the Village of Lombard long-term debt can be found in Note 3 on pages 44-48 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

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

The Village is subject to the property tax extension limitation law which limits the increase in the Village property tax extension to the increase in the consumer price index. For the 2016 levy collected in calendar year 2017, the increase was 0.7%. For the 2017 levy collected in 2018, the applicable CPI factor is 2.1%. For both the 2016 levy and the 2017 levy the Village has also seen an increase in new construction within the Village.

The Village of Lombard continues to maintain a stable financial position and anticipates that revenues will increase minimally or flat during fiscal year 2018. However, the Village continues to face substantial increases in liability and pension costs. In addition, eight former police officers and firefighters receive free health insurance from the Village under the Public Safety Employee Benefits Act (PSEBA), as mandated by the State of Illinois.

The indicators discussed above were taken into account when adopting the General Fund budget for 2018. Amounts available for appropriation in the General Fund increased 2.9% or \$1,266,295 above the amended 2017 budget.

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

VILLAGE OF LOMBARD, ILLINOIS

**Management's Discussion and Analysis
December 31, 2017**

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

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

- Government-Wide Financial Statements
- Fund Financial Statements
 - Governmental Funds
 - Proprietary Funds
 - Fiduciary Funds

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

See Following Page

VILLAGE OF LOMBARD, ILLINOIS

Statement of Net Position
December 31, 2017

	Primary Government		Totals	Component Unit Lombard Public Facilities Corporation
	Governmental Activities	Business- Type Activities		
ASSETS				
Current Assets				
Cash and Investments	\$ 35,076,230	7,862,534	42,938,764	10,578,113
Receivables - Net of Allowances	13,982,308	3,936,601	17,918,909	1,459,650
Prepaid/Deposits	1,745,588	340,649	2,086,237	541,653
Total Current Assets	50,804,126	12,139,784	62,943,910	12,579,396
Noncurrent Assets				
Capital Assets				
Nondepreciable Capital Assets	34,433,423	23,032,934	57,466,357	7,903,588
Depreciable Capital Assets	150,088,049	94,709,613	244,797,662	136,777,677
Accumulated Depreciation	(87,915,795)	(42,941,865)	(130,857,660)	(42,863,603)
Equity Interest in Joint Venture	96,605,677	74,800,682	171,406,359	101,817,662
Total Noncurrent Assets	-	23,770,460	23,770,460	-
Total Assets	96,605,677	98,571,142	195,176,819	101,817,662
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Items - IMRF	1,595,137	654,016	2,249,153	-
Deferred Items - Police Pension	2,373,548	-	2,373,548	-
Deferred Items - Firefighters' Pension	3,152,946	-	3,152,946	-
Deferred Items - OPEB	260,782	-	260,782	-
Total Deferred Outflows of Resources	7,382,413	654,016	8,036,429	-
Total Assets and Deferred Outflows of Resources	154,792,216	111,364,942	266,157,158	114,397,058

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

	Primary Government		Totals	Component Unit Lombard Public Facilities Corporation
	Governmental Activities	Business- Type Activities		
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 2,386,999	2,253,086	4,640,085	11,747,677
Accrued Payroll	737,653	123,931	861,584	-
Deposits Payable	580,893	304,271	885,164	-
Claims Payable	158,910	-	158,910	-
Interest Payable	16,357	41,801	58,158	9,060,471
Current Portion of Long-Term Debt	1,040,125	1,756,753	2,796,878	181,447,401
Total Current Liabilities	4,920,937	4,479,842	9,400,779	202,255,549
Noncurrent Liabilities				
Compensated Absences Payable	1,823,498	197,862	2,021,360	-
Net Pension Liability - IMRF	2,791,928	1,144,707	3,936,635	-
Net Pension Liability - Police	32,615,756	-	32,615,756	-
Net Pension Liability - Fire	18,723,515	-	18,723,515	-
Total OPEB Liability	7,241,099	-	7,241,099	-
Debt Certificates	652,800	1,498,200	2,151,000	-
IEPA Loan Payable	-	10,106,538	10,106,538	-
Bonds Payable	-	-	-	35,827,237
Total Noncurrent Liabilities	63,848,596	12,947,307	76,795,903	35,827,237
Total Liabilities	68,769,533	17,427,149	86,196,682	238,082,786
DEFERRED INFLOWS OF RESOURCES				
Deferred Items - IMRF	5,176,489	2,122,392	7,298,881	-
Deferred Items - Police Pension	5,824,945	-	5,824,945	-
Deferred Items - Firefighters' Pension	6,167,640	-	6,167,640	-
Property Taxes	9,104,000	-	9,104,000	-
Total Deferred Inflows of Resources	26,273,074	2,122,392	28,395,466	-
Total Liabilities and Deferred Inflows of Resources	95,042,607	19,549,541	114,592,148	238,082,786
NET POSITION				
Net Investment in Capital Assets				
Restricted - Liability Insurance	95,368,627	61,488,657	156,857,284	(87,616,079)
Restricted - IMRF/Social Security	1,474,087	-	1,474,087	-
Restricted - Special Service Area	774,553	-	774,553	-
Restricted - Hotel/Motel Taxes	7,758	-	7,758	-
Restricted - Grants/Donations	1,111,822	-	1,111,822	-
Restricted - Cable Equipment	17,283	-	17,283	-
Restricted - Recycling	71,113	-	71,113	-
Restricted - Public Safety	113,036	-	113,036	-
Restricted - Debt Service	237,982	-	237,982	-
Restricted - Capital Projects	332,642	-	332,642	-
Unrestricted (Deficit)	5,771,804	-	5,771,804	-
Unrestricted - Component Unit	(45,531,098)	30,326,744	(15,204,354)	-
Total Net Position	59,749,609	91,815,401	151,565,010	(36,069,649)

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

VILLAGE OF LOMBARD, ILLINOIS

Statement of Activities
For the Fiscal Year Ended December 31, 2017

	Program Revenues			
	Expenses	Charges for Services	Operating Grants/Contributions	Capital Grants/Contributions
Governmental Activities				
General Government	\$ 8,364,526	4,403,260	-	-
Public Safety	22,251,838	2,884,513	64,919	-
Physical Environment	1,651,411	-	-	-
Public Works	12,176,367	-	175,729	3,205,407
Interest on Long-Term Debt	50,903	-	-	-
Total Governmental Activities	44,495,045	7,287,773	240,648	3,205,407
Business-Type Activities				
Waterworks and Sewerage	18,914,412	16,492,569	341,381	252,866
Parking	152,930	224,759	-	-
Total Business-Type Activities	19,067,342	16,717,328	341,381	252,866
Total Primary Government	63,562,387	24,005,101	582,029	3,458,273
Component Unit - Lombard Public Facilities Corporation	48,448,270	30,720,081	-	-

	Net (Expenses)/Revenues			Component Unit
	Governmental Activities	Primary Government Business-Type Activities	Totals	
	(3,961,266)	-	(3,961,266)	-
	(19,302,406)	-	(19,302,406)	-
	(1,651,411)	-	(1,651,411)	-
	(8,795,231)	-	(8,795,231)	-
	(50,903)	-	(50,903)	-
	(33,761,217)	-	(33,761,217)	-
	-	(1,827,596)	(1,827,596)	-
	-	71,829	71,829	-
	-	(1,755,767)	(1,755,767)	-
	(33,761,217)	(1,755,767)	(35,516,984)	-
	-	-	-	(17,728,189)

General Revenues	General Revenues
Taxes	
Property Taxes	9,146,994
Utility Taxes	3,969,776
Places for Eating Taxes	3,230,111
Hotel/Motel Taxes	2,042,521
Other Taxes	732,995
Intergovernmental - Unrestricted	
Sales Taxes	14,079,367
State Income and Use Taxes	5,063,514
Interest Income	293,212
Miscellaneous	608,017
Transfers - Internal Activity	525,850
	(525,850)
	8,939,262
Change in Net Position	5,931,140
Net Position - Beginning as Restated	53,818,469
Net Position - Ending	59,749,609

General Revenues	General Revenues
	9,146,994
	3,969,776
	3,230,111
	2,042,521
	732,995
	14,079,367
	5,063,514
	293,212
	608,017
	525,850
	(525,850)
	8,939,262
	5,931,140
	53,818,469
	59,749,609

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

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VILLAGE OF LOMBARD, ILLINOIS

Balance Sheet - Governmental Funds
December 31, 2017

	General	Debt Service	Capital Projects	Totals
ASSETS				
Cash and Investments	\$ 19,133,429	347,653	8,580,897	28,061,979
Receivables - Net of Allowances				
Property Taxes	8,486,600	617,400	-	9,104,000
Other Taxes	3,547,834	-	398,201	3,946,035
Accounts	738,640	-	91,015	829,655
Accrued Interest	41,501	1,346	30,874	73,721
Due From Other Funds	60,860	-	-	60,860
Prepays/Deposits	1,745,588	-	-	1,745,588
Total Assets	33,754,452	966,399	9,100,987	43,821,838

LIABILITIES

Accounts Payable	1,287,580	-	1,073,324	2,360,904
Accrued Payroll	703,566	-	17,549	721,115
Deposits Payable	580,893	-	-	580,893
Claims Payable	158,910	-	-	158,910
Due to Other Funds	-	-	60,860	60,860
Total Liabilities	2,730,949	-	1,151,733	3,882,682

DEFERRED INFLOWS OF RESOURCES

Property Taxes	8,486,600	617,400	-	9,104,000
Total Liabilities and Deferred Inflows of Resources	11,217,549	617,400	1,151,733	12,986,682

FUND BALANCE

Nonspendable	1,745,588	-	-	1,745,588
Restricted	3,807,634	348,999	5,771,804	9,928,437
Committed	8,432,807	-	1,119,423	9,552,230
Assigned	-	-	1,058,027	1,058,027
Unassigned	8,550,874	-	-	8,550,874
Total Fund Balances	22,536,903	348,999	7,949,254	30,835,156

Total Liabilities, Deferred Inflows of Resources and Fund Balances

	33,754,452	966,399	9,100,987	43,821,838
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The notes to the financial statements are an integral part of this statement.

VILLAGE OF LOMBARD, ILLINOIS

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

December 31, 2017

Total Governmental Fund Balances \$ 30,835,156

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.

92,519,472

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

Deferred Items - IMRF	(3,581,352)
Deferred Items - Police Pension	(3,451,397)
Deferred Items - Firefighters' Pension	(3,014,694)
Deferred Items - OPEB	260,782

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

11,019,225

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

Compensated Absences Payable	(2,211,878)
Net Pension Liability - IMRF	(2,791,928)
Net Pension Liability - Police	(32,615,756)
Net Pension Liability - Firefighters' Pension	(18,723,515)
Total OPEB Liability	(7,241,099)
Accrued Interest Payable	(1,237,050)

Net Position of Governmental Activities

59,749,609

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

VILLAGE OF LOMBARD, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended December 31, 2017

	General	Debt Service	Capital Projects	Totals
Revenues				
Taxes	\$ 18,270,269	653,575	198,553	19,122,397
Licenses and Permits	1,455,518	-	-	1,455,518
Intergovernmental	17,683,107	-	4,905,829	22,588,936
Charges for Services	4,806,728	-	-	4,806,728
Fines and Forfeits	1,025,527	-	-	1,025,527
Interest	117,983	1,176	98,189	217,348
Miscellaneous	356,619	-	251,398	608,017
Total Revenues	43,715,751	654,751	5,453,969	49,824,471
Expenditures				
Current				
General Government	8,067,440	-	-	8,067,440
Public Safety	27,030,606	-	-	27,030,606
Physical Environment	1,651,411	-	-	1,651,411
Public Works	4,174,088	-	-	4,174,088
Capital Outlay	-	-	7,380,053	7,380,053
Debt Service	-	-	-	-
Principal Retirement	-	480,000	870,575	1,350,575
Interest and Fiscal Charges	-	38,853	29,130	67,983
Total Expenditures	40,923,545	518,853	8,279,758	49,722,156
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,792,206	135,898	(2,825,789)	102,315
Other Financing Sources				
Transfers In	525,850	-	-	525,850
Net Change in Fund Balances	3,318,056	135,898	(2,825,789)	628,165
Fund Balances - Beginning	19,218,847	213,101	10,775,043	30,206,991
Fund Balances - Ending	22,536,903	348,999	7,949,254	30,835,156

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

VILLAGE OF LOMBARD, ILLINOIS

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

For the Fiscal Year Ended December 31, 2017

Net Change in Fund Balances - Total Governmental Funds	\$	628,165
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	Capital Outlays	2,373,353
	Depreciation Expense	(3,362,149)
	Disposals - Cost	(69,730)
	Disposals - Accumulated Depreciation	69,315
The net effect of deferred outflows (inflows) of resources related to the pensions not reported in the funds.		
	Change in Deferred Items - IMRF	(5,771,094)
	Change in Deferred Items - Police Pension	(1,681,765)
	Change in Deferred Items - Firefighters' Pension	(2,485,148)
	Change in Deferred Items - OPEB	(541,993)
The issuance of long-term debt provides current financial resources to governmental funds. While the repayment of the principal on long-term debt consumes the current financial resources of the governmental funds.		
	Increase to Compensated Absences Payable	(56,402)
	Decrease to Net Pension Liability - IMRF	5,526,895
	Decrease to Net Pension Liability - Police Pension	5,283,031
	Decrease to Net Pension Liability - Firefighters' Pension	4,504,516
	Increase to Total OPEB Liability	(373,566)
	Retirement of Debt	1,350,575
Changes to accrued interest on long-term debt in the Statement of Activities does not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
		17,080
Internal service funds are used by the Village to charge the costs of liability insurance and vehicle and equipment management to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.		
		520,057
Changes in Net Position of Governmental Activities		5,931,140

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

VILLAGE OF LOMBARD, ILLINOIS

Statement of Net Position - Proprietary Funds
December 31, 2017

	Business-Type Activities - Enterprise			Governmental Activities
	Waterworks and Sewerage	Nonmajor System	Parking System	
	Totals			Fleet Services
Current Assets				
Cash and Investments	\$ 7,245,330	617,204	7,862,534	7,014,251
Receivables - Net of Allowances				
Accounts	2,624,130	-	2,624,130	1,257
Other Taxes	1,284,176	-	1,284,176	-
Accrued Interest	25,883	2,412	28,295	27,640
Prepays	340,649	-	340,649	-
Total Current Assets	11,520,168	619,616	12,139,784	7,043,148
Noncurrent Assets				
Capital Assets				
Nondepreciable Capital Assets	22,468,891	564,043	23,032,934	602,691
Depreciable Capital Assets	93,189,495	1,520,118	94,709,613	9,356,108
Accumulated Depreciation	(42,421,822)	(520,043)	(42,941,865)	(5,872,594)
	73,236,564	1,564,118	74,800,682	4,086,205
Equity Interest in Joint Venture	23,770,460	-	23,770,460	-
Total Noncurrent Assets	97,007,024	1,564,118	98,571,142	4,086,205
Total Assets	108,527,192	2,183,734	110,710,926	11,129,353
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Items - IMRF	654,016	-	654,016	-
Total Assets and Deferred Outflows of Resources	109,181,208	2,183,734	111,364,942	11,129,353

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

ASSETS

Current Assets				
Cash and Investments	\$ 7,245,705	7,381	2,253,086	26,095
Receivables - Net of Allowances	122,312	1,619	123,931	16,538
Accounts	303,671	600	304,271	-
Other Taxes	41,801	-	41,801	-
Accrued Interest	49,466	-	49,466	13,499
Prepays	1,420,750	-	1,420,750	-
Total Current Assets	286,537	-	286,537	-
Noncurrent Liabilities	4,470,242	9,600	4,479,842	56,132

LIABILITIES

Current Liabilities				
Accounts Payable	\$ 2,245,705	7,381	2,253,086	26,095
Accrued Payroll	122,312	1,619	123,931	16,538
Deposits Payable	303,671	600	304,271	-
Interest Payable	41,801	-	41,801	-
Compensated Absences	49,466	-	49,466	13,499
Debt Certificates	1,420,750	-	1,420,750	-
HEPA Loan Payable	286,537	-	286,537	-
Total Current Liabilities	4,470,242	9,600	4,479,842	56,132
Noncurrent Liabilities				
Compensated Absences	197,862	-	197,862	53,996
Net Pension Liability - IMRF	1,144,707	-	1,144,707	-
Installment Contracts Payable	1,498,200	-	1,498,200	-
HEPA Loan Payable	10,106,538	-	10,106,538	-
Total Noncurrent Liabilities	12,947,307	-	12,947,307	53,996
Total Liabilities	17,417,549	9,600	17,427,149	110,128

DEFERRED OUTFLOWS OF RESOURCES

Deferred Items - IMRF	2,122,392	-	2,122,392	-
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Total Liabilities and Deferred Inflows of Resources

Total Liabilities and Deferred Inflows of Resources	19,539,941	9,600	19,549,541	110,128
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NET POSITION

Net Investment in Capital Assets Unrestricted	59,924,539	1,564,118	61,488,657	4,086,205
Total Net Position	29,716,728	610,016	30,326,744	6,933,020
	89,641,267	2,174,134	91,815,401	11,019,225

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

VILLAGE OF LOMBARD, ILLINOIS

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds
For the Fiscal Year Ended December 31, 2017

	Business-Type Activities - Enterprise			Governmental Activities	
	Waterworks and Sewerage	Nonmajor Parking System	Totals	Internal Service	Fleet Services
Operating Revenues	\$ 16,492,569	224,759	16,717,328		2,040,769
Charges for Services					
Operating Expenses	1,436,692	-	1,436,692	-	-
Administration Operations	11,289,226	81,496	11,370,722		1,297,769
Sewerage Treatment	4,216,849	-	4,216,849		-
Depreciation	2,290,448	71,434	2,361,882		635,056
Total Operating Expenses	19,233,215	152,930	19,386,145		1,932,825
Operating Income (Loss)	(2,740,646)	71,829	(2,668,817)		107,944
Nonoperating Revenues (Expenses)					
Sales Tax	7,849,684	-	7,849,684		-
Interest Income	77,027	6,612	83,639		75,864
Connection Fees	1,529,339	-	1,529,339		-
Joint Venture Expense	795,748	-	795,748		-
Grant	341,381	-	341,381		-
Other Income	2,450	-	2,450		62,894
Disposal of Capital Assets	(305,178)	-	(305,178)		273,355
Interest Expense	(171,767)	-	(171,767)		-
Total Nonoperating Revenues (Expenses)	10,118,684	6,612	10,125,296		412,113
Income Before Contributions and Transfers	7,378,038	78,441	7,456,479		520,057
Capital Contributions	252,866	-	252,866		-
Transfers Out	(522,130)	(3,720)	(525,850)		-
Total Capital Contributions	(269,264)	(3,720)	(272,984)		-
Change in Net Position	7,108,774	74,721	7,183,495		520,057
Net Position - Beginning	82,532,493	2,099,413	84,631,906		10,499,168
Net Position - Ending	89,641,267	2,174,134	91,815,401		11,019,225

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

VILLAGE OF LOMBARD, ILLINOIS

Statement of Cash Flows - Proprietary Funds
For the Fiscal Year Ended December 31, 2017

	Business-Type Activities - Enterprise Funds			Governmental Activities	
	Waterworks and Sewerage	Nonmajor Parking System	Totals	Internal Service	Fleet Services
Cash Flows from Operating Activities	\$ 19,174,672	223,860	19,398,532		2,097,689
Interfund Services Provided	(2,347,014)	(23,749)	(2,370,763)		(285,898)
Receipts from Customers and Users	(15,500,040)	(60,894)	(15,560,934)		(1,014,209)
Payments to Employees					
Payments to Suppliers	1,327,618	139,217	1,466,835		797,582
Cash Flows from Noncapital Financing Activities					
Transfers Out	(522,130)	(3,720)	(525,850)		-
Sales Tax	7,849,684	-	7,849,684		-
Connection Fees	1,529,339	-	1,529,339		-
Total Cash Flows from Noncapital Financing Activities	8,856,893	(3,720)	8,853,173		-
Cash Flows from Capital and Related Financing Activities					
Purchase of Capital Assets	(12,970,516)	-	(12,970,516)		(515,924)
Interest on Installment Contracts	(171,767)	-	(171,767)		-
Principal Paid on Installment Contracts	(1,938,425)	-	(1,938,425)		-
Debt Issuance	6,323,753	-	6,323,753		-
Disposal of Capital Assets	(147,250)	-	(147,250)		273,355
Total Cash Flows from Capital and Related Financing Activities	(8,904,205)	-	(8,904,205)		(242,569)
Cash Flows from Investing Activities					
Interest Received	77,027	6,612	83,639		75,864
Net Change in Cash and Cash Equivalents	1,357,333	142,109	1,499,442		630,877
Cash and Cash Equivalents - Beginning of Year	5,887,997	475,095	6,363,092		6,383,374
Cash and Cash Equivalents - End of Year	7,245,330	617,204	7,862,534		7,014,251
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	(2,740,646)	71,829	(2,668,817)		107,944
Adjustments to Reconcile Operating Income to Net Income to Net Cash Provided by (Used in) Operating Activities:					
Depreciation Expense	2,290,448	71,434	2,361,882		635,056
Other Income (Loss)	343,831	-	343,831		62,894
Other Expense - IMRF	104,181	-	104,181		-
(Increase) Decrease in Current Assets	2,338,272	(899)	2,337,373		(5,974)
Increase (Decrease) in Current Liabilities	(1,008,468)	(3,147)	(1,011,615)		(2,338)
Net Cash Provided by Operating Activities	1,327,618	139,217	1,466,835		797,582
Noncash Investing and Financing Activities					
Capital Contributions	252,866	-	252,866		-

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

VILLAGE OF LOMBARD, ILLINOIS

Statement of Fiduciary Net Position
December 31, 2017

	Pension Trust	Agency
ASSETS		
Cash and Cash Equivalents	\$ 2,245,606	903,085
Investments		
U.S. Government and Agency Obligations	42,140,650	-
Local Government Obligations	7,094,178	-
Corporate Bonds	10,603,360	-
Mutual Funds	60,878,112	-
Stock Equities	3,483,876	-
Illinois Funds	143,928	-
Illinois Metropolitan Investment Funds	1,682,283	-
Receivables	479,649	2,958
Accrued Interest		
Prepays	795	-
Total Assets	<u>128,752,437</u>	<u>906,043</u>
LIABILITIES		
Accounts Payable	49,292	-
Due to Bondholders	-	906,043
Total Liabilities	<u>49,292</u>	<u>906,043</u>
NET POSITION		
Net Position Restricted for Pensions	<u>128,703,145</u>	

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

VILLAGE OF LOMBARD, ILLINOIS

Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended December 31, 2017

	Pension Trust
ASSETS	
Cash and Cash Equivalents	\$ 2,245,606
Investments	
U.S. Government and Agency Obligations	42,140,650
Local Government Obligations	7,094,178
Corporate Bonds	10,603,360
Mutual Funds	60,878,112
Stock Equities	3,483,876
Illinois Funds	143,928
Illinois Metropolitan Investment Funds	1,682,283
Receivables	479,649
Accrued Interest	
Prepays	795
Total Assets	<u>128,752,437</u>
LIABILITIES	
Accounts Payable	49,292
Due to Bondholders	-
Total Liabilities	<u>49,292</u>
NET POSITION	
Net Position Restricted for Pensions	<u>128,703,145</u>
CHANGES IN NET POSITION	
Balance, Beginning	128,703,145
Contributions - Employer	5,222,512
Contributions - Plan Members	1,358,068
Total Contributions	6,580,580
Other Income	95,588
Investment Income	
Interest Earned	4,915,104
Net Change in Fair Value	9,090,810
Less Investment Expenses	(14,005,914)
Net Investment Income	(228,954)
Total Additions	13,776,960
Deductions	
Administration	108,579
Benefits and Refunds	7,500,238
Total Deductions	7,608,817
Change in Fiduciary Net Position	12,844,311
Net Position Restricted for Pensions	
Beginning	115,858,834
Ending	<u>128,703,145</u>

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

VILLAGE OF LOMBARD, ILLINOIS

**Notes to the Financial Statements
December 31, 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

REPORTING ENTITY

The Village's financial reporting entity comprises the following:

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

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

Police Pension Employees Retirement System

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

VILLAGE OF LOMBARD, ILLINOIS

**Notes to the Financial Statements
December 31, 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

REPORTING ENTITY – Continued

Firefighters' Pension Employees Retirement System

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

Discretely Presented Component Unit

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

Lombard Public Facilities Corporation

The Lombard Public Facilities Corporation (the "LPFC") is an Illinois not-for-profit corporation, created to, among other things, issue revenue bonds to finance the cost of acquiring, designing, constructing, equipping, operating and financing a Conference Center, Hotel, Restaurants and related improvements (the "Conference Center") adjacent to the Yorktown Center regional shopping mall. The Village appoints a majority of LPFC's governing body but has no responsibility for the operations of the LPFC. The Village Board does approve debt issuances by the LPFC, but the repayment of debt is not made with Village resources nor does the Village guarantee repayment of any such debt. The Village is a party to a Restructuring Support Agreement for the LPFC's debt, dated July 25, 2017. The LPFC filed for restructuring of debt in the U.S. Bankruptcy Court on July 28, 2017. The Judge ruled in December 2017 that the LPFC is eligible to file Chapter 11 Restructuring and ruled that the LPFC is not an instrumentality of the Village. The Judge confirmed the LPFC's restructuring plan on March 6, 2018 and the restructuring plan was made effective on March 15, 2018. Separate audited financial statements for the LPFC as of December 31, 2015, are available from the Village of Lombard's finance department at 255 E. Wilson Ave., Lombard, Illinois 60148. As of the date of this report, the December 31, 2015 audit for the LPFC is the most recent audited financial statements on file with the Village.

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Government-Wide Statements

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

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

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

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

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

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements

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

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

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

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

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

Governmental Funds

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

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

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Governmental Funds – Continued

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

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

Proprietary Funds

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

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

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Fiduciary Funds

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

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

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

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

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

Measurement Focus

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

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Measurement Focus – Continued

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

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

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

Basis of Accounting

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

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

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting – Continued

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

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

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

Cash and Investments

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

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Interfund Receivables, Payables and Activity

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

Receivables

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

Prepays/Deposits

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

Capital Assets

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

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Capital Assets – Continued

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

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

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

Deferred Outflows/Inflows of Resources

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

Compensated Absences

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

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Long-Term Obligations

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

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

Net Position

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

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

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

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

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

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

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

DEFICIT FUND EQUITY

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

NOTE 3 – DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

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

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

The Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office which allows governments within the State to pool their funds for investment purposes. Although not registered with the SEC, Illinois Funds operates in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

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

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

Deposits: At year-end, the carrying amount of the Village's deposits for governmental and business-type activities totaled \$19,291,146 and the bank balances totaled \$19,011,561.

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

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
Illinois Funds	\$ 9,009,416	9,009,416	-	-	-
Illinois Metropolitan Investment Fund	11,390,108	11,390,108	-	-	-
Municipal Bonds	3,248,094	-	3,248,094	-	-
	<u>23,647,618</u>	<u>20,399,524</u>	<u>3,248,094</u>	<u>-</u>	<u>-</u>

The Village has the following recurring fair value measurements as of December 31, 2017:

Investments by Fair Value Level	Fair Value Measurements Using				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Observable Inputs (Level 2)	Significant Other Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Debt Securities					
Municipal Bonds	\$ 3,248,094	-	3,248,094	-	-
Investments Measured at the Net Asset Value (NAV)					
Illinois Funds	9,009,416				
IMET	11,390,108				
Total Investments at the (NAV)	<u>20,399,524</u>				
Total Investments Measured at Fair Value	<u>23,647,618</u>				

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

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

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

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

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

The amount of collateral provided will not be less than one-hundred-ten percent (110%) of the fair market value of the net amount of public funds secured. Pledged collateral will be held by the Village or in safekeeping and evidenced by a safekeeping agreement. If collateral is held in safekeeping, it may be held by a third party or by an escrow agent of the pledging institution. At year-end \$348,100 of the bank balance of the deposits was not covered by federal depository or equivalent insurance and represents cash at paying agent for debt service payments.

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

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

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

Deposits. At year-end, the carrying amount of the Fund's deposits totaled \$912,737 and the bank balances totaled \$920,789.

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

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Treasuries	\$ 5,368,708	749,141	3,903,883	715,684	-
U.S. Agencies	24,583,672	894,033	7,805,170	15,880,797	3,672
Local Government Obligations	4,663,141	170,327	2,454,062	1,717,913	320,839
Illinois Funds	75,965	75,965	-	-	-
Illinois Metropolitan Investment Fund	1,080,279	1,080,279	-	-	-
	35,771,765	2,969,745	14,163,115	18,314,394	324,511

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

The Fund has the following recurring fair value measurements as of December 31, 2017:

	Investments by Fair Value Level	Fair Value Measurements Using			
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Debt Securities					
U.S. Treasuries	\$ 5,368,708	5,368,708	-	-	-
U.S. Agencies	24,583,672	-	24,583,672	-	-
Local Government Obligations	4,663,141	-	4,663,141	-	-
Equity Securities					
Mutual Funds	30,628,133	30,628,133	-	-	-
Total Investments by Fair Value Level	65,243,654	35,996,841	29,246,813	-	-
Investments Measured at the Net Asset Value (NAV)					
Illinois Funds	75,965				
IMET	1,080,279				
Total Investments at the (NAV)	1,156,244				
Total Investments Measured at Fair Value	66,399,898				

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

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

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

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

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

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

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

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	50% - 60%	1.3%
Equity	40% - 50%	6.3% - 8.4%
Cash and Cash Equivalents	0% - 10%	0.0%

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

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

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

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

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

At year-end, the Fund is in compliance with the guideline outlined above. In addition to the securities and fair values previously listed, the Fund also has \$30,628,133 invested in mutual funds. At year-end, the Pension Plan does not have any investments over 5 percent of net position (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in January 2018 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2017 are listed in the table above.

Rate of Return

For the year ended December 31, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 10.99%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

Deposits: At year-end, the carrying amount of the Fund's deposits totaled \$1,332,869 and the bank balances totaled \$1,334,719.

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

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Treasuries	\$ 749,203	598,038	151,165	-	-
U.S. Agencies	11,439,067	1,573,917	5,535,510	4,329,640	-
Local Government Obligations	2,431,037	448,190	1,666,164	106,783	209,900
Corporate Bonds	10,603,360	696,831	6,707,262	3,199,267	-
Illinois Funds	67,963	67,963	-	-	-
Illinois Metropolitan Investment Fund	602,004	602,004	-	-	-
	<u>25,892,634</u>	<u>3,986,943</u>	<u>14,060,101</u>	<u>7,635,690</u>	<u>209,900</u>

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

The Fund has the following recurring fair value measurements as of December 31, 2017:

	Fair Value Level	Fair Value Measurements Using			
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Investments by Fair Value Level					
Debt Securities					
U.S. Treasuries	\$ 749,203	749,203	-	-	-
U.S. Agencies	11,439,067	-	11,439,067	-	-
Local Government Obligations	2,431,037	-	2,431,037	-	-
Corporate Bonds	10,603,360	-	10,603,360	-	-
Equity Securities					
Mutual Funds	30,249,979	30,249,979	-	-	-
Stock	3,483,876	3,483,876	-	-	-
Total Investments by Fair Value Level	58,956,522	34,483,058	24,473,464	-	-
Investments Measured at the Net Asset Value (NAV)					
Illinois Funds	67,963				
IMET	602,004				
Total Investments at the (NAV)	669,967				
Total Investments Measured at Fair Value	59,626,489				

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

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

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

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

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

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

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

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

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

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

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

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in January 2018 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2017 are listed in the table above.

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

Fixed Income Allocation	Target
Cash, Money Market, IL Funds Accounts	0% - 40%
Bank Certificates of Deposit	0% - 40%
U.S. Treasury Securities	15% - 45%
U.S. Government Agency Securities - non-MBS	10% - 40%
U.S. Government Agency Securities - Callable	5% - 15%
U.S. Government Agency Securities - MBS	20% - 40%
Taxable Municipal Securities	0% - 10%

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

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

Equity Diversification	Target
US Large Cap Stocks	40% - 100%
US Small Cap Stocks	10% - 30%
Foreign Securities	0% - 20%

At year-end, the Fund is in compliance with the guideline outlined above. In addition to the securities and fair values previously listed, the Fund also has \$30,249,979 invested in mutual funds and \$3,483,876 invested in stock equities. At year-end, the Pension Plan does not have any investments over 5 percent of net position (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

Rate of Return

For the year ended December 31, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.85%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

PROPERTY TAXES

Property taxes for 2016 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by DuPage County and are payable in two installments, on or about June 1 and September 1. The County collects such taxes and remits them periodically.

NET POSITION RESTATED

Net position was restated due to the implementation of GASB Statement No. 75. The following is a summary of the net position as originally reported and as restated:

	As Reported	As Restated	Increase (Decrease)
Net Position			
Governmental Activities	\$ 57,409,924	53,818,469	(3,591,455)

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets - Not Being Depreciated				
Land	\$ 31,026,851	-	-	31,026,851
Construction in Progress	2,232,489	2,078,020	903,937	3,406,572
	33,259,340	2,078,020	903,937	34,433,423
Other Capital Assets				
Land Improvements	1,760,158	-	-	1,760,158
Buildings	7,793,192	1,011,894	-	8,805,086
Vehicles and Equipment	11,825,576	652,259	429,635	12,048,200
Other Infrastructure	127,426,604	51,041	3,040	127,474,605
	148,805,530	1,715,194	432,675	150,088,049
Less Accumulated Depreciation				
Land Improvements	410,563	7,399	-	417,962
Buildings	4,254,773	286,191	-	4,540,964
Vehicles and Equipment	7,001,998	823,384	429,635	7,395,747
Other Infrastructure	72,683,516	2,880,231	2,625	75,561,122
	84,350,850	3,997,205	432,260	87,915,795
Total Other Capital Assets	64,454,680	(2,282,011)	415	62,172,254
Total Capital Assets	97,714,020	(203,991)	904,352	96,605,677

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 286,669
Public Safety	80,316
Public Works	2,995,164
	3,362,149
Internal Services	635,056
	<u>3,997,205</u>

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS – Continued

Business-Type Activities

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

	Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets - Not Being Depreciated				
Land	\$ 2,428,259	-	147,250	2,281,009
Construction in Progress	12,597,109	13,185,498	5,030,682	20,751,925
	15,025,368	13,185,498	5,177,932	23,032,934
Other Capital Assets				
Land Improvements	448,609	1,071,509	-	1,520,118
Buildings	3,056,227	-	550,202	2,506,025
Vehicles and Equipment	293,739	-	-	293,739
Water and Sewerage Infrastructure	86,245,424	4,144,307	-	90,389,731
	90,043,999	5,215,816	550,202	94,709,613
Less Accumulated Depreciation				
Land Improvements	448,609	71,434	-	520,043
Buildings	2,013,781	45,437	392,274	1,666,944
Vehicles and Equipment	293,739	-	-	293,739
Water and Sewerage Infrastructure	38,216,128	2,245,011	-	40,461,139
	40,972,257	2,361,882	392,274	42,941,865
Total Other Capital Assets	49,071,742	2,853,934	157,928	51,767,748
Total Capital Assets	64,097,110	16,039,432	5,335,860	74,800,682

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

Waterworks and Sewerage	\$ 2,290,448
Parking	71,434
	<u>2,361,882</u>

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND BALANCES

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

Receivable Fund	Payable Fund	Amount
General	Capital Projects	\$ 60,860

INTERFUND TRANSFERS

Interfund transfers for the year consisted of the following:

	Transfers In
Transfers Out	General
Waterworks and Sewerage	\$ 522,130
Nonmajor Business-Type	3,720
	<u>525,850</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

LONG-TERM DEBT

Installment Contracts/Limited Tax Debt Certificates Payable

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

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Limited Tax Debt Certificates of 2008, due in annual installments of \$160,000 to \$360,000 through January 1, 2018, and plus interest at 3.75% to 4.00%	Waterworks and Sewerage	\$ 515,000	-	340,000	175,000

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Installment Contracts/Limited Tax Debt Certificates Payable – Continued

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Limited Tax Debt Certificates of 2009, due in annual installments of \$115,000 to \$170,000 through July 1, 2019, plus interest at 3.00% to 4.00%	Debt Service	\$ 960,000	-	305,000	655,000
General Obligation Limited Tax Debt Certificates of 2010, due in annual installments of \$390,000 to \$585,000 through July 1, 2017, plus interest at 2.00% to 3.00%	Waterworks and Sewerage Cap.Projects/ Debt Service	370,000	-	370,000	-
General Obligation Limited Tax Debt Certificates of 2013, due in annual installments of \$505,000 to \$848,000 through April 2, 2020, plus interest at 1.48% to 2.47%	Waterworks and Sewerage Cap.Projects/ Debt Service	3,972,375	-	1,228,425	2,743,950
		842,625	-	260,575	582,050
		<u>7,445,000</u>	<u>-</u>	<u>3,289,000</u>	<u>4,156,000</u>

IEPA Loans Payable

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

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
Illinois Environmental Protection Agency (IEPA) Loan Payable of 2016, due in semi-annual installments of \$22,059 to \$123,970 through December 29, 2036, plus interest at 1.86%	Waterworks and Sewerage	\$ 4,069,322	6,323,753	-	10,393,075

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Long-Term Liability Activity

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

Type of Debt	Restated Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences					
General	\$ 2,155,476	112,804	56,402	2,211,878	442,376
Internal Service	63,540	7,910	3,955	67,495	13,499
Net Pension Liability					
IMRF	8,318,823	-	5,526,895	2,791,928	-
Police Pension	37,898,787	-	5,283,031	32,615,756	-
Firefighters' Pension	23,228,031	-	4,504,516	18,723,515	-
Total OPEB Liability	6,867,533	373,566	-	7,241,099	-
Debt Certificates	2,587,625	-	1,350,575	1,237,050	584,250
	<u>81,119,815</u>	<u>494,280</u>	<u>16,725,374</u>	<u>64,888,721</u>	<u>1,040,125</u>
Business-Type Activities					
Compensated Absences	212,401	69,854	34,927	247,328	49,466
Net Pension Liability - IMRF	3,405,259	-	2,260,552	1,144,707	-
Debt Certificates	4,857,375	-	1,938,425	2,918,950	1,420,750
IEPA Loan Payable	4,069,322	6,323,753	-	10,393,075	286,537
	<u>12,544,357</u>	<u>6,393,607</u>	<u>4,233,904</u>	<u>14,704,060</u>	<u>1,756,753</u>

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Long-Term Liability Activity – Continued

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

Debt Service Requirements to Maturity

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

Fiscal Year	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2018	\$ 584,250	34,638	1,420,750	58,365
2019	564,425	16,032	1,081,575	27,966
2020	88,375	1,091	416,625	5,145
Totals	<u>1,237,050</u>	<u>51,761</u>	<u>2,918,950</u>	<u>91,476</u>

Non-Commitment Debt

Special Assessment Debt

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Non-Commitment Debt – Continued

Industrial Development Revenue Bonds

The Village has issued Industrial Development Revenue Bonds (IDRB) to provide financial assistance to private organizations for the construction and acquisition of industrial and commercial facilities deemed to be in the public interest and to provide financing for low interest mortgages to qualified applicants. The bonds are secured solely by the property or mortgages financed and are payable solely from the payments received on the underlying mortgage loans on the property. The Village is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds outstanding are not recorded as a liability in these financial statements. As of December 31, 2017, there was one IDRB outstanding. The aggregate principal amount payable for the bond series is \$5,226,672.

Legal Debt Margin

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

Assessed Valuation - 2017	\$ 1,473,640,931
Legal Debt Limit - 8.625% of Assessed Value	127,101,530
Amount of Debt Applicable to Limit	
Limited Tax Debt Certificates of 2008	175,000
Limited Tax Debt Certificates of 2009	655,000
Limited Tax Debt Certificates of 2013	3,326,000
	<u>4,156,000</u>
Legal Debt Margin	<u>122,945,530</u>

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION CLASSIFICATIONS

Net investment in capital assets was comprised of the following as of December 31, 2017:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 96,605,677
Less Capital Related Debt - Debt Certificates Outstanding	<u>(1,237,050)</u>
	<u>95,368,627</u>
Net Investment in Capital Assets	
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	74,800,682
Less Capital Related Debt	<u>(10,393,075)</u>
IEPA Loans Outstanding	<u>(2,918,950)</u>
Debt Certificates Outstanding	
Net Investment in Capital Assets	<u>61,488,657</u>

FUND BALANCE CLASSIFICATIONS

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

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

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

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

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

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE CLASSIFICATIONS – Continued

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

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

	General	Debt Service	Capital Projects	Totals
Fund Balances				
Nonspendable				
Prepays	\$ 657,733	-	-	657,733
Deposits - IPBC	1,087,855	-	-	1,087,855
	1,745,588	-	-	1,745,588
Restricted				
Liability Insurance	1,474,087	-	-	1,474,087
IMRF/Social Security	774,553	-	-	774,553
Special Service Areas	7,758	-	-	7,758
Hotel/Motel Taxes	1,111,822	-	-	1,111,822
Grants/Donations	17,283	-	-	17,283
Cable Equipment	71,113	-	-	71,113
Recycling	113,036	-	-	113,036
Public Safety	237,982	-	-	237,982
Debt Service	-	348,999	-	348,999
Capital Projects	-	-	5,771,804	5,771,804
	3,807,634	348,999	5,771,804	9,928,437
Committed				
Technology	3,587,842	-	-	3,587,842
Long Range Plan Reserve	807,528	-	-	807,528
Emergency Reserve	1,786,728	-	-	1,786,728
Revenue Stabilization	1,250,709	-	-	1,250,709
Pension Stabilization	1,000,000	-	-	1,000,000
Building Reserve	-	-	1,119,423	1,119,423
	8,432,807	-	1,119,423	9,552,230
Assigned				
Capital Projects	-	-	1,058,027	1,058,027
Unassigned	8,550,874	-	-	8,550,874
Total Fund Balances	22,536,903	348,999	7,949,254	30,835,156

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 4 – OTHER INFORMATION

RISK MANAGEMENT

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

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

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

Changes in the balances of claims liabilities are as follows:

	Dec. 31, 2017	Dec. 31, 2016
Claims Payable - Beginning	\$ 265,596	185,985
Incurred Claims	(1,044,687)	(1,280,098)
Claims Paid	938,001	1,359,709
Claims Payable - Ending	158,910	265,596

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

CONTINGENT LIABILITIES

Deferred Compensation Plan

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

DuPage Water Commission

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

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

Litigation

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

Grants

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

COMMITMENTS

Tax Abatements

The Village of Lombard has entered into various tax rebate agreements with local corporations under Village code. Under these agreements, the Village rebates a portion of sales, hotel, and places for eating taxes. For the fiscal year ended December 31, 2017, the Village rebated a total of \$1,101,068 in taxes under these agreements.

JOINT VENTURES

Glenbard Wastewater Authority

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

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

The two members of the Authority and their percentage shares as of December 31, 2017 are as follows:

Village of Lombard	57.35%
Village of Glen Ellyn	42.65%
	<u>100.00%</u>

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

The Village's share of the capital assets is \$26,527,408. The Village has allocated its share of operating expenses based upon metered wastewater flows, which approximated 57.35% for the year ended December 31, 2017. Separate financial statements for the Authority may be obtained at 21W551 Bemis Road, Glen Ellyn, Illinois 60137.

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

JOINT VENTURES – Continued

Glenbard Wastewater Authority – Continued

Summary Financial Information of Joint Venture

Summary of Financial Position as of December 31, 2017:

Assets/Deferred Outflows	Liabilities/Deferred Inflows and Net Position
Current Assets	\$ 3,063,643
Restricted Assets	11,452,569
Capital Assets - Net	925,256
Net Pension Asset - IMRF	15,441,468
Deferred Outflows	37,311,961
Total Assets and Deferred Outflows	52,753,429
Operating Expenses	Total Liabilities, Deferred Inflows and Net Position
IMRF Pension Expense	52,753,429
Contractual Services	Total Liabilities, Deferred Inflows and Net Position
Commodities and Maintenance	52,753,429
Depreciation	Total Liabilities, Deferred Inflows and Net Position
Total Operating Expenses	52,753,429
Operating Income	Total Liabilities, Deferred Inflows and Net Position
Nonoperating Revenues (Expenses)	52,753,429
Change in Net Position	Total Liabilities, Deferred Inflows and Net Position
Net Position Beginning	52,753,429
Ending	52,753,429

Summary of Results of Operations as of December 31, 2017:

Operating Revenues	\$ 7,421,656
Charges to the Villages	1,648,081
Operating Expenses	69,337
Personnel Services	2,034,853
IMRF Pension Expense	905,911
Contractual Services	2,549,513
Commodities and Maintenance	7,207,695
Depreciation	213,961
Total Operating Expenses	1,173,690
Operating Income	1,387,651
Nonoperating Revenues (Expenses)	35,924,310
Change in Net Position	37,311,961
Net Position Beginning	37,311,961
Ending	37,311,961

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS

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

Illinois Municipal Retirement Fund (IMRF)

Plan Descriptions

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

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

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

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

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

Plan Membership. As of December 31, 2017, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	270
Inactive Plan Members Entitled to but not yet Receiving Benefits	131
Active Plan Members	<u>110</u>
Total	<u>511</u>

Contributions. As set by statute, the Village's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year-ended December 31, 2017, the Village's contribution was 16.24% of covered payroll.

Net Pension Liability. The Village's net pension liability was measured as of December 31, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2017, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions Interest Rate	7.50%
Salary Increases	3.39% to 14.25%
Cost of Living Adjustments	2.50%
Inflation	2.50%

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

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	27%	3.0%
Domestic Equities	38%	6.9%
International Equities	17%	6.8%
Real Estate	8%	5.8%
Blended	9%	2.65% - 7.35%
Cash and Cash Equivalents	1%	2.3%

Discount Rate

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

Discount Rate Sensitivity

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability/(Asset)	\$ 13,210,385	3,936,635	(3,739,654)

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2016	\$ 77,823,173	66,099,091	11,724,082
Changes for the Year:			
Service Cost	819,812	-	819,812
Interest on the Total Pension Liability	5,698,024	-	5,698,024
Difference Between Expected and Actual Experience of the Total Pension Liability	233,077	-	233,077
Changes of Assumptions	(2,226,914)	-	(2,226,914)
Contributions - Employer	-	1,253,498	(1,253,498)
Contributions - Employees	-	369,970	(369,970)
Net Investment Income	-	12,084,849	(12,084,849)
Benefit Payments, including Refunds of Employee Contributions	(4,518,863)	(4,518,863)	-
Other (Net Transfer)	-	(1,396,871)	1,396,871
Net Changes	5,136	7,792,583	(7,787,447)
Balances at December 31, 2017	77,828,309	73,891,674	3,936,635

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

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

For the year ended December 31, 2017, the Village recognized pension expense of \$1,605,441. At December 31, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 141,083	(47,627)	93,456
Change in Assumptions	-	(1,420,552)	(1,420,552)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,108,070	(5,830,702)	(3,722,632)
Total Deferred Amounts Related to IMRF	<u>2,249,153</u>	<u>(7,298,881)</u>	<u>(5,049,728)</u>

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

Fiscal Year	Net Deferred (Inflows) of Resources
2018	\$ (1,257,830)
2019	(932,744)
2020	(1,401,477)
2021	(1,457,677)
2022	-
Thereafter	-
Total	<u>(5,049,728)</u>

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan

Plan Descriptions

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

Plan Membership. At December 31, 2017, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	65
Inactive Plan Members Entitled to but not yet Receiving Benefits	2
Active Plan Members	<u>66</u>
Total	<u>133</u>

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

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Plan Descriptions – Continued

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

Contributions. Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended December 31, 2017, the Village's contribution was 47.96% of covered payroll.

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of December 31, 2017, using the following actuarial methods and assumptions:

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

Mortality rates were based on the RP-2014 Mortality Table (BCHA) projected to 2018 using improvement scale MP-2017. The other non-economic actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance (GRS) in 2017.

Discount Rate

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Discount Rate Sensitivity

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability	\$ 45,876,500	32,615,756	21,671,435

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2016	\$ 99,202,675	61,303,888	37,898,787
Changes for the Year:			
Service Cost	1,531,174	-	1,531,174
Interest on the Total Pension Liability	6,796,831	-	6,796,831
Difference Between Expected and Actual Experience of the Total Pension Liability	(659,841)	-	(659,841)
Changes of Assumptions	(2,555,004)	-	(2,555,004)
Contributions - Employer	3,080,872	3,080,872	(3,080,872)
Contributions - Employees	-	699,450	(699,450)
Net Investment Income	-	6,681,876	(6,681,876)
Benefit Payments, including Refunds of Employee Contributions	(4,210,233)	(4,210,233)	-
Administrative Expense	-	(66,007)	66,007
Net Changes	902,927	6,185,958	(5,283,031)
Balances at December 31, 2017	100,105,602	67,489,846	32,615,756

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

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

For the year ended December 31, 2017, the Village recognized pension revenue of \$568,213. At December 31, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 241,358	(586,403)	(345,045)
Change in Assumptions	750,514	(3,312,175)	(2,561,661)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,381,676	(1,926,367)	(544,691)
Total Deferred Amounts Related to Police Pension	2,373,548	(5,824,945)	(3,451,397)

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

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2018	\$ (261,699)
2019	(902,759)
2020	(1,111,955)
2021	(1,111,954)
2022	(63,030)
Thereafter	-
Total	(3,451,397)

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters' Pension Plan

Plan Descriptions

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

Plan Membership. At December 31, 2017, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	48
Inactive Plan Members Entitled to but not yet Receiving Benefits	2
Active Plan Members	<u>64</u>
Total	<u>114</u>

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

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters' Pension Plan – Continued

Plan Descriptions – Continued

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

Contributions. Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended December 31, 2017, the Village's contribution was 34.69% of covered payroll.

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters' Pension Plan – Continued

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of December 31, 2017, using the following actuarial methods and assumptions:

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

Mortality rates were based on the RP-2014 Mortality Table (BCHA) projected to 2018 using improvement scale MP-2017. The other non-economic actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance (GRS) in 2017.

Discount Rate

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters' Pension Plan – Continued

Discount Rate Sensitivity

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability	\$ 29,232,653	18,723,515	10,010,905

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2016	\$ 77,782,977	54,554,946	23,228,031
Changes for the Year:			
Service Cost	1,643,565	-	1,643,565
Interest on the Total Pension Liability	5,329,656	-	5,329,656
Difference Between Expected and Actual Experience of the Total Pension Liability	1,170	-	1,170
Changes of Assumptions	(1,530,549)	-	(1,530,549)
Contributions - Employer	2,237,228	2,237,228	(2,237,228)
Contributions - Employees	-	658,618	(658,618)
Net Investment Income	-	7,095,084	(7,095,084)
Benefit Payments, including Refunds of Employee Contributions	(3,290,005)	(3,290,005)	-
Administrative Expense	-	(42,572)	42,572
Net Changes	2,153,837	6,658,353	(4,504,516)
Balances at December 31, 2017	79,936,814	61,213,299	18,723,515

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters' Pension Plan – Continued

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

For the year ended December 31, 2017, the Village recognized pension revenue of \$170,091. At December 31, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 1,002	(835,114)	(834,112)
Change in Assumptions	1,666,068	(2,699,306)	(1,033,238)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,485,876	(2,633,220)	(1,147,344)
Total Deferred Amounts Related to Firefighters' Pension	<u>3,152,946</u>	<u>(6,167,640)</u>	<u>(3,014,694)</u>

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

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2018	\$ 166,281
2019	(54,848)
2020	(1,427,133)
2021	(1,262,025)
2022	(218,482)
Thereafter	(218,487)
Total	<u>(3,014,694)</u>

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plan

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

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

Plan Membership. As of December 31, 2017, the measurement date, the following employees were covered by the benefit terms:

Active Employees Full Eligible	208
Active Employees not yet Eligible	8
Retired Plan Members	<u>54</u>
Total	<u><u>270</u></u>

Total OPEB Liability

The Village's total OPEB liability of \$7,241,099 was measured as of December 31, 2017 and was determined by an actuarial valuation as of that date.

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Total OPEB Liability – Continued

Actuarial Assumptions and Other Inputs. The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	3.00%
Discount Rate	3.44%
Healthcare Cost Trend Rates	8.50% in fiscal year 2017, trending to 5.50% in fiscal year 2027, and an ultimate trend rate of 5.00% in 2073.
Asset Valuation Method	Market

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

Change in the Total OPEB Liability

Balance at December 31, 2016	\$ 6,867,533
Changes for the Year:	
Service Cost	250,008
Interest on the Total Pension Liability	263,184
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	-
Changes of Assumptions or Other Inputs	289,583
Benefit Payments	(429,209)
Net Changes	373,566
Balance at December 31, 2017	<u>7,241,099</u>

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

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

The following presents the total OPEB liability, calculated using a Single Discount Rate of 3.44%, as well as what the total OPEB liability would be if it were calculated using a Single Discount Rate that is one percentage point lower or one percentage point higher:

	1% Decrease (2.44%)	Current Discount Rate (3.44%)	1% Increase (4.44%)
Total OPEB Liability	\$ 8,933,090	7,241,099	7,241,371

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

The following presents the total OPEB liability, calculated using a Healthcare Trend Rate of 8.50%, as well as what the total OPEB liability would be if it were calculated using a Healthcare Trend Rate that is one percentage point lower or one percentage point higher:

	Healthcare Cost Trend Rates	Healthcare Cost Trend Rates
Total OPEB Liability	\$ 7,284,195	7,241,099
	(7.50% decreasing to 4.00%)	(9.50% decreasing to 6.00%)

Total OPEB Liability \$ 7,284,195 8,861,718

VILLAGE OF LOMBARD, ILLINOIS

**Notes to the Financial Statements
December 31, 2017**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

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

For the year ended December 31, 2017, the Village recognized OPEB expense of \$541,993. At December 31, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ -	-	-
Change in Assumptions	260,782	-	260,782
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	-	-
Total Deferred Amounts Related to OPEB	<u>260,782</u>	<u>-</u>	<u>260,782</u>

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

Fiscal Year	Net Deferred Outflows of Resources
2018	\$ 28,801
2019	28,801
2020	28,801
2021	28,801
2022	28,801
Thereafter	<u>116,777</u>
Total	<u>260,782</u>

REQUIRED SUPPLEMENTARY INFORMATION

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

- Schedule of Changes in the Employer's Total OPEB Liability
Other Post-Employment Benefit Plan
- Schedule of Employer Contributions
Illinois Municipal Retirement Fund
Police Pension Fund
Firefighters' Pension Fund
- Schedule of Changes in the Employer's Net Pension Liability
Illinois Municipal Retirement Fund
Police Pension Fund
Firefighters' Pension Fund
- Schedule of Investment Returns
Police Pension Fund
Firefighters' Pension Fund
- Budgetary Comparison Schedule
General Fund

Notes to the Required Supplementary Information

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

VILLAGE OF LOMBARD, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information
Schedule of Employer Contributions
December 31, 2017

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

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	26 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.75%
Salary Increases	3.75% - 14.50%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012)

Note:

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

VILLAGE OF LOMBARD, ILLINOIS

Police Pension Fund

Required Supplementary Information
Schedule of Employer Contributions
December 31, 2017

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

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	21 Years
Asset Valuation Method	Market Value
Inflation	2.50%
Salary Increases	3.50% - 11.00%
Investment Rate of Return	7.00%
Retirement Age	See the Notes to the Financial Statements
Mortality	RP 2014 Projected to 2018

Note:

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

VILLAGE OF LOMBARD, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information
Schedule of Employer Contributions
December 31, 2017

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

Notes to the Required Supplementary Information:

- Actuarial Cost Method: Entry Age Normal
- Amortization Method: Level % Pay (Closed)
- Remaining Amortization Period: 21 Years
- Asset Valuation Method: Market Value
- Inflation: 2.50%
- Salary Increases: 3.50% - 12.50%
- Investment Rate of Return: 7.00%
- Retirement Age: See the Notes to the Financial Statements
- Mortality: RP 2014 Projected to 2018

Note:

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

VILLAGE OF LOMBARD, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
December 31, 2017

See Following Page

VILLAGE OF LOMBARD, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
December 31, 2017

	12/31/2015	12/31/2016	12/31/2017
Total Pension Liability			
Service Cost	\$ 791,529	830,041	819,812
Interest	5,347,448	5,565,299	5,698,024
Differences Between Expected and Actual Experience	1,033,943	(237,225)	233,077
Change of Assumptions	89,660	(361,558)	(2,226,914)
Benefit Payments, Including Refunds of Member Contributions	(4,210,801)	(4,320,449)	(4,518,863)
Net Change in Total Pension Liability	3,051,779	1,476,108	5,136
Total Pension Liability - Beginning	73,295,286	76,347,065	77,823,173
Total Pension Liability - Ending	76,347,065	77,823,173	77,828,309
Plan Fiduciary Net Position			
Contributions - Employer	\$ 1,245,964	1,392,045	1,253,498
Contributions - Members	347,456	352,751	369,970
Net Investment Income	309,847	4,423,634	12,084,849
Benefit Payments, Including Refunds of Member Contributions	(4,210,801)	(4,320,449)	(4,518,863)
Other (Net Transfer)	2,810,809	469,833	(1,396,871)
Net Change in Plan Fiduciary Net Position	503,275	2,317,814	7,792,583
Plan Net Position - Beginning	63,278,002	63,781,277	66,099,091
Plan Net Position - Ending	63,781,277	66,099,091	73,891,674
Employer's Net Pension Liability	\$ 12,565,788	11,724,082	3,936,635
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.54%	84.93%	94.94%
Covered Payroll	\$ 7,615,518	7,577,819	7,718,851
Employer's Net Pension Liability as a Percentage of Covered Payroll	165.00%	154.72%	51.00%

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

VILLAGE OF LOMBARD, ILLINOIS

Police Pension Fund

Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
December 31, 2017

	12/31/2015	12/31/2016	12/31/2017
Total Pension Liability			
Service Cost	\$ 1,455,364	1,531,546	1,531,174
Interest	5,957,834	6,688,180	6,796,831
Differences Between Expected and Actual Experience	(542,772)	622,457	(659,841)
Change of Assumptions	7,281,562	(3,244,715)	(2,555,004)
Benefit Payments, Including Refunds of Member Contributions	(3,556,531)	(3,880,431)	(4,210,233)
Net Change in Total Pension Liability	10,595,457	1,717,037	902,927
Total Pension Liability - Beginning	86,890,181	97,485,638	99,202,675
Total Pension Liability - Ending	97,485,638	99,202,675	100,105,602
Plan Fiduciary Net Position			
Contributions - Employer	\$ 2,537,579	2,936,167	3,080,872
Contributions - Members	653,110	695,084	699,450
Net Investment Income	792,942	3,223,224	6,681,876
Benefit Payments, Including Refunds of Member Contributions	(3,556,531)	(3,880,431)	(4,210,233)
Administrative Expense	(44,419)	(42,302)	(66,007)
Net Change in Plan Fiduciary Net Position	382,681	2,931,742	6,185,958
Plan Net Position - Beginning	57,989,465	58,372,146	61,303,888
Plan Net Position - Ending	58,372,146	61,303,888	67,489,846
Employer's Net Pension Liability	\$ 39,113,492	37,898,787	32,615,756
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	59.88%	61.80%	67.42%
Covered Payroll	\$ 6,331,082	6,589,512	6,423,894
Employer's Net Pension Liability as a Percentage of Covered Payroll	617.80%	575.14%	507.73%

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

VILLAGE OF LOMBARD, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
December 31, 2017

	12/31/2015	12/31/2016	12/31/2017
Total Pension Liability			
Service Cost	\$ 1,513,082	1,562,481	1,643,565
Interest	4,614,739	5,171,731	5,329,656
Differences Between Expected and Actual Experience	(596,117)	1,174,979	1,170
Change of Assumptions	5,332,533	(2,512,331)	(1,530,549)
Benefit Payments, Including Refunds of Member Contributions	(2,822,892)	(2,991,521)	(3,290,005)
Net Change in Total Pension Liability	8,041,345	2,405,339	2,153,837
Total Pension Liability - Beginning	67,336,293	75,377,638	77,782,977
Total Pension Liability - Ending	75,377,638	77,782,977	79,936,814
Plan Fiduciary Net Position			
Contributions - Employer	\$ 2,008,243	2,034,905	2,237,228
Contributions - Members	564,175	583,561	658,618
Net Investment Income	25,474	2,827,910	7,095,084
Benefit Payments, Including Refunds of Member Contributions	(2,822,892)	(2,991,521)	(3,290,005)
Administrative Expense	(43,309)	(50,476)	(42,572)
Net Change in Plan Fiduciary Net Position	(268,309)	2,404,379	6,658,353
Plan Net Position - Beginning	52,418,876	52,150,567	54,554,946
Plan Net Position - Ending	52,150,567	54,554,946	61,213,299
Employer's Net Pension Liability	\$ 23,227,071	23,228,031	18,723,515
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.19%	70.14%	76.58%
Covered Payroll	\$ 5,725,023	6,357,452	6,449,094
Employer's Net Pension Liability as a Percentage of Covered Payroll	405.71%	365.37%	290.33%

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

VILLAGE OF LOMBARD, ILLINOIS

Police Pension Fund

Required Supplementary Information
Schedule of Investment Returns
December 31, 2017

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

Note:

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

VILLAGE OF LOMBARD, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information
Schedule of Investment Returns
December 31, 2017

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

Note:

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

VILLAGE OF LOMBARD, ILLINOIS

Other Post-Employment Benefit Plan

Required Supplementary Information
 Schedule of Changes in the Employer's Total OPEB Liability
 December 31, 2017

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

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

Changes of Benefit Terms. There was no change in the retirees' share of health insurance premiums.
 Changes of Assumptions. Changes of assumptions and other inputs reflect the effects of changes in the trend rate each period. The following are the trend rates used in each period:

Fiscal Year	Healthcare Trend
2018	7.50%
2019	6.50%
2020	6.00%
2021	5.50%
2022	5.00%
2023	5.00%
2024	5.00%
2025	5.00%
2026	5.00%
2027	5.00%
Ultimate	5.00%

In 2017, there was no change in the healthcare trend rates from the prior year.

VILLAGE OF LOMBARD, ILLINOIS

General Fund

Schedule of Revenues, Expenditures and Changes in
 Fund Balance - Budget and Actual
 For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 18,531,125	18,531,125	18,270,269
Licenses and Permits	1,199,870	1,199,870	1,455,518
Intergovernmental	17,649,220	17,649,220	17,683,107
Charges for Services	4,020,740	4,020,740	4,806,728
Fines and Forfeits	996,380	996,380	1,025,527
Interest	70,720	70,720	117,983
Miscellaneous	69,590	69,590	356,619
Total Revenues	42,537,645	42,537,645	43,715,751
Expenditures			
General Government	8,406,373	8,406,373	8,067,440
Public Safety	27,598,814	27,598,814	27,030,606
Physical Environment	1,618,140	1,618,140	1,651,411
Public Works	4,644,473	4,644,473	4,174,088
Total Expenditures	42,267,800	42,267,800	40,923,545
Excess (Deficiency) of Revenues Over (Under) Expenditures	269,845	269,845	2,792,206
Other Financing Sources			
Transfers In	525,850	525,850	525,850
Net Change in Fund Balance	795,695	795,695	3,318,056
Fund Balance - Beginning			19,218,847
Fund Balance - Ending			22,536,903

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

GENERAL FUND

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

DEBT SERVICE FUND

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

CAPITAL PROJECTS FUND

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

ENTERPRISE FUNDS

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

Waterworks and Sewerage Fund

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

Parking System Fund

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

OTHER SUPPLEMENTARY INFORMATION

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

Such statements and schedules include:

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

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

INTERNAL SERVICE FUND

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

Fleet Services Fund

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

TRUST AND AGENCY FUNDS

PENSION TRUST FUNDS

Police Pension Fund

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

Firefighters' Pension Fund

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

AGENCY FUND

Special Assessments Fund

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

VILLAGE OF LOMBARD, ILLINOIS

General Fund

**Schedule of Revenues - Budget and Actual
For the Fiscal Year Ended December 31, 2017**

		Budget		Actual
		Original	Final	
Taxes				
Property Taxes	\$ 8,450,255		8,450,255	8,428,614
Road and Bridge Taxes	57,790		57,790	64,805
Personal Property Replacement Taxes	126,950		126,950	167,261
Amusement Tax	596,540		596,540	483,686
Places for Eating Tax	3,329,060		3,329,060	3,230,111
Utility Tax	3,898,180		3,898,180	3,771,223
Hotel/Motel Tax	1,996,950		1,996,950	2,042,521
Foreign Fire Insurance Tax	55,600		55,600	62,048
Auto Rental Tax	15,600		15,600	17,799
Pull Tabs/Jar Games	4,200		4,200	2,201
	18,531,125		18,531,125	18,270,269

Licenses and Permits

Liquor Licenses	226,600		226,600	222,392
Cigarette Licenses	7,500		7,500	7,500
Restaurant/Food Handler Permits	12,500		12,500	12,775
Coin Operated Device Licenses	27,800		27,800	22,200
Amusement Licenses	7,000		7,000	6,730
Commercial Recyclers Licenses	150		150	200
Alarm User Licenses	40,500		40,500	38,095
Going Out of Business Licenses	-		-	75
Other Business Licenses	19,750		19,750	17,200
Oversized Vehicle Permits	18,100		18,100	33,945
Building Permits	350,000		350,000	396,306
Occupancy Permits	23,000		23,000	32,330
Residential Driveway Permits	24,000		24,000	28,837
Electrical Permits	154,800		154,800	184,890
Plumbing Permits	72,600		72,600	202,572
Water Permits	10,000		10,000	4,305
Sewer Permits	5,820		5,820	8,010
HVAC Permits	48,600		48,600	85,855

VILLAGE OF LOMBARD, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Licenses and Permits (Cont.)			
Hazardous Materials Permits	\$ 2,100	2,100	4,050
Sign Permits	15,000	15,000	11,902
Fire Suppression System Permits	19,900	19,900	14,697
Fire Alarm System Permits	16,200	16,200	16,740
Wrecking Permits	6,000	6,000	6,983
Contractor Registration	86,500	86,500	88,125
Renewal Permits	2,300	2,300	2,001
Community Development Permits	3,000	3,000	510
P.E.S. Fill and Grading Permits	150	150	64
Miscellaneous Permits	-	-	6,229
	<u>1,199,870</u>	<u>1,199,870</u>	<u>1,455,518</u>
Intergovernmental			
Sales Tax	11,381,130	11,381,130	11,589,516
Business District #1 Tax	677,440	677,440	789,429
Local Use Tax	903,080	903,080	1,121,097
State Income Tax	4,414,550	4,414,550	3,942,417
District 87 Reimbursements	50,500	50,500	50,305
DUMEG Reimbursements	24,900	24,900	6,227
Miscellaneous Grants	182,320	182,320	175,729
Police Training	1,300	1,300	-
Fire Training	14,000	14,000	8,387
	<u>17,649,220</u>	<u>17,649,220</u>	<u>17,683,107</u>
Charges for Services			
Tree Planting Fees	6,800	6,800	15,610
Weed Cutting/Debris Fees	4,800	4,800	2,540
ROW Inspection Fees	-	-	30
Sale of Plans, Specs, Maps	2,200	2,200	-
Miscellaneous Public Works Fees	-	-	2,061
Administrative Fees	114,000	114,000	176,245
Community Development Plan Review	10,000	10,000	24,014
P.E.S. Site Plan Review	64,000	64,000	321,605
After Hours Site Inspection Fees	1,300	1,300	4,140
Public Hearing Fees	26,000	26,000	34,005

VILLAGE OF LOMBARD, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Charges for Services (Cont.)			
Public Hearing Sign Fees	\$ 1,400	1,400	2,125
Fingerprinting	5,100	5,100	3,935
Child Safety Seat Class	100	100	1,450
Police Records Copy	6,600	6,600	7,945
Impounding Fees	1,300	1,300	1,260
False Alarm Fees	14,000	14,000	18,930
Fire Tollway Repsonse	-	-	5,350
Emergency Medical Services	1,354,000	1,354,000	1,406,933
Glenbard Fire Protection	342,000	342,000	331,000
Elevator Inspections	90,100	90,100	82,183
Building Plan Review	140,000	140,000	599,916
Franchise Fees/Cable TV	802,260	802,260	807,116
Telecommunications/IMF	323,140	323,140	307,623
Refuse Surcharge	119,350	119,350	124,538
COBRA Reimbursements	592,290	592,290	526,174
	<u>4,020,740</u>	<u>4,020,740</u>	<u>4,806,728</u>
Fines and Forfeits			
Circuit Court Fines	448,400	448,400	488,127
E-Ticket Fines	4,200	4,200	3,994
Administrative Towing	190,000	190,000	247,020
Overweight/Overdimension Vehicles	43,000	43,000	28,520
Pre-Trial Diversion	9,000	9,000	14,700
Liquor Violations	-	-	250
Tobacco Violations	1,200	1,200	1,450
Parking Fines	99,950	99,950	94,960
Community Development Violations	2,000	2,000	938
Building Violations	300	300	-
DUI User Fees	32,000	32,000	37,314
Narcotic Fines	250	250	50
State Forfeits	9,000	9,000	25,925
Federal Forfeits	157,080	157,080	82,279
	<u>996,380</u>	<u>996,380</u>	<u>1,025,527</u>

VILLAGE OF LOMBARD, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Interest			
Investment Income	\$ 70,670	70,670	117,983
Interest on Property Taxes	50	50	-
	<u>70,720</u>	<u>70,720</u>	<u>117,983</u>
Miscellaneous			
NSF Charges	200	200	275
Sale of Assets	-	-	136,700
Police Donations	800	800	300
Fire Donations	450	450	200
Damage to Village Property	15,000	15,000	30,150
Reimbursements for Scrap Metal	1,100	1,100	2,485
Change in Terminal Reserve	-	-	161,466
Discounts Available	40	40	27
Miscellaneous Fire Donation	-	-	1,896
Miscellaneous Hotel/Motel	3,000	3,000	1,689
Miscellaneous Liability Insurance	2,000	2,000	1,225
Miscellaneous Technology Reserve	1,000	1,000	4,466
Miscellaneous Community Recycling	1,000	1,000	31
Other	45,000	45,000	15,709
	<u>69,590</u>	<u>69,590</u>	<u>356,619</u>
Total Revenues	<u>42,537,645</u>	<u>42,537,645</u>	<u>43,715,751</u>

VILLAGE OF LOMBARD, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
General Government			
Legislative Department			
President and Board of Trustees	\$ 195,501	195,501	178,057
Village Clerk and Records	118,260	118,260	126,698
Board of Fire and Police Commission	70,600	70,600	68,612
Historical Museum/Peek House/Main St. Cemetery	158,600	158,600	140,437
General Services	1,462,300	1,462,300	925,616
LPFC Sales/PFE Tax Rebate	260,000	260,000	328,423
LPFC Hotel/Motel Tax Rebate	772,660	772,660	772,646
	<u>3,037,921</u>	<u>3,037,921</u>	<u>2,540,489</u>
Executive Department			
Village Hall	467,951	467,951	397,961
Business District #1	670,670	670,670	781,535
Risk Management Administration	511,690	511,690	459,004
Employee Services	96,820	96,820	89,479
Legal Services	400,800	400,800	730,555
Human Resources	315,880	315,880	315,938
Administrative Management	416,270	416,270	439,128
Communications	302,440	302,440	288,154
Hotel/Motel Grant Program	262,001	262,001	260,341
AT&T PEG - Cable Equipment	1,500	1,500	3,765
Pension Stabilization	-	-	23,885
	<u>3,446,022</u>	<u>3,446,022</u>	<u>3,789,745</u>
Finance Department			
Administration and Treasury Management	436,950	436,950	446,755
Accounting and Financial Services	427,780	427,780	362,194
Customer Service and Licensing	66,760	66,760	64,797
Information Technology	767,110	767,110	681,869
Village Events	43,460	43,460	45,105
Technology Reserve	180,370	180,370	136,486
	<u>1,922,430</u>	<u>1,922,430</u>	<u>1,737,206</u>
Total General Government	<u>8,406,373</u>	<u>8,406,373</u>	<u>8,067,440</u>

VILLAGE OF LOMBARD, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Public Safety			
Police Department			
Police Administration	\$ 3,811,915	3,811,915	3,786,367
Police Buildings	98,910	98,910	69,312
Patrol Services	7,352,900	7,352,900	7,125,679
Criminal Investigations and Juvenile Services	1,605,620	1,605,620	1,539,057
Police Records	996,590	996,590	868,570
Police Traffic Services	349,130	349,130	492,385
Village Events	74,830	74,830	61,102
Police Donations	1,000	1,000	2,261
DUI Equipment/Technology	11,600	11,600	51,756
Police Grants	182,320	182,320	181,521
Risk Management	737,750	737,750	704,076
Slate Seizures	7,000	7,000	24,082
Federal Seizures	157,080	157,080	82,404
	15,386,645	15,386,645	14,988,572
Fire Services Department			
Fire Administration	2,710,900	2,710,900	2,766,886
Fire Buildings	80,790	80,790	66,994
Fire Prevention	346,430	346,430	269,868
Fire and Rescue Services	5,993,255	5,993,255	6,220,217
Fire and Rescue Training	142,018	142,018	64,258
Fire Investigation	14,840	14,840	4,205
Emergency Medical Service	2,228,204	2,228,204	2,109,094
Emergency Preparedness	143,372	143,372	64,351
Village Events	2,600	2,600	-
Fire Donations	400	400	1,887
Foreign Fire Insurance	49,950	49,950	43,044
Risk Management	499,410	499,410	412,013
SSA #7 - Assisted Living 300 W. 22nd	-	-	19,217
	12,212,169	12,212,169	12,042,034
Total Public Safety	27,598,814	27,598,814	27,030,606

VILLAGE OF LOMBARD, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Physical Environment			
Community Development Department			
Community Development Administration	\$ 321,410	321,410	372,520
Planning Services	206,720	206,720	200,732
Code Administration	205,260	205,260	189,197
Building	669,335	669,335	686,410
Private Engineering Services	215,415	215,415	202,552
Total Physical Environment	1,618,140	1,618,140	1,651,411
Public Works			
Public Works Department			
Public Works Administration	420,630	420,630	419,916
Public Works Buildings	59,060	59,060	48,970
Street Maintenance	1,723,988	1,723,988	1,545,266
Street Lighting	309,800	309,800	256,504
Traffic Signals/Signs/Markings	257,530	257,530	248,326
Urban Forestry and Landscaping	473,125	473,125	512,629
Engineering Administration	529,270	529,270	411,778
Village Events	470,660	470,660	417,517
SSA #3 - 800 E. Roosevelt Road Traffic Signal	9,540	9,540	8,004
Community Recycling	134,640	134,640	132,488
Risk Management	256,230	256,230	172,690
Total Public Works	4,644,473	4,644,473	4,174,088
Total Expenditures	42,267,800	42,267,800	40,923,545

VILLAGE OF LOMBARD, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual
For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
General Government			
Legislative Department			
President and Board of Trustees			
Regular Salaries	\$ 46,500	46,500	46,775
Social Security	2,880	2,880	2,900
Medicare	670	670	678
Operating Supplies	3,000	3,000	2,913
Books and Literature	100	100	-
Postage	1	1	-
Training and Travel	8,200	8,200	3,488
Dues and Subscriptions	46,650	46,650	41,434
Classified Advertising	1,500	1,500	280
Printing and Binding	-	-	160
Miscellaneous Contractual Services	86,000	86,000	79,429
	195,501	195,501	178,057
Village Clerk and Records			
Regular Salaries	76,880	76,880	80,969
Life Insurance	180	180	128
Social Security	4,770	4,770	5,017
Medicare	1,120	1,120	1,173
IMRF	11,060	11,060	11,707
Operating Supplies	1,000	1,000	1,478
Books and Literature	80	80	-
Training and Travel	1,700	1,700	232
Dues and Subscriptions	380	380	235
Legal Advertising	4,500	4,500	6,025
Recordings/Archiving	6,000	6,000	8,971
Other Professional/Technical Services	-	-	175
Computer Service Contracts	10,590	10,590	10,588
	118,260	118,260	126,698

VILLAGE OF LOMBARD, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
General Government (Cont.)			
Legislative Department (Cont.)			
Board of Fire and Police Commission			
Overtime Wages	\$ 2,500	2,500	-
Operating Supplies	200	200	640
Training and Travel	500	500	72
Dues and Subscriptions	400	400	-
Classified Advertising	3,000	3,000	-
Legal Services	4,000	4,000	4,531
Other Professional/Technical Services	60,000	60,000	63,369
	70,600	70,600	68,612
Historical Museum/Peck House/Main St. Cemetery			
Operating Supplies	50	50	50
Books and Literature	40	40	75
Electric	1,430	1,430	2,614
Telephone	2,500	2,500	3,350
Gas	1,430	1,430	481
Technology Software	1,300	1,300	999
Training and Travel	6,700	6,700	2,715
Dues and Subscriptions	630	630	980
Classified Advertising	2,080	2,080	1,469
Maintenance	11,100	11,100	9,630
Repairs and Improvements	-	-	1,940
Equipment Service Contracts	2,270	2,270	3,013
Miscellaneous Contractual Services	129,070	129,070	113,121
	158,600	158,600	140,437
General Services			
COBRA - PPO	269,310	269,310	280,318
COBRA - Blue Advantage	260,510	260,510	208,432
Medicare	62,470	62,470	60,634
Contingencies	517,060	517,060	-

VILLAGE OF LOMBARD, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
General Government (Cont.)			
Legislative Department (Cont.)			
General Services (Cont.)			
Operating Supplies	\$ 14,000	14,000	2,803
Postage	30,240	30,240	21,812
Cellular Telephone	47,500	47,500	35,713
Telephone	111,240	111,240	134,956
Printing and Binding	1,000	1,000	1,214
Other Professional/Technical Services	70,860	70,860	71,636
Equipment Service Contracts	41,470	41,470	41,874
Miscellaneous Contractual Services	27,040	27,040	16,446
Economic Incentive	9,600	9,600	49,778
	<u>1,462,300</u>	<u>1,462,300</u>	<u>925,616</u>
LPFC Sales/PFE Tax Rebate			
Miscellaneous Contractual Services	260,000	260,000	328,423
LPFC Hotel/Motel Tax Rebate			
Miscellaneous Contractual Services	772,660	772,660	772,646
	<u>3,037,921</u>	<u>3,037,921</u>	<u>2,540,489</u>
Executive Department			
Village Hall			
Regular Salaries	105,460	105,460	109,106
Part-Time Salaries	56,910	56,910	36,878
Overtime Wages	2,000	2,000	1,404
Blue Advantage	25,040	25,040	24,159
Life Insurance	340	340	244
Social Security	10,070	10,070	8,897
Medicare	2,350	2,350	2,080
IMRF	25,870	25,870	23,484
Operating Supplies	14,000	14,000	6,045
Uniforms	1,950	1,950	849

VILLAGE OF LOMBARD, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
General Government (Cont.)			
Executive Department (Cont.)			
Village Hall (Cont.)			
Janitorial Supplies	\$ 9,000	9,000	7,779
Electric	76,030	76,030	57,075
Training and Travel	400	400	94
Maintenance	67,601	67,601	62,989
Repairs and Improvements	20,000	20,000	16,060
Equipment Service Contracts	41,380	41,380	34,865
Equipment Maintenance	500	500	-
Fleet Services	4,370	4,370	1,273
Fleet Services Reserve	4,680	4,680	4,680
	<u>467,951</u>	<u>467,951</u>	<u>397,961</u>
Business District #1			
Miscellaneous Contractual Services	670,670	670,670	781,535
Risk Management Administration			
Regular Salaries	132,540	132,540	137,389
Overtime Wages	300	300	117
PPO Plus	23,320	23,320	21,417
Blue Advantage	5,580	5,580	5,405
Life Insurance	270	270	192
Social Security	8,020	8,020	7,807
Medicare	1,920	1,920	1,842
IMRF	21,120	21,120	21,876
Unemployment Compensation	800	800	-
Operating Supplies	300	300	-
Training and Travel	250	250	1,364
Dues and Subscriptions	1,220	1,220	1,107
Other Professional/Technical Services	50,940	50,940	44,428
Insurance Premiums	72,660	72,660	73,928
Insurance Claims	148,430	148,430	141,212

VILLAGE OF LOMBARD, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
General Government (Cont.)			
Executive Department (Cont.)			
Risk Management Administration (Cont.)			
Miscellaneous Contractual Services	\$ 6,520	6,520	920
Fleet Services	37,500	37,500	-
	511,690	511,690	459,004
Employee Services			
Operating Supplies	5,300	5,300	5,217
Books and Literature	100	100	-
Other Professional/Technical Services	70,420	70,420	39,919
Miscellaneous Contractual Services	21,000	21,000	44,343
	96,820	96,820	89,479
Administrative Management			
Regular Salaries	282,250	282,250	306,266
Overtime Salaries	3,000	3,000	4,894
PPO	7,320	7,320	7,023
PPO Plus	13,600	13,600	12,459
Blue Advantage	7,770	7,770	7,471
Life Insurance	460	460	327
Social Security	15,110	15,110	15,438
Medicare	4,090	4,090	4,440
IMRF	44,960	44,960	48,677
Employee Recognition	100	100	-
Operating Supplies	3,000	3,000	3,622
Books and Literature	100	100	-
Training and Travel	4,000	4,000	1,815
Dues and Subscriptions	4,010	4,010	6,003
Printing and Binding	100	100	106
Miscellaneous Contractual Services	26,400	26,400	20,587
	416,270	416,270	439,128

VILLAGE OF LOMBARD, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017

		Budget		Actual
		Original	Final	
General Government (Cont.)				
Executive Department (Cont.)				
Human Resources				
Regular Salaries	\$ 151,310	151,310	179,682	
Part-Time Salaries	33,360	33,360	228	
PPO	-	-	4,224	
Blue Advantage	22,410	22,410	21,589	
Life Insurance	310	310	283	
Social Security	11,450	11,450	10,703	
Medicare	2,680	2,680	2,503	
IMRF	29,420	29,420	28,659	
Employee Recognition	20,000	20,000	19,045	
Operating Supplies	2,500	2,500	1,534	
Books and Literature	400	400	-	
Training and Travel	7,400	7,400	2,808	
Dues and Subscriptions	3,080	3,080	1,815	
Classified Advertising	5,000	5,000	3,969	
Printing and Binding	1,450	1,450	2,394	
Other Professional/Technical Services	25,110	25,110	36,502	
	315,880	315,880	315,938	
Legal Services				
Operating Supplies	400	400	-	
Books and Literature	400	400	222	
Legal Services	400,000	400,000	730,333	
	400,800	400,800	730,555	

VILLAGE OF LOMBARD, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
General Government (Cont.)			
Executive Department (Cont.)			
Communications			
Regular Salaries	\$ 88,790	88,790	94,640
Part-Time Salaries	48,040	48,040	60,484
PPO	9,470	9,470	8,968
PPO Plus	1,940	1,940	1,819
Blue Advantage	-	-	144
Life Insurance	220	220	154
Social Security	8,190	8,190	9,550
Medicare	1,980	1,980	2,331
IMRF	14,140	14,140	18,596
Operating Supplies	8,500	8,500	4,054
Books and Literature	100	100	-
Postage	13,440	13,440	16,615
Technology Equipment	17,050	17,050	17,214
Training and Travel	750	750	2,300
Dues and Subscriptions	4,220	4,220	3,958
Printing and Binding	13,080	13,080	13,153
Rentals	1,500	1,500	248
Equipment Service Contracts	-	-	693
Miscellaneous Contractual Services	71,030	71,030	33,233
	<u>302,440</u>	<u>302,440</u>	<u>288,154</u>
Hotel/Motel Grant Program			
Operating Supplies	20	20	1,057
Dues and Subscriptions	99,850	99,850	102,116
Miscellaneous Contractual Services	162,131	162,131	157,168
	<u>262,001</u>	<u>262,001</u>	<u>260,341</u>
AT&T PEG - Cable Equipment			
Technology Equipment	1,500	1,500	3,765
Pension Stabilization			
IMRF	-	-	23,885
	<u>3,446,022</u>	<u>3,446,022</u>	<u>3,789,745</u>
Total Executive Department			

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VILLAGE OF LOMBARD, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
General Government (Cont.)			
Finance Department			
Administration and Treasury Management			
Regular Salaries	\$ 303,130	303,130	318,128
Overtime Wages	200	200	-
PPO	8,610	8,610	8,311
Blue Advantage	42,750	42,750	41,329
Life Insurance	590	590	424
Social Security	17,670	17,670	17,897
Medicare	4,400	4,400	4,332
IMRF	48,290	48,290	50,419
Employee Recognition	550	550	252
Operating Supplies	2,000	2,000	2,234
Training and Travel	6,220	6,220	1,067
Dues and Subscriptions	1,360	1,360	1,137
Legal Advertising	50	50	-
Printing and Binding	700	700	-
Other Professional/Technical Services	-	-	800
Miscellaneous Contractual Services	430	430	425
	<u>436,950</u>	<u>436,950</u>	<u>446,755</u>
Village Events			
Computer Service	43,460	43,460	45,105

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VILLAGE OF LOMBARD, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
General Government (Cont.)			
Finance Department (Cont.)			
Customer Service and Licensing			
Regular Salaries	\$ 32,720	32,720	33,842
Part-Time Salaries	13,150	13,150	13,167
Overtime Wages	1,000	1,000	320
PPO Plus	4,050	4,050	3,657
Blue Advantage	1,860	1,860	1,802
Life Insurance	110	110	77
Social Security	2,840	2,840	2,784
Medicare	670	670	651
IMRF	7,310	7,310	7,540
Operating Supplies	2,050	2,050	862
Training and Travel	600	600	95
Printing and Binding	200	200	-
Miscellaneous Contractual Services	200	200	-
	<u>66,760</u>	<u>66,760</u>	<u>64,797</u>
Accounting and Financial Services			
Regular Salaries	241,910	241,910	209,638
Overtime Wages	200	200	171
PPO	-	-	8,075
PPO Plus	19,430	19,430	-
Blue Advantage	32,580	32,580	25,308
Life Insurance	680	680	384
Social Security	15,000	15,000	12,496
Medicare	3,510	3,510	2,923
IMRF	38,540	38,540	33,422
Tuition Reimbursements	2,460	2,460	575
Operating Supplies	750	750	580
Training and Travel	3,980	3,980	2,415
Dues and Subscriptions	800	800	500
Legal Advertising	2,000	2,000	575
Printing and Binding	480	480	417
Auditing Services	23,010	23,010	20,460

VILLAGE OF LOMBARD, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
General Government (Cont.)			
Finance Department (Cont.)			
Accounting and Financial Services (Cont.)			
Other Professional/Technical Services	\$ 40,200	40,200	42,749
Miscellaneous Contractual Services	2,250	2,250	1,506
	<u>42,780</u>	<u>42,780</u>	<u>362,194</u>
Information Technology			
Regular Salaries	69,700	69,700	71,266
Blue Advantage	18,590	18,590	18,014
Life Insurance	180	180	128
Social Security	4,320	4,320	3,948
Medicare	1,010	1,010	923
IMRF	11,100	11,100	11,353
Operating Supplies	10,000	10,000	5,210
Technology Software	17,000	17,000	8,303
Technology Equipment	24,500	24,500	4,192
Training and Travel	12,600	12,600	25
Dues and Subscriptions	300	300	-
Computer Services	426,960	426,960	432,382
Computer Service Contracts	168,850	168,850	126,125
Equipment Service Contracts	2,000	2,000	-
	<u>767,110</u>	<u>767,110</u>	<u>681,869</u>
Technology Reserve			
Technology Software	1,200	1,200	23,475
Technology Equipment	179,170	179,170	113,011
	<u>180,370</u>	<u>180,370</u>	<u>136,486</u>
Total Finance Department	1,922,430	1,922,430	1,737,206
Total General Government	8,406,373	8,406,373	8,067,440

VILLAGE OF LOMBARD, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Public Safety			
Police Department			
Police Administration			
Regular Salaries	\$ 453,050	453,050	459,702
Part-Time Salaries	65,560	65,560	60,059
Overtime Wages	1,000	1,000	172
PPO	63,850	63,850	48,273
PPO Plus	19,430	19,430	12,706
Blue Advantage	34,130	34,130	32,957
Life Insurance	720	720	460
Social Security	7,600	7,600	7,369
Medicare	5,740	5,740	6,547
IMRF	16,030	16,030	16,124
Employee Recognition	700	700	1,095
Operating Supplies	26,500	26,500	27,113
Uniforms	3,225	3,225	2,465
Training and Travel	8,000	8,000	4,894
Dues and Subscriptions	4,000	4,000	3,111
Printing and Binding	1,500	1,500	2,143
Emergency Dispatch	31,860	31,860	-
Other Professional/Technical Services	7,020	7,020	8,689
Miscellaneous Contractual Services	12,660	12,660	168
Fleet Services	6,290	6,290	6,782
Fleet Services Reserve	4,720	4,720	4,716
Police Pension Contributions	3,038,330	3,038,330	3,080,822
	3,811,915	3,811,915	3,786,367
Village Events			
Part-Time Salaries	16,900	16,900	12,814
Overtime Wages	-	-	56
PPO Plus	55,000	55,000	45,103
Blue Advantage	1,640	1,640	165
Life Insurance	20	20	1,612
Medicare	80	80	13
			173

VILLAGE OF LOMBARD, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Public Safety (Cont.)			
Police Department (Cont.)			
Village Events - (Cont.)			
IMRF	\$ -	-	2
Operating Supplies	1,000	1,000	1,164
	74,830	74,830	61,102
Police Buildings			
Operating Supplies	5,500	5,500	5,096
Uniforms	-	-	221
Janitorial Supplies	10,000	10,000	4,823
Maintenance	22,500	22,500	18,408
Repairs and Improvements	30,000	30,000	18,214
Equipment Service Contracts	30,000	30,000	21,786
Fleet Services	910	910	764
	98,910	98,910	69,312
Police Donations			
Operating Supplies	1,000	1,000	2,261
Risk Management			
Other Professional/Technical Services	52,960	52,960	52,520
Insurance Premiums	109,050	109,050	99,245
Insurance Claims	575,740	575,740	521,703
Fleet Services	-	-	30,608
	737,750	737,750	704,076
Police Grants			
Overtime Wages	59,210	59,210	60,628
Operating Supplies	1,000	1,000	-
Other Professional/Technical Services	5,610	5,610	4,393
Miscellaneous Contractual Services	116,500	116,500	116,500
	182,320	182,320	181,521

VILLAGE OF LOMBARD, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Public Safety (Cont.)			
Police Department (Cont.)			
Patrol Services			
Regular Salaries	\$ 4,991,440	4,991,440	4,840,188
Part-Time Salaries	27,270	27,270	10,272
Overtime Wages	130,000	130,000	183,213
PPO	107,410	107,410	95,327
PPO Plus	202,210	202,210	123,034
Blue Advantage	555,320	555,320	496,192
Life Insurance	9,810	9,810	6,525
Social Security	13,110	13,110	10,705
Medicare	72,710	72,710	68,968
IMRF	33,680	33,680	30,435
Tuition Reimbursements	2,000	2,000	2,226
Operating Supplies	89,960	89,960	67,314
Uniforms	52,500	52,500	48,568
Training and Travel	54,550	54,550	51,996
Dues and Subscriptions	800	800	400
Printing and Binding	4,000	4,000	5,364
Emergency Dispatch	499,140	499,140	728,064
Other Professional/Technical Services	3,000	3,000	4,384
Equipment Maintenance	5,840	5,840	661
Fleet Services	366,110	366,110	219,819
Fleet Services Reserve	132,040	132,040	132,024
	<u>7,352,900</u>	<u>7,352,900</u>	<u>7,125,679</u>

VILLAGE OF LOMBARD, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Public Safety (Cont.)			
Police Department (Cont.)			
Criminal Investigations and Juvenile Services			
Regular Salaries	\$ 1,055,050	1,055,050	1,177,354
Part-Time Salaries	49,330	49,330	17,713
Overtime Wages	68,000	68,000	78,594
PPO	-	-	6,904
Blue Advantage	153,280	153,280	157,875
Life Insurance	1,980	1,980	1,526
Social Security	3,060	3,060	1,118
Medicare	16,100	16,100	17,771
IMRF	4,590	4,590	-
Operating Supplies	10,000	10,000	11,276
Uniforms	11,150	11,150	9,631
Training and Travel	600	600	823
Dues and Subscriptions	500	500	40
Emergency Dispatch	148,680	148,680	-
Other Professional/Technical Services	14,000	14,000	6,643
Miscellaneous Contractual Services	8,800	8,800	10,416
Fleet Services	42,850	42,850	23,733
Fleet Services Reserve	17,650	17,650	17,640
	<u>1,605,620</u>	<u>1,605,620</u>	<u>1,539,057</u>
Police Records			
Regular Salaries	373,080	373,080	346,784
Part-Time Salaries	236,800	236,800	156,346
Overtime Wages	16,000	16,000	35,262
PPO Plus	8,100	8,100	7,326
Blue Advantage	63,540	63,540	44,208
Life Insurance	1,260	1,260	781
Social Security	37,810	37,810	32,512
Medicare	8,840	8,840	7,604
IMRF	77,410	77,410	77,961

VILLAGE OF LOMBARD, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Public Safety (Cont.)			
Police Service Department (Cont.)			
Police Records (Cont.)			
Tuition Reimbursements	\$ -	-	405
Operating Supplies	8,500	8,500	7,999
Uniforms	9,750	9,750	3,420
Training and Travel	2,500	2,500	-
Printing and Binding	1,000	1,000	-
Other Professional/Technical Services	47,800	47,800	39,107
Computer Service Contracts	103,000	103,000	108,283
Equipment Service Contracts	1,200	1,200	572
	996,590	996,590	868,570
Police Traffic Services			
Regular Salaries	185,230	185,230	331,969
Overtime Wages	10,000	10,000	14,772
PPO Plus	-	-	7,024
Blue Advantage	18,590	18,590	26,393
Life Insurance	360	360	435
Medicare	2,700	2,700	5,051
Operating Supplies	9,000	9,000	8,129
Uniforms	2,250	2,250	2,589
Training and Travel	400	400	-
Emergency Dispatch	31,860	31,860	-
Other Professional/Technical Services	88,740	88,740	96,023
	349,130	349,130	492,385
DUI Equipment/Technology			
Operating Supplies	11,600	11,600	51,756

VILLAGE OF LOMBARD, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Public Safety (Cont.)			
Police Service Department (Cont.)			
State Seizures			
Regular Salaries	\$ -	-	20,613
Overtime Wages	7,000	7,000	3,469
	7,000	7,000	24,082
Federal Seizures			
Regular Salaries	137,490	137,490	67,489
Overtime Wages	-	-	3,311
PPO	17,230	17,230	9,696
Life Insurance	360	360	183
Medicare	2,000	2,000	1,725
	157,080	157,080	82,404
Total Police Department	15,386,645	15,386,645	14,988,572
Fire Department			
Fire Administration			
Regular Salaries	288,860	288,860	283,022
Part-Time Salaries	20,410	20,410	21,429
PPO	63,850	63,850	62,395
PPO Plus	17,490	17,490	31,643
Blue Advantage	48,060	48,060	56,025
Life Insurance	500	500	360
Social Security	11,270	11,270	9,947
Medicare	4,520	4,520	4,049
IMRF	26,060	26,060	24,807
Employee Recognition	900	900	312
Operating Supplies	7,300	7,300	10,068

VILLAGE OF LOMBARD, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Public Safety (Cont.)			
Fire Department (Cont.)			
Fire Administration (Cont.)			
Uniforms	\$ 1,400	1,400	1,602
Books and Literature	200	200	-
Training and Travel	4,660	4,660	3,020
Dues and Subscriptions	1,410	1,410	4,046
Printing and Binding	1,340	1,340	1,615
Computer Service Contracts	-	-	7,190
Miscellaneous Contractual Obligations	12,710	12,710	-
Fleet Services	5,390	5,390	4,264
Fleet Services Reserve	3,860	3,860	3,864
Firefighters' Pension Contributions	2,190,710	2,190,710	2,237,228
	2,710,900	2,710,900	2,766,886
Village Events			
Overtime Wages	2,600	2,600	-
Fire Buildings			
Operating Supplies	6,050	6,050	3,703
Janitorial Supplies	11,500	11,500	5,922
Maintenance	2,250	2,250	403
Repairs and Improvements	47,270	47,270	46,787
Equipment Service Contracts	11,700	11,700	8,554
Fleet Services	2,020	2,020	1,625
	80,790	80,790	66,994
Fire Donations			
Operating Supplies	400	400	1,887

VILLAGE OF LOMBARD, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Public Safety (Cont.)			
Fire Department (Cont.)			
Risk Management			
Other Professional/Technical Services	\$ 47,090	47,090	46,693
Insurance Premiums	96,960	96,960	88,234
Insurance Claims	355,360	355,360	276,504
Fleet Services	-	-	582
	499,410	499,410	412,013
SSA #7 - Assisted Living 300 W. 22nd			
Legal Services	-	-	483
Miscellaneous Contractual Services	-	-	18,734
	-	-	19,217
Fire and Rescue Services			
Regular Salaries	4,257,190	4,257,190	4,576,476
Overtime Wages	250,460	250,460	271,280
PPO	73,820	73,820	53,133
PPO Plus	404,800	404,800	346,680
Blue Advantage	272,730	272,730	275,215
Life Insurance	8,280	8,280	5,842
Medicare	64,130	64,130	66,833
Operating Supplies	46,935	46,935	49,051
Uniforms	50,480	50,480	47,761
Books and Literature	100	100	-
Chemicals	500	500	-
Training and Travel	750	750	-
Dues and Subscriptions	5,030	5,030	-
Emergency Dispatch	181,640	181,640	181,860
Other Professional/Technical Services	7,370	7,370	9,448
Equipment Maintenance	10,100	10,100	2,233
Fleet Services	192,980	192,980	168,445
Fleet Services Reserve	165,960	165,960	165,960
	5,993,255	5,993,255	6,220,217

VILLAGE OF LOMBARD, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Public Safety (Cont.)			
Fire Department (Cont.)			
Fire Prevention			
Regular Salaries	\$ 82,940	82,940	65,285
Part-Time Salaries	144,540	144,540	121,078
Overtime Wages	23,000	23,000	30,899
Blue Advantage	18,590	18,590	5,368
Life Insurance	180	180	171
Social Security	14,100	14,100	11,484
Medicare	3,300	3,300	2,686
IMRF	17,920	17,920	9,092
Tuition Reimbursements	800	800	-
Operating Supplies	9,950	9,950	5,570
Uniforms	3,100	3,100	2,694
Books and Literature	500	500	349
Technology Software	310	310	-
Training and Travel	3,500	3,500	210
Dues and Subscriptions	1,610	1,610	2,745
Printing and Binding	1,100	1,100	209
Other Professional/Technical Services	2,500	2,500	1,542
Computer Service Contracts	4,800	4,800	1,728
Fleet Services	9,230	9,230	4,294
Fleet Services Reserve	4,460	4,460	4,464
	<u>346,430</u>	<u>346,430</u>	<u>269,868</u>
Emergency Preparedness			
Regular Salaries	28,790	28,790	26,558
Overtime Wages	39,752	39,752	15,943
PPO Plus	1,940	1,940	-
Blue Advantage	1,860	1,860	1,800
Life Insurance	40	40	26
Social Security	750	750	696
Medicare	380	380	354
IMRF	1,970	1,970	1,984
Operating Supplies	13,500	13,500	4,655
Books and Literature	250	250	-
Training and Travel	5,830	5,830	641

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VILLAGE OF LOMBARD, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Public Safety (Cont.)			
Fire Department (Cont.)			
Emergency Preparedness (Cont.)			
Dues and Subscriptions	\$ 23,930	23,930	3,612
Printing and Binding	250	250	-
Other Professional/Technical Services	2,000	2,000	587
Repairs and Improvements	15,500	15,500	6,992
Equipment Service Contracts	6,630	6,630	503
	<u>143,372</u>	<u>143,372</u>	<u>64,351</u>
Fire and Rescue Training			
Overtime Wages	45,448	45,448	41,529
Tuition Reimbursements	61,300	61,300	32
Operating Supplies	9,600	9,600	1,545
Uniforms	300	300	1,117
Books and Literature	700	700	480
Training and Travel	24,100	24,100	19,257
Dues and Subscriptions	570	570	298
	<u>142,018</u>	<u>142,018</u>	<u>64,258</u>
Foreign Fire Insurance			
Employee Recognition	6,500	6,500	4,274
Operating Supplies	33,900	33,900	32,343
Training and Travel	5,000	5,000	-
Dues and Subscriptions	4,350	4,350	6,321
Insurance Premiums	200	200	106
	<u>49,950</u>	<u>49,950</u>	<u>43,044</u>
Fire Investigation			
Overtime Wages	7,500	7,500	3,234
Operating Supplies	1,500	1,500	-
Uniforms	1,500	1,500	51
Books and Literature	200	200	-
Training and Travel	3,440	3,440	745
Dues and Subscriptions	200	200	175
Other Professional/Technical Services	500	500	-
	<u>14,840</u>	<u>14,840</u>	<u>4,205</u>

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VILLAGE OF LOMBARD, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Public Safety (Cont.)			
Fire Department (Cont.)			
Emergency Medical Service			
Regular Salaries	\$ 1,698,950	1,698,950	1,618,332
Overtime Wages	30,368	30,368	16,410
PPO	8,610	8,610	8,312
PPO Plus	202,400	202,400	193,325
Blue Advantage	44,950	44,950	46,382
Life Insurance	3,060	3,060	2,194
Medicare	22,270	22,270	23,287
Operating Supplies	13,894	13,894	15,032
Books and Literature	100	100	-
Chemicals	3,000	3,000	2,457
Technology Equipment	200	200	-
Training and Travel	6,140	6,140	4,744
Dues and Subscriptions	100	100	230
Other Professional/Technical Services	2,722	2,722	1,743
Computer Service Contracts	800	800	880
Equipment Maintenance	3,000	3,000	2,639
Fleet Services	69,100	69,100	54,591
Fleet Services Reserve	118,540	118,540	118,536
	2,228,204	2,228,204	2,109,094
Total Fire Department	12,212,169	12,212,169	12,042,034
Total Public Safety	27,598,814	27,598,814	27,030,606

VILLAGE OF LOMBARD, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Physical Environment			
Community Development Department			
Community Development Administration			
Regular Salaries	\$ 183,220	183,220	220,244
Part-Time Salaries	43,930	43,930	33,809
Blue Advantage	16,730	16,730	18,014
Life Insurance	310	310	257
Social Security	13,620	13,620	15,342
Medicare	3,290	3,290	3,628
IMRF	33,120	33,120	36,956
Employee Recognition	200	200	290
Operating Supplies	9,000	9,000	9,179
Technology Software	-	-	1,428
Training and Travel	6,950	6,950	2,930
Dues and Subscriptions	1,950	1,950	1,434
Printing and Binding	300	300	-
Other Professional/Technical Services	8,300	8,300	28,177
Fleet Services	490	490	832
	321,410	321,410	372,520
Planning Services			
Regular Salaries	93,450	93,450	91,652
Part-Time Salaries	42,660	42,660	50,109
PPO Plus	19,430	19,430	11,978
Blue Advantage	9,290	9,290	9,007
Life Insurance	270	270	193
Social Security	8,440	8,440	8,421
Medicare	1,970	1,970	1,970
IMRF	20,280	20,280	20,120
Operating Supplies	5,050	5,050	2,132

VILLAGE OF LOMBARD, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Physical Environment (Cont.) Community Development Department (Cont.)			
Planning Services (Cont.)			
Books and Literature	\$ 100	100	-
Training and Travel	4,530	4,530	1,193
Dues and Subscriptions	1,050	1,050	957
Printing and Binding	200	200	-
Computer Service Contracts	-	-	3,000
	<u>206,720</u>	<u>206,720</u>	<u>200,732</u>
Code Administration			
Regular Salaries	61,040	61,040	79,371
Part-Time Salaries	86,230	86,230	64,006
PPO	-	-	4,628
Blue Advantage	18,590	18,590	6,586
Life Insurance	180	180	118
Social Security	9,130	9,130	8,741
Medicare	2,140	2,140	2,044
IMRF	9,720	9,720	11,744
Operating Supplies	2,300	2,300	1,561
Uniforms	1,400	1,400	1,311
Training and Travel	1,500	1,500	140
Dues and Subscriptions	200	200	195
Printing and Binding	250	250	-
Recordings/Archiving	600	600	229
Other Professional/Technical Services	2,500	2,500	1,000
Fleet Services	4,030	4,030	2,075
Fleet Services Reserve	5,450	5,450	5,448
	<u>205,260</u>	<u>205,260</u>	<u>189,197</u>

VILLAGE OF LOMBARD, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Physical Environment (Cont.) Community Development Department (Cont.)			
Building			
Regular Salaries	\$ 244,470	244,470	306,058
Part-Time Salaries	163,340	163,340	105,485
Overtime Wages	4,380	4,380	1,607
PPO	18,860	18,860	18,205
PPO Plus	19,430	19,430	17,848
Blue Advantage	17,660	17,660	18,014
Life Insurance	530	530	492
Social Security	25,290	25,290	24,256
Medicare	5,910	5,910	5,673
IMRF	49,820	49,820	56,813
Operating Supplies	4,500	4,500	4,217
Uniforms	1,500	1,500	1,498
Books and Literature	750	750	374
Training and Travel	4,800	4,800	4,277
Dues and Subscriptions	650	650	677
Printing and Binding	1,500	1,500	917
Recordings/Archiving	11,600	11,600	12,952
Other Professional/Technical Services	80,825	80,825	95,256
Reimbursable Expenses	500	500	-
Fleet Services	3,660	3,660	2,431
Fleet Services Reserve	9,360	9,360	9,360
	<u>669,335</u>	<u>669,335</u>	<u>686,410</u>
Private Engineering Services			
Regular Salaries	146,180	146,180	143,610
Overtime Wages	500	500	1,876
PPO	8,610	8,610	8,291
Blue Advantage	18,590	18,590	15,936
Life Insurance	360	360	246
Social Security	9,060	9,060	8,396
Medicare	2,120	2,120	1,964
IMRF	23,290	23,290	23,178
Operating Supplies	250	250	120

VILLAGE OF LOMBARD, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Physical Environment (Cont.)			
Community Development Department (Cont.)			
Private Engineering Services (Cont.)			
Uniforms	\$ 200	200	225
Technology Software	600	600	-
Training and Travel	1,150	1,150	816
Dues and Subscriptions	375	375	331
Engineering Services	1,250	1,250	701
Fleet Services	2,880	2,880	2,659
Fleet Services Reserve	-	-	(5,797)
	<u>215,415</u>	<u>215,415</u>	<u>202,552</u>
Total Community Development	1,618,140	1,618,140	1,651,411
Total Physical Environment	1,618,140	1,618,140	1,651,411
Public Works			
Public Works Department			
Public Works Administration			
Regular Salaries	280,750	280,750	292,422
Overtime Wages	500	500	-
PPO Plus	5,830	5,830	5,319
Blue Advantage	44,780	44,780	42,948
Life Insurance	540	540	385
Social Security	16,490	16,490	16,479
Medicare	4,070	4,070	3,996
IMRF	44,720	44,720	46,100
Employee Recognition	1,500	1,500	1,500
Operating Supplies	10,300	10,300	4,005
Uniforms	2,000	2,000	846
Books and Literature	200	200	-
Training and Travel	5,600	5,600	3,365
Dues and Subscriptions	2,350	2,350	2,212
Printing and Binding	1,000	1,000	339
	<u>420,630</u>	<u>420,630</u>	<u>419,916</u>

VILLAGE OF LOMBARD, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017

		Budget		Actual
		Original	Final	
Public Works (Cont.)				
Public Works Department (Cont.)				
Village Events				
Regular Salaries	\$ 25,600	25,600	27,128	
Overtime Wages	10,780	10,780	12,544	
PPO Plus	970	970	910	
Blue Advantage	3,720	3,720	3,680	
Life Insurance	50	50	32	
Social Security	1,490	1,490	1,531	
Medicare	370	370	374	
IMRF	4,080	4,080	4,323	
Operating Supplies	10,900	10,900	11,085	
Other Professional/Technical Services	195,000	195,000	189,970	
Rentals	10,700	10,700	3,821	
Miscellaneous Contractual Services	207,000	207,000	162,119	
	<u>470,660</u>	<u>470,660</u>	<u>417,517</u>	
Public Works Buildings				
Overtime Wages	1,000	1,000	273	
Operating Supplies	-	-	1,337	
Janitorial Supplies	4,200	4,200	4,389	
Maintenance	19,560	19,560	15,728	
Repairs and Improvements	16,200	16,200	12,253	
Rentals	1,200	1,200	-	
Equipment Service Contracts	15,920	15,920	9,529	
Fleet Services	980	980	5,461	
	<u>59,060</u>	<u>59,060</u>	<u>48,970</u>	
Street Maintenance				
Regular Salaries	677,900	677,900	654,419	
Overtime Wages	11,000	11,000	21,119	
PPO	25,840	25,840	16,663	
PPO Plus	19,430	19,430	17,892	
Blue Advantage	130,790	130,790	124,777	
Life Insurance	2,200	2,200	1,385	
Social Security	42,060	42,060	41,244	

VILLAGE OF LOMBARD, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Public Works (Cont.)			
Public Works Department (Cont.)			
Street Maintenance (Cont.)			
Medicare	\$ 9,840	9,840	9,657
IMRF	108,060	108,060	112,470
Operating Supplies	15,000	15,000	12,888
Uniforms	7,800	7,800	7,138
Street Maintenance Supplies	129,400	129,400	44,048
Training and Travel	13,350	13,350	6,826
Other Professional/Technical Services	6,500	6,500	4,800
Computer Service Contracts	-	-	4,000
Rentals	2,500	2,500	-
Equipment Maintenance	3,300	3,300	1,937
Miscellaneous Contractual Services	53,348	53,348	29,213
Fleet Services	211,760	211,760	205,675
Fleet Services Reserve	253,910	253,910	229,115
	<u>1,723,988</u>	<u>1,723,988</u>	<u>1,545,266</u>
Risk Management			
Other Professional/Technical Services	19,700	19,700	19,541
Insurance Premiums	40,560	40,560	36,926
Insurance Claims	195,970	195,970	113,391
Fleet Services	-	-	2,832
	<u>256,230</u>	<u>256,230</u>	<u>172,690</u>
Street Lighting			
Overtime Wages	1,500	1,500	1,698
Operating Supplies	4,000	4,000	4,175
Electric	180,000	180,000	179,706
Other Professional/Technical Services	3,800	3,800	2,823
Equipment Maintenance	500	500	252
Miscellaneous Contractual Services	120,000	120,000	67,850
	<u>309,800</u>	<u>309,800</u>	<u>256,504</u>

VILLAGE OF LOMBARD, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017

		Budget		Actual
		Original	Final	
Public Works (Cont.)				
Public Works Department (Cont.)				
Traffic Signals/Signs/Markings				
Regular Salaries	\$ 69,750	69,750	69,131	
Overtime Wages	1,560	1,560	1,517	
Blue Advantage	18,590	18,590	17,992	
Life Insurance	180	180	128	
Social Security	4,330	4,330	4,022	
Medicare	1,010	1,010	941	
IMRF	11,110	11,110	11,290	
Operating Supplies	43,000	43,000	19,528	
Uniforms	650	650	602	
Books and Literature	250	250	155	
Technology Software	500	500	-	
Training and Travel	2,800	2,800	45	
Dues and Subscriptions	100	100	15	
Equipment Service Contracts	72,180	72,180	65,809	
Equipment Maintenance	25,500	25,500	9,897	
Fleet Services	3,460	3,460	4,698	
Fleet Services Reserve	2,560	2,560	42,556	
	<u>257,530</u>	<u>257,530</u>	<u>248,326</u>	
Urban Forestry and Landscaping				
Regular Salaries	174,560	174,560	241,578	
Overtime Wages	23,940	23,940	13,049	
PPO	-	-	16,451	
PPO Plus	58,290	58,290	17,830	
Blue Advantage	-	-	7,650	
Life Insurance	540	540	514	
Social Security	10,770	10,770	14,834	
Medicare	2,520	2,520	3,469	
IMRF	27,670	27,670	40,911	
Operating Supplies	6,790	6,790	5,231	
Uniforms	1,950	1,950	1,783	

VILLAGE OF LOMBARD, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Public Works (Cont.)			
Public Works Department (Cont.)			
Urban Forestry and Landscaping (Cont.)			
Chemicals	\$ 1,800	1,800	1,800
Electric	650	650	726
Training and Travel	12,695	12,695	9,250
Dues and Subscriptions	1,730	1,730	1,710
Legal Advertising	280	280	196
Other Professional/Technical Services	96,000	96,000	94,079
Rentals	500	500	-
Equipment Maintenance	600	600	208
Miscellaneous Contractual Services	1,000	1,000	1,025
Fleet Services	19,480	19,480	23,752
Fleet Services Reserve	31,360	31,360	16,583
	<u>473,125</u>	<u>473,125</u>	<u>512,629</u>
Engineering Administration			
Regular Salaries	257,740	257,740	233,005
Part-Time Salaries	11,200	11,200	11,504
Overtime Wages	1,000	1,000	1,507
PPO	22,640	22,640	10,923
PPO Plus	4,860	4,860	4,388
Blue Advantage	22,310	22,310	15,413
Life Insurance	650	650	385
Social Security	16,670	16,670	14,606
Medicare	3,900	3,900	3,416
IMRF	41,060	41,060	37,267
Operating Supplies	3,420	3,420	1,254
Uniforms	2,400	2,400	985
Books and Literature	750	750	555
Technology Software	1,200	1,200	1,162
Training and Travel	6,600	6,600	2,206
Dues and Subscriptions	3,510	3,510	2,380
Printing and Binding	550	550	188
Recordings/Archiving	2,500	2,500	-
Engineering Services	88,500	88,500	36,593

VILLAGE OF LOMBARD, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Public Works (Cont.)			
Public Works Department (Cont.)			
Engineering Administration (Cont.)			
Computer Service Contracts	\$ 5,200	5,200	6,197
Rentals	500	500	-
Equipment Service Contracts	4,000	4,000	-
Fleet Services	8,070	8,070	8,109
Fleet Services Reserve	20,040	20,040	19,735
	<u>529,270</u>	<u>529,270</u>	<u>411,778</u>
SSA #3 - 800 E. Roosevelt Road Traffic Signal			
Electric	1,680	1,680	1,324
Legal Services	2,000	2,000	2,000
Equipment Maintenance	5,860	5,860	4,680
	<u>9,540</u>	<u>9,540</u>	<u>8,004</u>
Community Recycling			
Regular Salaries	29,650	29,650	30,704
Overtime Wages	2,500	2,500	1,355
PPO Plus	2,920	2,920	2,695
Blue Advantage	3,720	3,720	3,603
Life Insurance	60	60	45
Social Security	1,840	1,840	1,759
Medicare	430	430	411
IMRF	4,720	4,720	4,891
Operating Supplies	1,800	1,800	1,122
Miscellaneous Contractual Services	83,000	83,000	82,994
Recycling Grants	4,000	4,000	2,909
	<u>134,640</u>	<u>134,640</u>	<u>132,488</u>
Total Public Works Department	4,644,473	4,644,473	4,174,088
Total Expenditures	<u>42,267,800</u>	<u>42,267,800</u>	<u>40,923,545</u>

VILLAGE OF LOMBARD, ILLINOIS

Debt Service Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 700,890	700,890	653,575
Interest			
Investment Income	-	-	1,176
Total Revenues	700,890	700,890	654,751
Expenditures			
Debt Service			
Principal Retirement	480,000	480,000	480,000
Interest and Fiscal Charges	39,428	39,428	38,853
Total Expenditures	519,428	519,428	518,853
Net Change in Fund Balance	181,462	181,462	135,898
Fund Balance - Beginning			213,101
Fund Balance - Ending			348,999

VILLAGE OF LOMBARD, ILLINOIS

Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 205,170	205,170	198,553
Intergovernmental	4,757,890	4,757,890	4,905,829
Interest	5,000	5,000	98,189
Miscellaneous	170,670	170,670	251,398
Total Revenues	5,138,730	5,138,730	5,453,969
Expenditures			
Capital Outlay	8,082,966	8,082,966	7,380,053
Debt Service			
Principal Retirement	870,580	870,580	870,575
Interest and Fiscal Charges	29,280	29,280	29,130
Total Expenditures	8,982,826	8,982,826	8,279,758
Net Change in Fund Balance	(3,844,096)	(3,844,096)	(2,825,789)
Fund Balance - Beginning			10,775,043
Fund Balance - Ending			7,949,254

VILLAGE OF LOMBARD, ILLINOIS

Capital Projects Fund

Schedule of Revenues - Budget and Actual
For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Taxes			
Utility Tax	\$ 205,170	205,170	198,553
Intergovernmental			
Sales Tax	1,719,270	1,719,270	1,700,422
Motor Fuel Tax Allotments	1,000,000	1,000,000	1,106,858
TIF Revenue	1,751,140	1,751,140	1,791,550
TIF1 West of Grace	53,870	53,870	54,244
TIF2 East of Grace	233,610	233,610	252,755
	4,757,890	4,757,890	4,905,829
Interest			
Investment Income	5,000	5,000	98,189
Miscellaneous			
Contributions from Property Owners	10,500	10,500	2,934
Other	160,170	160,170	248,464
	170,670	170,670	251,398
Total Revenues	5,138,730	5,138,730	5,453,969

VILLAGE OF LOMBARD, ILLINOIS

Capital Projects Fund

Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Capital Outlay			
General Capital Projects			
Street Maintenance Supplies	\$ -	-	291,546
Legal Advertising	-	-	319
Other Professional/Technical Services	-	-	24,929
Engineering Services	-	-	476,167
Miscellaneous Contractual Services	-	-	149,570
Construction Services	4,594,000	4,594,000	3,564,094
	4,594,000	4,594,000	4,506,625
Facilities Capital Projects			
Construction Services	370,000	370,000	206,173
Repair and Improvements	75,000	75,000	213,375
Miscellaneous Contractual Services	7,100	7,100	7,100
	452,100	452,100	426,648
Motor Fuel Tax			
Overtime Wages	120,000	120,000	26,094
Street Maintenance Supplies	300,000	300,000	40,334
Engineering Services	-	-	128,436
Construction Services	772,000	772,000	419,505
	1,192,000	1,192,000	614,369
TIF Downtown Capital Projects			
Regular Salaries	34,410	34,410	-
Blue Advantage	2,790	2,790	-
Life Insurance	50	50	-
Social Security	2,080	2,080	-
Medicare	500	500	-
IMRF	5,480	5,480	-
Auditing Services	4,280	4,280	4,265
Legal Services	2,400	2,400	4,875
Other Professional/Technical Services	-	-	2,940
Miscellaneous Contractual Services	212,310	212,310	131,309
Distribution Surplus TIF Revenue	1,564,540	1,564,540	1,612,395
	1,828,840	1,828,840	1,755,784

VILLAGE OF LOMBARD, ILLINOIS

Capital Projects Fund

Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Capital Outlay (Cont.)			
TIF1 West of Grace Capital Projects			
Auditing Services	\$ -	-	230
Legal Services	-	-	1,384
Construction Services	6	6	6,935
Miscellaneous Contractual Services	5,340	5,340	283
	5,346	5,346	8,832
TIF2 East of Grace Capital Projects			
Auditing Services	380	380	255
Legal Services	240	240	546
Miscellaneous Contractual Services	10,060	10,060	3,982
	10,680	10,680	4,783
TIF4 Butterfield/Yorktown Capital Projects			
Legal Advertising	-	-	2,898
Legal Services	-	-	25,088
Other Professional/Technical Services	-	-	35,026
	-	-	63,012
Total Capital Outlay	8,082,966	8,082,966	7,380,053
Debt Service			
Principal Retirement	870,580	870,580	870,575
Interest and Fiscal Charges	29,280	29,280	29,130
Total Debt Service	899,860	899,860	899,705

VILLAGE OF LOMBARD, ILLINOIS

Waterworks and Sewerage Fund

Schedule of Revenues, Expenses and Changes in Net Position - By Account
For the Fiscal Year Ended December 31, 2017

	Operation and Maintenance	Capital Reserve	Total
Operating Revenues			
Charges for Services	\$ 16,492,569	-	16,492,569
Operating Expenses			
Administrations	1,436,692	-	1,436,692
Operations	9,928,744	1,360,482	11,289,226
Sewerage Treatment	4,216,849	-	4,216,849
Depreciation	730,528	1,559,920	2,290,448
Total Operating Expenses	16,312,813	2,920,402	19,233,215
Operating Income (Loss)	179,756	(2,920,402)	(2,740,646)
Nonoperating Revenues (Expenses)			
Sales Tax	-	7,849,684	7,849,684
Interest Income	39,275	37,752	77,027
Connection Fees	-	1,529,339	1,529,339
Revenues from Joint Venture - GWWA	795,748	-	795,748
Grant	-	341,381	341,381
Other Income	-	2,450	2,450
Disposal of Capital Assets	(157,928)	(147,250)	(305,178)
Interest Expense	-	(171,767)	(171,767)
	677,095	9,441,589	10,118,684
Income Before Contributions and Transfers	856,851	6,521,187	7,378,038
Capital Contributions Transfers Out			
Capital Contributions	252,866	-	252,866
Transfers Out	(522,130)	-	(522,130)
	(269,264)	-	(269,264)
Change in Net Position	587,587	6,521,187	7,108,774
Net Position - Beginning	33,074,899	49,457,594	82,532,493
Net Position - Ending	33,662,486	55,978,781	89,641,267

VILLAGE OF LOMBARD, ILLINOIS

Waterworks and Sewerage Fund - Operation and Maintenance Account

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 16,546,150	16,546,150	16,492,569
Operating Expenses			
Administration	1,472,860	1,472,860	1,436,692
Operations	10,293,390	10,293,390	9,928,744
Sewerage Treatment	4,199,480	4,199,480	4,216,849
Depreciation	-	-	730,528
Total Operating Expenses	15,965,730	15,965,730	16,312,813
Operating Income	580,420	580,420	179,756
Nonoperating Revenues (Expenses)			
Interest Income	17,000	17,000	39,275
Revenues from Joint Venture - GWWA	-	-	795,748
Disposal of Capital Assets	-	-	(157,928)
	17,000	17,000	677,095
Income Before Contributions and Transfers	597,420	597,420	856,851
Capital Contributions	-	-	252,866
Transfers Out	(522,130)	(522,130)	(522,130)
	(522,130)	(522,130)	(269,264)
Change in Net Position	75,290	75,290	587,587
Net Position - Beginning			33,074,899
Net Position - Ending			33,662,486

VILLAGE OF LOMBARD, ILLINOIS

Waterworks and Sewerage Fund - Operation and Maintenance Account

Schedule of Operating Revenues - Budget and Actual
For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Charges for Services			
Water Sales-Metered	\$ 9,062,250	9,062,250	8,961,745
Operating	10,000	10,000	14,799
Hydrant	-	-	8,770
Water Sales-Unmetered	670	670	1,457
Fill Station Sales	11,500	11,500	11,831
Transmission Fees - Illinois American Water	18,000	18,000	16,127
Water Turn-on Fees	702,100	702,100	744,336
Service Charge	56,200	56,200	56,969
Cross Connection Service Charge	6,474,300	6,474,300	6,406,435
Sewer Charges-Metered	33,750	33,750	33,909
Sewer Charges-Unmetered	133,300	133,300	179,112
Penalty Charge	23,500	23,500	41,505
Meter Sales	1,960	1,960	1,969
Illinois American Water Readings	2,420	2,420	5,084
Villa Park Sewer Charges	4,000	4,000	4,202
Hydrant Meter Rental Fees	1,200	1,200	1,050
NSF Charges	3,000	3,000	1,100
Lien Filing Fees	8,000	8,000	2,169
Miscellaneous Fees			
Total Operating Revenues	16,546,150	16,546,150	16,492,569

VILLAGE OF LOMBARD, ILLINOIS

Waterworks and Sewerage Fund - Operation and Maintenance Account

Schedule of Operating Expenses - Budget and Actual
For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Administration			
Water and Sewer Administration			
Regular Salaries	\$ 561,530	561,530	560,895
Part-Time Salaries	11,840	11,840	10,114
Overtime Wages	600	600	-
PPO	15,520	15,520	8,428
PPO Plus	30,440	30,440	27,914
Blue Advantage	58,950	58,950	52,960
Life Insurance	1,270	1,270	806
Social Security	34,430	34,430	32,654
Medicare	9,230	9,230	7,843
IMRF	89,550	89,550	88,954
Operating Supplies	5,100	5,100	4,649
Uniforms	650	650	661
Books and Literature	400	400	5
Training and Travel	6,000	6,000	3,637
Dues and Subscriptions	650	650	126
Legal Advertising	300	300	262
Computer Services	49,920	49,920	49,964
Other Professional/Technical Services	80,700	80,700	7,439
Computer Service Contracts	13,190	13,190	13,143
	970,270	970,270	870,454

Utility Billing and Account Maintenance

Regular Salaries	160,280	160,280	167,073
Part-Time Salaries	13,150	13,150	13,167
Overtime Wages	1,000	1,000	320
PPO	4,050	4,050	3,657
Blue Advantage	24,170	24,170	23,522
Life Insurance	500	500	360

VILLAGE OF LOMBARD, ILLINOIS

Waterworks and Sewerage Fund - Operation and Maintenance Account

Schedule of Operating Expenses - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Administration (Cont.)			
Utility Billing and Account Maintenance (Cont.)			
Social Security	\$ 10,810	10,810	10,471
Medicare	2,530	2,530	2,449
IMRF	27,790	27,790	28,763
Operating Supplies	3,300	3,300	478
Postage	38,500	38,500	33,720
Training and Travel	2,900	2,900	1,919
Printing and Binding	700	700	656
Microfilm/Records/Codification	2,400	2,400	194
Auditing Services	9,340	9,340	11,890
Other Professional/Technical Services	8,650	8,650	25,323
Equipment Maintenance	2,000	2,000	-
Miscellaneous Contractual Services	76,320	76,320	78,172
	388,390	388,390	402,134
General Services			
Regular Salaries	5,550	5,550	40,782
Part-Time Salaries	3,000	3,000	1,969
Overtime Wages	-	-	80
Blue Advantage	1,320	1,320	1,298
Life Insurance	20	20	13
Social Security	530	530	477
Medicare	120	120	112
IMRF	1,360	1,360	1,259
Contingencies	88,160	88,160	-
Cellular Telephone	14,140	14,140	13,933
IMRF Pension Expense	-	-	104,181
	114,200	114,200	164,104
Total Administration	1,472,860	1,472,860	1,436,692

VILLAGE OF LOMBARD, ILLINOIS

Waterworks and Sewerage Fund - Operation and Maintenance Account

Schedule of Operating Expenses - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Operations			
Water Pumping and Treatment			
Regular Salaries	\$ 208,340	208,340	213,954
Part-Time Salaries	5,200	5,200	2,460
Overtime Wages	9,000	9,000	13,767
PPO	-	-	4,142
Blue Advantage	41,060	41,060	36,061
Life Insurance	450	450	321
Social Security	13,120	13,120	13,292
Medicare	3,070	3,070	3,109
IMRF	32,870	32,870	35,716
Operating Supplies	5,050	5,050	5,259
Uniforms	3,450	3,450	3,505
Books and Literature	250	250	-
Chemicals	7,000	7,000	5,361
Janitorial Supplies	500	500	105
Electric	190,000	190,000	184,233
Gas	1,200	1,200	817
Training and Travel	670	670	527
Dues and Subscriptions	500	500	125
Printing and Binding	16,000	16,000	13,969
Other Professional/Technical Services	4,500	4,500	4,494
Repairs and Improvements	4,250	4,250	3,573
Computer Service Contracts	300	300	-
Rentals	4,100	4,100	2,754
Equipment Service Contracts	8,000	8,000	8,320
Fleet Services	16,200	16,200	21,609
Fleet Services Reserve	26,670	26,670	121,232
	607,000	607,000	703,458

VILLAGE OF LOMBARD, ILLINOIS

Waterworks and Sewerage Fund - Operation and Maintenance Account

Schedule of Operating Expenses - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Operations (Cont.)			
Lake Michigan Water			
Lake Water - Purchased Water	\$ 6,796,960	6,796,960	6,550,900
Water Distribution			
Regular Salaries	345,110	345,110	342,503
Part-Time Salaries	13,520	13,520	13,797
Overtime Wages	95,880	95,880	78,646
PPO	10,340	10,340	9,888
PPO Plus	23,320	23,320	12,821
Blue Advantage	44,640	44,640	48,635
Life Insurance	1,060	1,060	702
Social Security	28,440	28,440	23,854
Medicare	6,640	6,640	5,579
IMRF	70,910	70,910	61,795
Operating Supplies	27,650	27,650	21,111
Uniforms	4,550	4,550	4,723
Gas	6,540	6,540	5,960
Meters/Hydrants/Valves	79,000	79,000	73,002
Training and Travel	6,800	6,800	4,690
Dues and Subscriptions	1,290	1,290	910
Printing and Binding	500	500	182
Other Professional/Technical Services	77,500	77,500	51,693
Rentals	1,500	1,500	778
Equipment Maintenance	3,000	3,000	1,947
Miscellaneous Contractual Services	33,200	33,200	1,935
Fleet Services	50,110	50,110	41,176
Fleet Services Reserve	90,780	90,780	86,450
	1,022,280	1,022,280	892,777

VILLAGE OF LOMBARD, ILLINOIS

Waterworks and Sewerage Fund - Operation and Maintenance Account

Schedule of Operating Expenses - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Operations (Cont.)			
Water Meter Reading and Maintenance	\$ 96,540	96,540	99,157
Regular Salaries	1,530	1,530	573
Overtime Wages	1,940	1,940	1,785
PPO Plus	11,490	11,490	11,076
Blue Advantage	230	230	167
Life Insurance	6,210	6,210	6,180
Social Security	1,450	1,450	1,445
Medicare	15,930	15,930	16,330
IMRF	3,000	3,000	2,930
Operating Supplies	650	650	637
Uniforms	25,000	25,000	33,668
Meters/Hydrants/Valves	500	500	-
Training and Travel	84,730	84,730	57,458
Other Professional/Technical Services	7,350	7,350	7,444
Equipment Service Contracts	750	750	110
Fleet Maintenance	3,840	3,840	3,132
Fleet Services	2,650	2,650	2,652
Fleet Services Reserve	263,790	263,790	244,744

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VILLAGE OF LOMBARD, ILLINOIS

Waterworks and Sewerage Fund - Operation and Maintenance Account

Schedule of Operating Expenses - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017

		Budget		Actual
		Original	Final	
Operations (Cont.)				
Sanitary Sewer Maintenance (Cont.)	\$	24,560	24,560	24,402
Social Security	5,730	5,730	5,730	5,707
Medicare	60,950	60,950	60,950	63,297
IMRF	28,800	28,800	28,800	26,602
Operating Supplies	4,550	4,550	4,550	3,610
Uniforms	14,700	14,700	14,700	11,486
Chemicals	20,000	20,000	20,000	7,431
Pipes/Fittings/Structures	3,950	3,950	3,950	2,764
Training and Travel	180	180	180	195
Dues and Subscriptions	75,000	75,000	75,000	42,632
Other Professional/Technical Services	-	-	-	4,000
Computer Service Contracts	1,700	1,700	1,700	-
Rentals	2,000	2,000	2,000	1,807
Equipment Maintenance	38,200	38,200	38,200	35,000
Miscellaneous Contractual Services	56,610	56,610	56,610	77,822
Fleet Services	158,940	158,940	158,940	119,700
Fleet Services Reserve	973,010	973,010	973,010	885,733

Lift/Pump Station Maintenance

Regular Salaries	194,240	194,240	200,159
Part-Time Salaries	5,200	5,200	2,460
Overtime Wages	11,000	11,000	15,913
PPO	-	-	4,142
Blue Advantage	41,060	41,060	36,061
Life Insurance	450	450	321
Social Security	13,240	13,240	13,291
Medicare	3,100	3,100	3,108
IMRF	33,180	33,180	35,715
Operating Supplies	9,400	9,400	9,042
Books and Literature	100	100	-
Chemicals	9,000	9,000	9,000
Gas	7,000	7,000	8,543
Training and Travel	3,500	3,500	3,500
Dues and Subscriptions	360	360	165

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VILLAGE OF LOMBARD, ILLINOIS

Waterworks and Sewerage Fund - Operation and Maintenance Account

Schedule of Operating Expenses - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Operations (Cont.)			
Lift/Pump Station Maintenance (Cont.)			
Other Professional/Technical Services	\$ 2,500	2,500	4,966
Repairs and Improvements	3,400	3,400	2,677
Computer Service Contracts	4,250	4,250	3,821
Rentals	3,000	3,000	3,886
Equipment Maintenance	7,000	7,000	6,555
Fleet Services	7,150	7,150	11,840
	<u>358,130</u>	<u>358,130</u>	<u>375,165</u>
Storm Sewer System Maintenance			
Regular Salaries	167,870	167,870	166,876
Overtime Wages	2,550	2,550	16,932
PPO	5,170	5,170	4,944
PPO Plus	11,660	11,660	6,411
Blue Advantage	21,390	21,390	23,418
Life Insurance	520	520	345
Social Security	10,690	10,690	11,224
Medicare	2,500	2,500	2,625
IMRF	27,470	27,470	30,146
Operating Supplies	12,000	12,000	5,554
Uniforms	1,300	1,300	580
Other Professional/Technical Services	1,000	1,000	6,455
Rentals	600	600	457
Miscellaneous Contractual Services	7,500	7,500	-
	<u>272,220</u>	<u>272,220</u>	<u>275,967</u>
Total Operations	<u>10,293,390</u>	<u>10,293,390</u>	<u>9,928,744</u>
Sewage Treatment			
Contract Services - GWWA	4,199,480	4,199,480	4,216,849

VILLAGE OF LOMBARD, ILLINOIS

Waterworks and Sewerage Fund - Capital Reserve Account

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ -	-	-
Operating Expenses	1,965,094	4,965,094	1,360,482
Depreciation	-	-	1,559,920
Total Operating Expenses	<u>1,965,094</u>	<u>4,965,094</u>	<u>2,920,402</u>
Operating (Loss)	<u>(1,965,094)</u>	<u>(4,965,094)</u>	<u>(2,920,402)</u>
Nonoperating Revenues (Expenses)			
Sales Tax	8,005,300	8,005,300	7,849,684
Interest Income	50,000	50,000	37,752
Connection Fees	1,487,290	1,487,290	1,529,339
Grant	7,352,270	7,352,270	341,381
Other Income	-	-	2,450
Disposal of Capital Assets	-	-	(147,250)
Interest Expense	<u>(2,421,630)</u>	<u>(2,421,630)</u>	<u>(171,767)</u>
	<u>14,473,230</u>	<u>14,473,230</u>	<u>9,441,589</u>
Change in Net Position	<u>12,508,136</u>	<u>9,508,136</u>	<u>6,521,187</u>
Net Position - Beginning			49,457,594
Net Position - Ending			<u>55,978,781</u>

VILLAGE OF LOMBARD, ILLINOIS

Waterworks and Sewerage Fund - Capital Reserve Account

Schedule of Operating Expenses - Budget and Actual
For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Operations			
Capital Improvements			
Operating Supplies	\$ -	-	30,039
Technology Software	-	-	38,057
Legal Advertising	-	-	959
Other Professional/Technical Services	-	-	224,922
Engineering Services	-	-	593,680
Construction Services	15,082,500	15,082,500	13,573,843
Miscellaneous Contractual Services	-	3,000,000	16,500
Other Debt Service	360	360	248
Total	15,082,860	18,082,860	14,478,248
Less Nonoperating Items			
Capital Assets Capitalized	(13,117,766)	(13,117,766)	(13,117,766)
Total Operations	1,965,094	4,965,094	1,360,482

VILLAGE OF LOMBARD, ILLINOIS

Parking System Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2017

	\$	Budget		Actual
		Original	Final	
Operating Revenues				
Charges for Services				
Special A Parking Permit	2,520	2,520		3,346
Commuter Parking Permits	86,600	86,600		78,225
Daily Fee Parking	82,900	82,900		108,997
Bicycle Locker Rental Fees	430	430		420
Parking Fines	14,000	14,000		33,571
Immobilization Fees	400	400		200
Total Operating Revenues	186,850	186,850		224,759
Operating Expenses				
Operations	270,820	270,820		81,496
Depreciation	-	-		71,434
Total Operating Expenses	270,820	270,820		152,930
Operating Income (Loss)	(83,970)	(83,970)		71,829
Nonoperating Revenues				
Interest Income	7,000	7,000		6,612
Income (Loss) Before Transfers	(76,970)	(76,970)		78,441
Transfers Out	(3,720)	(3,720)		(3,720)
Change in Net Position	(80,690)	(80,690)		74,721
Net Position - Beginning				2,099,413
Net Position - Ending				2,174,134

VILLAGE OF LOMBARD, ILLINOIS

Parking System Fund

Schedule of Operating Expenses - Budget and Actual
For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Operations			
Regular Salaries	\$ 29,210	29,210	22,416
Part-Time Salaries	3,030	3,030	1,141
Overtime Wages	50	50	191
PPO	860	860	814
Blue Advantage	7,130	7,130	4,017
Life Insurance	110	110	49
Social Security	2,000	2,000	1,255
Medicare	470	470	320
IMRF	5,130	5,130	3,557
Operating Supplies	3,550	3,550	1,992
Property/Building Maintenance	178,500	178,500	2,855
Miscellaneous Contractual Obligations	40,780	40,780	42,889
Total Operations	270,820	270,820	81,496

VILLAGE OF LOMBARD, ILLINOIS

Fleet Services Fund

Schedule of Revenues, Expenses and Changes in Net Position - By Accounts
For the Fiscal Year Ended December 31, 2017

	Operation and Maintenance	Capital Reserve	Totals
Operating Revenues	\$ 970,883	1,069,886	2,040,769
Charges for Services			
Operating Expenses	972,660	325,109	1,297,769
Depreciation	-	635,056	635,056
Total Operating Expenses	972,660	960,165	1,932,825
Operating (Loss)	(1,777)	109,721	107,944
Nonoperating Revenues			
Interest Income	1,877	73,987	75,864
Other Income	34,631	28,263	62,894
Disposal of Capital Assets	-	273,355	273,355
	36,508	375,605	412,113
Change in Net Position	34,731	485,326	520,057
Net Position - Beginning	645,806	9,853,362	10,499,168
Net Position - Ending	680,537	10,338,688	11,019,225

VILLAGE OF LOMBARD, ILLINOIS

Fleet Services Fund - Operation and Maintenance Account

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 1,125,470	1,125,470	970,883
Operating Expenses			
Operations	1,206,480	1,206,480	972,660
Operating (Loss)	(81,010)	(81,010)	(1,777)
Nonoperating Revenues			
Interest Income	-	-	1,877
Other Income	78,200	78,200	34,631
	78,200	78,200	36,508
Change in Net Position	(2,810)	(2,810)	34,731
Net Position - Beginning			645,806
Net Position - Ending			680,537

VILLAGE OF LOMBARD, ILLINOIS

Fleet Services Fund - Operation and Maintenance Account

Schedule of Operating Expenses - Budget and Actual
For the Fiscal Year Ended December 31, 2017

		Budget		Actual
		Original	Final	
Operations				
Regular Salaries	\$ 275,160	275,160		283,691
Overtime Wages	7,500	7,500		2,207
PPO Plus	38,860	38,860		34,117
Blue Advantage	37,180	37,180		36,094
Life Insurance	720	720		503
Social Security	17,060	17,060		16,279
Medicare	3,990	3,990		3,807
IMRF	43,830	43,830		45,442
Contingencies	11,910	11,910		-
Operating Supplies	13,300	13,300		14,116
Uniforms	2,600	2,600		2,285
Fuel	434,000	434,000		235,720
Vehicle Parts and Supplies	181,000	181,000		180,460
Accident Parts and Supplies	7,500	7,500		1,228
Cellular Telephone	3,000	3,000		3,000
Training and Travel	5,000	5,000		269
Auditing Services	400	400		400
Computer Service Contracts	3,200	3,200		3,195
Equipment Maintenance	2,300	2,300		1,238
Outside Vehicle Repairs	77,000	77,000		66,352
Outside Repair - Accidents	30,000	30,000		31,289
Fleet Services Reserve	10,970	10,970		10,968
Total Operations	1,206,480	1,206,480		972,660

VILLAGE OF LOMBARD, ILLINOIS

Fleet Services Fund - Capital Reserve Account

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 1,064,600	1,064,600	1,069,886
Operating Expenses			
Operations	299,000	326,000	325,109
Depreciation	-	-	635,056
Total Operating Expenses	299,000	326,000	960,165
Operating Income (Loss)	765,600	738,600	109,721
Nonoperating Revenues			
Interest Income	35,000	35,000	73,987
Other Income	36,500	36,500	28,263
Disposal of Capital Assets	-	-	273,355
	71,500	71,500	375,605
Change in Net Position	837,100	810,100	485,326
Net Position - Beginning			9,853,362
Net Position - Ending			10,338,688

VILLAGE OF LOMBARD, ILLINOIS

Fleet Services Fund - Capital Reserve Account

Schedule of Operating Expenses - Budget and Actual
For the Fiscal Year Ended December 31, 2017

		Budget		Actual
		Original	Final	
Operations				
Automotive Equipment	\$	710,000	737,000	841,033
Less Nonoperating Items Capital Assets Capitalized		(411,000)	(411,000)	(515,924)
Total Operations		299,000	326,000	325,109

VILLAGE OF LOMBARD, ILLINOIS

Pension Trust Funds

Combining Statement of Fiduciary Net Position
December 31, 2017

	Police Pension	Firefighters' Pension	Totals
ASSETS			
Cash and Cash Equivalents	\$ 912,737	1,332,869	2,245,606
Investments			
U.S. Government and Agency Obligations	29,952,380	12,188,270	42,140,650
Local Government Obligations	4,663,141	2,431,037	7,094,178
Corporate Bonds	-	10,603,360	10,603,360
Mutual Funds	30,628,133	30,249,979	60,878,112
Stock Equities	-	3,483,876	3,483,876
Illinois Funds	75,965	67,963	143,928
Illinois Metropolitan Investment Funds	1,080,279	602,004	1,682,283
Receivables - Accrued Interest	215,473	264,176	479,649
Prepays	-	795	795
Total Assets	67,528,108	61,224,329	128,752,437
LIABILITIES			
Accounts Payable	38,262	11,030	49,292
NET POSITION			
Net Position Restricted for Pensions	67,489,846	61,213,299	128,703,145

VILLAGE OF LOMBARD, ILLINOIS

Pension Trust Funds

Combining Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended December 31, 2017

	Police Pension	Firefighters' Pension	Totals
Additions			
Contributions - Employer	\$ 3,033,053	2,189,459	5,222,512
Contributions - Plan Members	699,450	658,618	1,358,068
Total Contributions	3,732,503	2,848,077	6,580,580
Other Income	47,819	47,769	95,588
Investment Income			
Interest Earned	2,580,737	2,334,367	4,915,104
Net Change in Fair Value	4,229,123	4,861,687	9,090,810
Less Investment Expenses	6,809,860	7,196,054	14,005,914
Net Investment Income	(127,984)	(100,970)	(228,954)
6,681,876	7,095,084	13,776,960	
Total Additions	10,462,198	9,990,930	20,453,128
Deductions			
Administration	66,007	42,572	108,579
Benefits and Refunds			
Benefits	4,210,233	3,287,146	7,497,379
Refunds	-	2,859	2,859
Total Deductions	4,276,240	3,332,577	7,608,817
Change in Fiduciary Net Position	6,185,958	6,658,353	12,844,311
Net Position Restricted for Pensions			
Beginning	61,303,888	54,554,946	115,858,834
Ending	67,489,846	61,213,299	128,703,145

VILLAGE OF LOMBARD, ILLINOIS

Police Pension Fund

Schedule of Changes in Fiduciary Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Additions			
Contributions - Employer	\$ 3,038,330	3,038,330	3,033,053
Contributions - Plan Members	646,230	646,230	699,450
Total Contributions	3,684,560	3,684,560	3,732,503
Other Income	-	-	47,819
Investment Income			
Interest Earned	4,358,140	4,358,140	2,580,737
Net Change in Fair Value	-	-	4,229,123
Less Investment Expenses	4,358,140	4,358,140	6,809,860
Net Investment Income	-	-	(127,984)
Total Additions	8,042,700	8,042,700	10,462,198
Deductions			
Administration	181,160	181,160	66,007
Benefits and Refunds	4,508,790	4,508,790	4,210,233
Total Deductions	4,689,950	4,689,950	4,276,240
Change in Fiduciary Net Position	3,352,750	3,352,750	6,185,958
Net Position Restricted for Pensions			
Beginning			61,303,888
Ending			67,489,846

VILLAGE OF LOMBARD, ILLINOIS

Firefighters' Pension Fund

Schedule of Changes in Fiduciary Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Additions			
Contributions - Employer	\$ 2,190,710	2,190,710	2,189,459
Contributions - Plan Members	557,540	557,540	658,618
Total Contributions	2,748,250	2,748,250	2,848,077
Other Income	-	-	47,769
Investment Income			
Interest Earned	3,959,750	3,959,750	2,334,367
Net Change in Fair Value	-	-	4,861,687
Less Investment Expenses	3,959,750	3,959,750	7,196,054
Net Investment Income	-	-	(100,970)
Total Additions	6,708,000	6,708,000	9,990,930
Deductions			
Administration	128,180	128,180	42,572
Benefits and Refunds	3,669,410	3,669,410	3,287,146
Total Deductions	3,797,590	3,797,590	3,332,577
Change in Fiduciary Net Position	2,910,410	2,910,410	6,658,353
Net Position Restricted for Pensions			
Beginning			54,554,946
Ending			61,213,299

VILLAGE OF LOMBARD, ILLINOIS

Agency Fund

Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended December 31, 2017

	Beginning Balances	Additions	Deductions	Ending Balances
SPECIAL ASSESSMENTS FUND				
Assets				
Cash and Investments	\$ 763,003	140,082	-	903,085
Accounts Receivable	2,106	1,229	377	2,958
Total Assets	765,109	141,311	377	906,043
Liabilities				
Due to Bondholders	765,109	141,311	377	906,043

**STATISTICAL SECTION
(Unaudited)**

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

VILLAGE OF LOMBARD, ILLINOIS

Net Position by Component - Last Ten Fiscal Years
December 31, 2017 (Unaudited)

	Fiscal Year Ended		Fiscal Year Ended		Fiscal Year Ended		Fiscal Year Ended		Fiscal Year Ended		Fiscal Year Ended		Fiscal Year Ended		Fiscal Year Ended	
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2009	2010	2011	2012	2013	2014	2015
Governmental Activities																
Net Investment in Capital Assets	85,597,666	86,983,496	84,504,289	84,533,294	88,172,217	88,985,049	89,079,482	91,631,301	95,126,395	95,368,627						
Restricted	6,938,683	7,375,688	7,521,136	7,522,946	8,678,133	8,700,057	8,708,131	7,925,287	8,782,371	9,912,080						
Unrestricted	13,571,632	15,124,980	16,798,655	21,666,376	17,997,708	17,200,029	18,260,845	(3,369,021)	(66,098,842)	(45,551,098)						
Total Governmental Activities Net Position	106,109,981	109,484,144	108,823,880	113,702,616	114,849,058	114,655,135	116,048,458	65,925,967	57,409,924	59,749,609						
Business-Type Activities																
Net Investment in Capital Assets	39,801,520	41,469,700	41,493,753	44,080,283	48,108,389	48,339,710	50,519,132	55,170,413	61,488,657	61,488,657						
Restricted	33,170,776	32,142,773	31,459,925	30,701,570	32,610,492	31,789,271	33,172,256	29,332,887	29,461,493	30,326,744						
Unrestricted	6,630,744	9,326,927	10,033,828	13,378,713	15,497,897	16,550,439	17,346,876	15,837,526	12,027,164	11,161,913						
Total Business-Type Activities Net Position	73,062,296	73,612,473	72,953,678	74,781,853	78,095,671	79,897,660	81,511,966	79,852,119	84,631,906	91,815,401						
Primary Government																
Net Investment in Capital Assets	125,489,186	128,453,196	125,998,042	128,613,577	133,657,396	137,093,438	137,419,192	142,150,433	150,296,808	156,857,284						
Restricted	6,938,683	7,375,688	7,521,136	7,522,946	8,678,133	8,700,057	8,708,131	7,925,287	8,782,371	9,912,080						
Unrestricted	46,744,408	47,287,753	48,258,380	52,347,946	50,698,200	48,989,300	51,433,101	(4,297,634)	(7,037,249)	(15,204,354)						
Total Primary Government Net Position	179,172,277	183,096,617	181,777,558	188,484,469	192,943,729	194,552,796	197,560,424	145,778,086	142,041,830	151,545,010						

Data Source: Village Records

The Village implemented GASB Statement 68 in Fiscal Year 2015.

VILLAGE OF LOMBARD, ILLINOIS

Change in Net Position - Last Ten Fiscal Years
December 31, 2017 (Unaudited)

	Fiscal Year Ended		Fiscal Year Ended		Fiscal Year Ended		Fiscal Year Ended		Fiscal Year Ended		Fiscal Year Ended		Fiscal Year Ended		Fiscal Year Ended		Fiscal Year Ended	
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses																		
Governmental Activities																		
Governmental Administration	1,153,244	8,893,086	8,572,429	9,378,711	10,618,566	11,861,834	9,954,809	7,714,235	8,364,576									
Physical Safety	22,640,898	21,231,173	22,693,384	22,978,172	15,408,311	24,910,856	26,028,142	33,846,421	41,062,575	22,251,838								
Public Safety	1,497,348	2,157,260	1,603,323	1,642,693	1,473,328	1,513,731	1,538,866	1,629,603	1,651,411									
Public Works	18,665,184	16,029,284	18,139,707	12,491,861	14,775,540	14,776,035	12,483,872	11,461,604	12,176,367									
Long-Term Debt	480,481	415,192	41,004	32,952	166,539	244,159	183,751	120,682	86,522	30,000								
Total Governmental Activities	50,337,255	48,729,995	51,417,247	46,764,089	32,400,178	51,396,944	51,271,330	56,922,682	64,535,807	44,495,045								
Business-Type Activities																		
Business and Beverage	13,438,825	14,172,783	15,625,693	16,397,317	10,218,545	16,909,576	16,907,384	23,120,131	17,150,317	18,914,412								
Parking	83,507	110,744	124,683	117,847	52,669	91,534	51,754	125,721	87,494	152,930								
Total Business-Type	13,522,332	14,283,527	15,750,376	16,515,164	10,271,214	17,001,110	16,959,138	23,245,852	17,237,811	19,067,342								
Total Primary	63,860,587	63,013,522	67,168,123	63,279,253	42,671,332	68,448,004	68,230,468	80,168,534	81,773,618	63,562,387								
Program Revenues																		
Governmental Activities																		
Charges for Services	5,441,060	5,937,181	3,356,232	3,645,489	2,204,963	3,301,022	3,027,609	3,728,640	3,068,010	4,402,260								
General Government	2,284,317	2,344,000	2,066,691	2,066,932	1,537,012	2,125,478	2,125,478	2,309,603	2,491,907	2,845,113								
Public Safety	2,157,743	2,593,181	1,289,541	1,578,557	707,000	1,175,544	852,131	1,429,037	1,596,103	1,557,147								
Capital Grants/Contributions	3,657,655	3,752,732	3,796,667	4,516,888	3,227,306	3,392,405	3,447,663	3,042,778	7,629,033	3,206,407								
Total Governmental Activities	11,807,547	12,465,724	10,334,253	12,047,763	7,808,611	9,595,208	10,191,191	9,373,887	13,876,886	10,733,828								
Business-Type Activities																		
Charges for Services	10,843,691	11,658,799	12,598,393	13,666,637	9,625,045	14,284,278	14,350,288	14,845,277	16,254,939	16,492,569								
Waterworks and Sewerage	194,696	188,602	194,749	150,755	115,346	444,180	175,093	189,635	221,529	341,381								
Operating Grants/Contributions	519,761	406,924	266,990	1,436,538	166,889	-	827,973	189,332	58,292	252,866								
Capital Grants/Contributions	11,558,148	12,254,405	13,060,132	15,293,930	9,907,780	14,892,443	15,333,354	15,211,344	16,532,700	17,311,575								
Total Business-Type Activities	23,368,695	24,720,129	23,384,385	27,347,693	17,716,391	24,887,551	25,444,547	24,995,131	30,111,646	28,048,401								

VILLAGE OF LOMBARD, ILLINOIS

Fund Balances of Governmental Funds - Last Ten Fiscal Years
December 31, 2017 (Unaudited)

See Following Page

	Fiscal Year Ended 5/31/2009	Fiscal Year Ended 5/31/2010	Fiscal Year Ended 5/31/2011	Fiscal Year Ended 5/31/2012	Seven Months Ended 12/31/2012	Fiscal Year Ended 12/31/2013	Fiscal Year Ended 12/31/2014	Fiscal Year Ended 12/31/2015	Fiscal Year Ended 12/31/2016	Fiscal Year Ended 12/31/2017
Net (Expense) Revenues	\$ (36,264,271)	(41,083,494)	(34,715,325)	(24,591,567)	(41,801,736)	(41,080,137)	(41,080,137)	(47,548,895)	(50,658,921)	(33,761,217)
Governmental Activities	(9,029,122)	(2,690,244)	(12,216,334)	(383,379)	(2,158,317)	(1,605,784)	(1,605,784)	(8,024,808)	(708,061)	(1,755,767)
Business-Type Activities	(27,235,149)	(29,067,250)	(22,498,991)	(24,188,188)	(39,643,419)	(39,474,353)	(39,474,353)	(39,524,087)	(49,650,859)	(32,005,450)
Total Primary Government	(36,304,371)	(70,150,744)	(34,715,325)	(24,591,567)	(41,801,736)	(41,080,137)	(41,080,137)	(47,548,895)	(50,658,921)	(33,761,217)
Net Revenues (Expenses)	(36,304,371)	(70,150,744)	(34,715,325)	(24,591,567)	(41,801,736)	(41,080,137)	(41,080,137)	(47,548,895)	(50,658,921)	(33,761,217)
General Revenues and Other Changes in Net Position	(36,304,371)	(70,150,744)	(34,715,325)	(24,591,567)	(41,801,736)	(41,080,137)	(41,080,137)	(47,548,895)	(50,658,921)	(33,761,217)
Governmental Activities										
Transfers	7,827,458	8,238,342	8,329,478	8,304,681	8,571,427	8,851,990	8,807,994	8,963,744	9,033,526	9,146,994
Utility	5,162,963	4,876,228	4,965,762	4,816,683	2,697,489	4,647,765	4,729,429	4,227,330	4,148,253	3,969,776
Pluses for Existing	1,467,075	1,414,854	1,458,204	1,533,839	931,591	1,550,672	1,575,624	1,687,638	1,678,787	2,230,111
Debt/(Note)	1,544,635	1,788,366	1,544,635	1,544,635	1,544,635	1,544,635	1,544,635	1,544,635	1,544,635	1,544,635
Other	746,723	726,893	786,300	811,772	444,646	823,146	739,725	818,553	806,349	734,995
Intergovernmental - Unspecified	16,323,945	15,434,335	16,674,191	16,842,804	7,283,455	17,711,202	18,235,618	16,366,591	17,216,410	14,079,367
Sales	4,428,922	3,869,045	4,073,198	4,331,235	2,433,233	4,932,421	4,933,899	5,608,814	5,204,594	5,683,514
Income Tax - Unrestricted	1,697,196	2,222,290	1,305,349	468,412	172,906	594,623	724,920	355,529	1,342,640	608,017
Income Tax - Restricted	552,870	567,870	504,340	526,330	354,840	549,805	490,510	575,832	541,824	523,850
Transfers - Internal Activities	40,087,087	39,633,634	40,047,722	39,594,062	24,443,903	41,608,813	42,473,460	40,997,887	42,142,378	39,692,357
Total Governmental Activities	40,087,087	39,633,634	40,047,722	39,594,062	24,443,903	41,608,813	42,473,460	40,997,887	42,142,378	39,692,357
Business-Type Activities										
Intergovernmental - Unspecified	3,284,930	2,937,619	2,433,274	3,301,320	3,921,901	2,792,960	2,019,659	5,062,424	4,446,536	7,849,684
Sales	1,522,328	1,109,643	815,213	815,213	1,516,473	2,334,922	1,614,306	1,629,647	4,729,587	3,185,460
Government Income	152,937	23,700	42,161	26,158	88,330	1,704,346	1,649,484	1,731,085	1,476,327	1,531,709
Transfers - Internal Activities	3,249,869	2,579,299	2,031,449	3,044,409	3,677,192	3,968,706	3,220,090	6,364,651	5,482,838	8,939,262
Total Business-Type Activities	43,326,947	43,217,933	42,079,171	42,638,471	28,121,095	45,568,510	45,693,550	47,362,548	47,653,716	46,631,619
Total Primary Government	79,634,324	113,368,677	116,794,496	117,230,037	139,922,831	136,748,647	137,174,010	144,911,433	148,312,694	140,392,976
Changes in Net Position	3,822,816	(1,444,860)	5,332,396	15,002,495	(17,357,833)	528,676	1,393,323	(6,551,088)	(8,516,043)	5,931,140
Governmental Activities	1,200,138	(1,109,643)	815,213	2,681,051	1,516,473	1,614,306	1,629,647	4,729,587	3,185,460	3,185,460
Business-Type Activities	2,622,678	(335,217)	4,517,183	12,321,444	364,370	2,745,680				
Total Primary Government	3,822,816	(1,444,860)	5,332,396	15,002,495	(12,841,360)	1,983,026	3,087,970	(6,822,503)	(15,330,583)	5,931,140

Data Source: Village Records

VILLAGE OF LOMBARD, ILLINOIS

Fund Balances of Governmental Funds - Last Ten Fiscal Years
December 31, 2017 (Unaudited)

	Fiscal Year Ended 5/31/2009		Fiscal Year Ended 5/31/2010		Fiscal Year Ended 5/31/2011		Fiscal Year Ended 5/31/2012		Fiscal Year Ended 12/31/2012		Fiscal Year Ended 12/31/2013		Fiscal Year Ended 12/31/2014		Fiscal Year Ended 12/31/2015		Fiscal Year Ended 12/31/2016		Fiscal Year Ended 12/31/2017			
General Fund																						
Reserved	\$	5,741,666		5,364,007		5,806,440		-		-		-		-		-		-		-		-
Unreserved		10,585,639		11,124,121		12,041,263		-		-		-		-		-		-		-		-
Nonspendable		-		-		-		268,971		301,944		339,072		588,720		857,860		1,565,759		1,745,588		1,745,588
Restricted		-		-		-		4,806,203		5,900,173		5,355,457		4,585,568		3,972,654		3,806,465		3,807,634		3,807,634
Committed		-		-		-		5,677,588		6,467,312		4,652,500		6,900,547		7,811,170		7,337,681		8,432,807		8,432,807
Unassigned		-		-		-		7,382,548		7,152,026		9,315,747		6,718,345		6,387,092		6,508,942		8,550,874		8,550,874
Total General Fund		16,327,305		16,488,128		17,847,703		18,135,310		19,821,455		19,662,776		18,793,180		19,028,776		19,218,847		22,536,903		22,536,903
All Other Governmental Funds																						
Reserved		1,807,658		2,291,093		1,973,581		-		-		-		-		-		-		-		-
Unreserved, Reported in:																						
Special Revenues Funds		-		-		-		-		-		-		-		-		-		-		-
Debt Service Funds		(94,889)		(184,272)		(53,628)		-		-		-		-		-		-		-		-
Capital Projects Funds		760,985		2,786,349		3,217,900		-		-		-		-		-		-		-		-
Restricted		-		-		-		2,716,743		2,912,227		3,224,579		4,197,575		4,000,625		5,009,343		6,120,803		6,120,803
Committed		-		-		-		-		-		-		-		-		-		-		-
Assigned		-		-		-		6,485,958		1,261,407		2,026,548		2,045,276		3,059,395		4,859,378		1,119,423		1,119,423
Unassigned		-		-		-		(60,707)		-		-		-		-		-		-		-
Total All Other Governmental Funds		2,473,754		4,893,170		5,137,853		9,141,994		4,173,634		5,251,127		6,242,851		7,060,020		10,988,144		8,298,253		8,298,253
Total All Governmental Funds		18,801,059		21,381,298		22,985,556		27,277,304		23,995,089		24,913,903		25,036,031		26,088,796		30,206,991		30,835,156		30,835,156

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

VILLAGE OF LOMBARD, ILLINOIS

General Governmental Revenues By Source - Last Ten Fiscal Years
December 31, 2017 (Unaudited)

Source	Fiscal Year Ended	Fiscal Year Ended	Fiscal Year Ended	Fiscal Year Ended	Seven Months Ended	Fiscal Year Ended	Fiscal Year Ended	Fiscal Year Ended	Fiscal Year Ended	
	5/31/2009	5/31/2010	5/31/2011	5/31/2012**	12/31/2012	12/31/2013	12/31/2014	12/31/2015	12/31/2016	12/31/2017
Taxes	\$ 37,761,804	36,136,003	37,899,682	22,679,765	14,857,162	23,856,270	24,937,522	22,021,814	17,623,368	19,122,397
Licenses and Permits	1,450,199	1,484,412	1,562,251	1,643,974	784,380	1,140,082	1,199,891	1,286,559	1,121,197	1,455,518
Intergovernmental	4,071,970	4,008,009	4,273,328	21,003,206	13,011,247	20,100,190	20,042,333	20,995,901	25,748,881	22,588,936
Charges for Services	5,365,564	5,941,275	3,491,624	3,688,442	2,440,906	4,040,224	4,406,641	3,960,748	4,017,724	4,806,728
Fines and Forfeits	919,814	1,032,028	1,007,050	968,255	514,964	843,194	885,958	850,836	876,196	1,025,527
Interest	962,264	547,773	294,773	86,442	74,744	68,630	(29,353)	231,760	143,285	217,348
Miscellaneous	607,196	2,222,290	1,305,349	468,412	172,906	594,625	724,920	355,529	1,342,640	608,017
Totals	51,138,811	51,371,790	49,834,057	50,538,496	31,856,309	50,643,215	52,167,912	49,703,147	50,873,291	49,824,471

Data Source: Village Records

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

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

VILLAGE OF LOMBARD, ILLINOIS

Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years
December 31, 2017 (Unaudited)

	Fiscal Year Ended 5/31/2009		Fiscal Year Ended 5/31/2010		Fiscal Year Ended 5/31/2011		Fiscal Year Ended 5/31/2012**		Fiscal Year Ended 12/31/2012		Fiscal Year Ended 12/31/2013		Fiscal Year Ended 12/31/2014		Fiscal Year Ended 12/31/2015		Fiscal Year Ended 12/31/2016		Fiscal Year Ended 12/31/2017			
Revenues																						
Taxes	\$ 37,761,804	36,136,003	37,899,682	22,679,765																		
Licenses and Permits	1,450,199	1,484,412	1,562,251	1,643,974																		
Intergovernmental	4,071,970	4,008,009	4,273,328	21,003,206																		
Charges for Services	5,365,564	5,941,275	3,491,624	3,688,442																		
Fines and Forfeits	919,814	1,032,028	1,007,050	968,255																		
Interest	962,264	547,773	294,773	86,442																		
Miscellaneous	607,196	2,222,290	1,305,349	468,412																		
Total Revenues	51,138,811	51,371,790	49,834,057	50,538,496																		
Expenditures																						
General Government	7,691,823	8,498,956	8,596,448	9,412,734																		
Public Safety	22,380,569	21,130,160	22,611,697	22,880,848																		
Physical Environment	1,497,348	2,157,260	1,603,323	1,642,693																		
Public Works	4,126,067	4,032,720	4,028,129	4,683,711																		
Capital Outlay	18,517,520	12,983,004	14,280,244	5,536,645																		
Debt Service																						
Principal	3,787,768	2,931,513	2,139,335	2,230,970																		
Interest and Fiscal Charges	461,698	425,808	380,271	385,477																		
Total Expenditures	58,462,793	52,159,421	53,639,447	46,773,078																		
Excess of Revenues Over (Under) Expenditures	(7,323,982)	(787,631)	(3,805,390)	3,765,418																		
Other Financing Sources (Uses)																						
Issuance of Debt	2,500,000	2,800,000	4,530,000	-																		
Transfers In	552,870	1,117,870	504,340	526,330																		
Transfers Out	-	(550,000)	-	-																		
Net Change in Fund Balances	(4,271,112)	2,580,239	1,228,950	4,291,748																		
Debt Service as a Percentage of Noncapital Expenditures	8.27%	7.01%	4.97%	5.70%																		

Data Source: Village Records
** In 2012, sales taxes, income taxes and use taxes were reclassified from Taxes to Intergovernmental.

VILLAGE OF LOMBARD, ILLINOIS

Sales Tax Base and Number of Principal Payers - Taxable Sales by Category - Last Ten Calendar Years
December 31, 2017 (Unaudited)

	2008	2009	2010	2011
General Merchandise	\$ 2,405,963	2,152,591	2,131,859	2,093,390
Food	787,570	825,669	794,468	831,723
Drinking and Eating Places	1,286,891	1,222,878	1,255,879	1,319,069
Apparel	520,978	493,527	495,865	515,269
Furniture & H.H. & Radio	787,220	726,043	669,252	686,490
Lumber, Building, Hardware	239,658	198,755	205,581	242,502
Automobile and Filling Stations	1,368,937	1,200,285	1,307,234	1,515,675
Drugs and Miscellaneous Retail	1,498,429	1,519,117	1,703,507	1,780,790
Agriculture and All Others	1,807,148	1,236,937	1,168,129	1,565,438
Manufacturers	312,688	279,503	373,622	272,207
Totals	11,015,482	9,855,305	10,105,396	10,822,553
Total Number of Payers	1,286	1,205	1,247	1,741
Village Direct Sales Tax Rate	2.00%	2.00%	2.00%	2.00%

Data Source: Illinois Department of Revenue

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

	2012	2013	2014	2015	2016	2017
	2,063,495	1,879,633	1,835,831	1,864,064	1,834,716	1,771,392
	784,138	789,686	777,661	882,930	789,328	868,701
	1,401,705	1,381,278	1,410,990	1,485,984	1,553,358	1,509,367
	520,252	522,665	491,891	489,318	541,685	623,537
	816,820	1,075,702	1,200,192	1,233,931	1,407,719	1,476,905
	255,213	288,171	202,593	200,601	205,604	215,289
	1,636,324	1,692,416	1,703,973	1,612,979	1,679,340	1,661,078
	1,888,398	1,829,114	1,802,817	1,554,013	2,000,563	1,913,736
	1,107,902	1,195,219	1,480,694	2,133,961	1,579,555	1,597,305
	299,178	298,918	337,756	234,324	274,800	249,877
Totals	10,773,425	10,952,802	11,244,398	11,692,105	11,866,668	11,887,187
Total Number of Payers	1,226	1,217	1,230	1,272	1,261	1,275
Village Direct Sales Tax Rate	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

VILLAGE OF LOMBARD, ILLINOIS

Direct and Overlapping Sales Tax Rates - Last Ten Fiscal Years
December 31, 2017 (Unaudited)

Fiscal Year Ended	Village Direct Rate	State Rate
5/31/2009	2.00%	6.25%
5/31/2010	2.00%	6.25%
5/31/2011	2.00%	6.25%
5/31/2012	2.00%	6.25%
12/31/2012*	2.00%	6.25%
12/31/2013	2.00%	6.25%
12/31/2014	2.00%	6.25%
12/31/2015	2.00%	6.25%
12/31/2016	2.00%	6.00%
12/31/2017	2.00%	6.00%

See Following Page

Data Source: Village and County Records

* For the seven months ended December 31, 2012.

VILLAGE OF LOMBARD, ILLINOIS

Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years
December 31, 2017 (Unaudited)

VILLAGE OF LOMBARD, ILLINOIS

Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years
December 31, 2017 (Unaudited)

Tax Levy Year	Residential Property	Farm	Commercial Property
2008	\$ 1,208,493,388	\$ 382	\$ 473,354,245
2009	1,211,585,390	420	454,694,856
2010	1,127,102,871	462	416,349,551
2011	1,043,358,360	23	380,587,701
2012	946,060,870	-	358,952,872
2013	881,175,298	-	338,283,194
2014	870,626,683	-	329,667,597
2015	882,424,333	-	362,080,187
2016	931,670,039	-	383,249,331
2017	992,795,708	-	400,597,255

Industrial Property	Total	Railroad	Total Assessed Value	Estimated Actual Value	Total Direct Tax Rates
\$ 86,298,210	\$ 1,768,146,225	\$ 362,272	\$ 1,768,508,497	\$ 5,305,525,491	0.4560
85,256,800	1,751,537,466	430,788	1,751,968,254	5,255,904,762	0.4657
77,680,750	1,621,133,634	531,409	1,621,665,043	4,864,995,129	0.5053
76,579,705	1,500,525,789	562,578	1,501,088,367	4,503,265,101	0.5595
68,591,270	1,373,605,012	632,992	1,374,238,004	4,122,714,012	0.6307
65,424,010	1,284,882,502	776,655	1,285,659,157	3,856,977,471	0.6742
67,025,110	1,267,319,390	808,262	1,268,127,652	3,804,382,956	0.6917
68,736,210	1,313,240,730	966,159	1,314,206,889	3,942,620,667	0.6747
73,714,620	1,388,633,990	982,368	1,389,616,358	4,168,849,074	0.6453
79,245,500	1,472,638,463	1,001,928	1,473,640,391	4,420,921,173	0.6250

Data Source: Office of the DuPage County Clerk

VILLAGE OF LOMBARD, ILLINOIS

Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years
December 31, 2017 (Unaudited)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Village of Lombard:										
General Corporate	0.0760	0.0266	0.0748	0.1380	0.0904	0.0898	0.1010	0.0077	0.0000	0.0000
Police Pension	0.0960	0.1292	0.1405	0.1422	0.1763	0.2042	0.2004	0.2227	0.2174	0.2033
Public Benefit	0.0489	0.0498	0.0495	0.0499	0.0493	0.0500	0.0496	0.0470	0.0492	0.0498
Firefighters' Pension	0.0674	0.0920	0.0999	0.1011	0.1278	0.1512	0.1586	0.1543	0.1569	0.1525
IMRF	0.0448	0.0513	0.0464	0.0299	0.0549	0.0603	0.0609	0.0676	0.0635	0.0603
Liability Insurance	0.0808	0.0722	0.0614	0.0766	0.0878	0.0700	0.0720	0.1284	0.1141	0.1172
Social Security	0.0421	0.0446	0.0328	0.0218	0.0442	0.0487	0.0492	0.0470	0.0442	0.0419
Total Direct Tax Rates	0.4560	0.4657	0.5053	0.5595	0.6307	0.6742	0.6917	0.6747	0.6453	0.6250
Library	0.1622	0.1654	0.2024	0.2228	0.2513	0.2743	0.2832	0.2763	0.4908	0.4754
DuPage County	0.1557	0.1554	0.1659	0.1773	0.1929	0.2040	0.2057	0.1971	0.1848	0.1749
DuPage County Forest Preserve	0.1206	0.1217	0.1321	0.1414	0.1542	0.1657	0.1691	0.1622	0.1514	0.1306
York Township	0.0326	0.0660	0.0737	0.0810	0.0928	0.1017	0.1049	0.1002	0.0952	0.0456
Lombard Park District	0.2995	0.3165	0.3462	0.3760	0.4195	0.4543	0.4664	0.4546	0.4374	0.4249
Community College No. 502	0.1858	0.2127	0.2349	0.2495	0.2681	0.2956	0.2975	0.2786	0.2626	0.2431
High School District No. 87	1.6507	1.6749	1.8378	2.0199	2.2868	2.4877	2.5824	2.5173	2.4030	2.3402
School District No. 44	2.7445	2.8490	3.1767	3.5118	3.9416	4.2995	4.4326	4.3039	4.1201	3.9701
DuPage County Airport Authority	0.0160	0.0148	0.0158	0.0169	0.0168	0.0178	0.0196	0.0188	0.0176	0.1660
Total Direct and Overlapping Tax Rates	5.8236	6.0421	6.6908	7.3561	8.2547	8.9748	9.2531	8.9837	8.8082	8.5958

Data Source: Office of the DuPage County Clerk

VILLAGE OF LOMBARD, ILLINOIS

Principal Property Tax Payers - Current Fiscal Year and Nine Fiscal Years Ago
December 31, 2017 (Unaudited)

Taxpayer	2017			2008		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value
YTC Mall Owners LLC	\$ 21,654,920	1	1.47%			
CH VII Marquette MF Chicago	19,819,456	2	1.34%			
F&F Realty	18,418,690	3	1.25%	\$ 13,515,440	4	0.76%
Clover Creek Apartment	18,416,100	4	1.25%			
Highland Pointe LLC	13,952,700	5	0.95%			
Three Galleria Towers	12,165,430	6	0.83%			
YTC Butterfield Owner LLC	11,853,250	7	0.80%			
Oak Creek Center LL LLC	11,051,820	8	0.75%			
RRE Martins Point Holding	10,087,970	9	0.68%			
800 Park View LLC	72,309,820	10	4.91%			
SMII Oak Creek LP				16,511,450	1	0.93%
Butterfield Road Assoc.				14,171,640	2	0.80%
TA Associate Realty				14,081,080	3	0.80%
Red Mortgage Capital				13,438,660	5	0.76%
AIMCO				9,648,220	6	0.55%
Woodlake Parkview Investment				9,153,710	7	0.52%
Yorktown Joint Venture				9,113,620	8	0.52%
Avalon IL Value III LLC				8,175,480	9	0.46%
St. Paul Insurance Co.				7,993,330	10	0.45%
	209,730,156		14.23%	115,802,630		6.55%

Data Source: Village Records

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

VILLAGE OF LOMBARD, ILLINOIS

Property Tax Levies and Collections - Last Ten Fiscal Years
December 31, 2017 (Unaudited)

Fiscal Year Ended	Tax Levy Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy			
5/31/2009	2008	\$ 8,064,399	\$ 7,991,644	99.10%	\$ 179	\$ 7,991,823	99.10%
5/31/2010	2009	8,158,916	8,127,315	99.61%	555	8,127,870	99.62%
5/31/2011	2010	8,205,437	8,179,909	99.69%	1,742	8,181,651	99.71%
5/31/2012	2011	8,398,591	-	0.00%	-	-	0.00%
12/31/2012*	2011	8,398,591	8,362,665	99.57%	-	8,362,665	99.57%
12/31/2013	2012	8,667,319	8,655,270	99.86%	-	8,655,270	99.86%
12/31/2014	2013	8,667,914	8,629,546	99.56%	-	8,629,546	99.56%
12/31/2015	2014	8,845,190	8,756,121	98.99%	-	8,756,121	98.99%
12/31/2016	2015	8,866,954	8,851,327	99.82%	-	8,851,327	99.82%
12/31/2017	2016	8,967,194	8,952,364	99.83%	-	8,952,364	99.83%

Data Source: Village Records

* For the seven months ended December 31, 2012.

VILLAGE OF LOMBARD, ILLINOIS

Ratios of Outstanding Debt By Type - Last Ten Fiscal Years
December 31, 2017 (Unaudited)

Fiscal Year Ended	Governmental Activities			Tax Increment Bonds
	General Obligation Bonds	Installment Contracts		
5/31/2009	\$ -	\$ 9,364,963	\$ -	\$ -
5/31/2010	-	9,233,450	-	-
5/31/2011	-	11,624,115	-	-
5/31/2012	-	9,393,145	-	-
12/31/2012*	-	8,372,260	-	-
12/31/2013	-	8,065,860	-	-
12/31/2014	-	5,838,800	-	-
12/31/2015	-	3,938,025	-	-
12/31/2016	-	2,587,625	-	-
12/31/2017	-	1,237,050	-	-

Data Source: Village's Records

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

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

N/A - Not Available

* For the seven months ended December 31, 2012.

	Business-Type Activities			Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	Waterworks and Sewerage Installments	Waterworks and Sewerage IEPA Loan				
\$	9,495,037	-	-	\$ 18,860,000	N/A	\$ 429.67
	7,426,550	-	-	16,660,000	N/A	379.55
	7,865,885	-	-	19,490,000	N/A	451.52
	6,061,855	-	-	15,455,000	N/A	356.15
	5,137,740	-	-	13,510,000	N/A	311.33
	11,181,140	-	-	19,247,000	N/A	443.53
	8,902,200	-	-	14,741,000	N/A	339.69
	6,929,975	-	-	10,868,000	N/A	250.44
	4,857,375	4,069,322	-	11,514,322	N/A	265.34
	2,918,950	10,393,075	-	14,549,075	N/A	335.27

VILLAGE OF LOMBARD, ILLINOIS

Schedule of Direct and Overlapping Bonded Debt
December 31, 2017 (Unaudited)

Governmental Unit	Gross Debt	Percentage to Debt Applicable to Village (2)	Village's Share of Debt
Village of Lombard (1)	\$ 1,237,050	100.00%	\$ 1,237,050
School Districts:			
High School District No. 87	65,105,000	19.30%	12,565,265
Elementary School District No. 41	23,755,000	1.74%	413,337
Elementary School District No. 44	8,572,500	82.96%	7,111,746
Elementary School District No. 45	32,702,070	32.34%	10,575,849
Elementary School District No. 89	13,600,000	8.45%	1,149,200
High School District No. 88	84,035,000	13.91%	11,689,269
High School District No. 99	18,121,560	0.68%	123,227
Community College District No. 502	227,460,000	3.46%	7,870,116
Elementary School District No. 4	8,390,000	5.53%	463,967
Elementary School District No. 15	38,395,000	0.89%	341,716
Elementary School District No. 58	12,579,958	1.10%	138,380
Total School Districts	532,716,088		52,442,071
Other Agencies:			
DuPage County	160,900,000	3.85%	6,194,650
DuPage County Forest Preserve	111,117,382	3.85%	4,278,019
Lombard Park District	7,215,000	97.51%	7,035,347
Butterfield Park District	4,230,000	23.03%	974,169
Glen Ellyn Park District	3,030,000	1.46%	44,238
York Center Park District	310,000	39.37%	122,047
Total Other Agencies	286,802,382		18,648,470
Total Overlapping Debt	819,518,470		71,090,540
Total Direct and Overlapping Debt	820,755,520		72,327,590

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

(1) Includes Special Service Areas

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

VILLAGE OF LOMBARD, ILLINOIS

Schedule of Legal Debt Margin
December 31, 2017 (Unaudited)

Assessed Valuation - 2017	\$ 1,473,640,931
Legal Debt Limit - 8.625% of Assessed Valuation	127,101,530
Amount of Debt Applicable to Debt Limit	
Limited Tax Debt Certificates of 2008	175,000
Limited Tax Debt Certificates of 2009	655,000
Limited Tax Debt Certificates of 2013	3,326,000
Legal Debt Margin	4,156,000
	122,945,530

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

VILLAGE OF LOMBARD, ILLINOIS

Demographic and Economic Statistics - Last Ten Fiscal Years
December 31, 2017 (Unaudited)

Fiscal Year Ended	Population	Personal Income (in Thousands)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
5/31/2009	43,894	\$ N/A	N/A	36.7	5,750	9.1%
5/31/2010	43,894	N/A	N/A	36.7	5,703	8.8%
5/31/2011	43,165	N/A	N/A	40.9	6,434	8.3%
5/31/2012	43,395	N/A	N/A	39.1	6,443	8.5%
12/31/2012*	43,395	N/A	N/A	39.1	6,730	7.5%
12/31/2013	43,395	N/A	N/A	39.1	7,009	7.4%
12/31/2014	43,395	N/A	N/A	39.1	6,895	5.8%
12/31/2015	43,395	N/A	N/A	40.5	6,883	4.7%
12/31/2016	43,395	N/A	N/A	40.5	6,610	4.6%
12/31/2017	43,395	N/A	N/A	40.5	6,455	4.0%

Data Sources

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

N/A - Not Available

* For the seven months ended December 31, 2012.

VILLAGE OF LOMBARD, ILLINOIS

Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago
December 31, 2017 (Unaudited)

Employer	2017			2008		
	Employees	Rank	Percentage of Total Village Employment	Employees	Rank	Percentage of Total Village Employment
Lombard Elem Dist 44	524	1	4.79%			
Von Maur	275	2	2.52%			
Village of Lombard	273	3	2.50%			
Beacon Hill	261	4	2.39%			
Lombard District 45	209	5	1.91%			
Westin Lombard Yorktown	189	6	1.73%			
Aspect Software				1,000	1	4.48%
Acosta Sales & Marketing Company				500	2	2.24%
Highecrest Property Management Co				400	3	1.79%
Adjustable Forms, Inc.				350	4	1.57%
Dial America Marketing Inc				310	5	1.39%
Carson Prire Scott & Co.				300	6	1.34%
West Suburban Bank				300	6	1.34%
Imperial Service System				300	6	1.34%
J.C. Penney Co. Inc.				275	9	1.23%
Credit Union 1				250	10	1.12%
Credit Union 2				250	10	1.12%
	<u>1,731</u>		<u>15.84%</u>	<u>4,235</u>		<u>18.96%</u>

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

All available data for 2017 and 2008 has been included.

VILLAGE OF LOMBARD, ILLINOIS

Full-Time Equivalent Village Government Employees by Function - Last Ten Fiscal Years
December 31, 2017 (Unaudited)

Function	Fiscal Year Ended 5/31/2009	Fiscal Year Ended 5/31/2010	Fiscal Year Ended 5/31/2011	Fiscal Year Ended 5/31/2012	Fiscal Year Ended 12/31/2012	Seven Months Ended 12/31/2012	Fiscal Year Ended 12/31/2013	Fiscal Year Ended 12/31/2014	Fiscal Year Ended 12/31/2015	Fiscal Year Ended 12/31/2016	Fiscal Year Ended 12/31/2017
Village Manager's Office	6	7	8	7	7	7	12	11	10	9	9
Finance	17	16	15	16	16	16	14	13	13	13	12
Public Works	32	31	33	32	32	32	33	37	39	38	38
Police	98	99	95	90	88	88	90	89	89	89	85
Fire	80	69	70	71	71	71	71	71	71	71	71
Community Development	14	23	20	19	19	19	16	17	18	18	19
Water and Sewer	25	25	23	23	23	23	24	23	22	21	21
Totals	272	270	264	258	256	256	260	261	262	259	255

Data Source: Village Records

VILLAGE OF LOMBARD, ILLINOIS

Operating Indicators by Function/Program - Last Ten Fiscal Years
December 31, 2017 (Unaudited)

See Following Page

VILLAGE OF LOMBARD, ILLINOIS

Operating Indicators by Function/Program - Last Ten Fiscal Years
December 31, 2017 (Unaudited)

Function/Program	Fiscal Year Ended	Fiscal Year Ended	Fiscal Year Ended	Fiscal Year Ended	Fiscal Year Ended	Fiscal Year Ended	Fiscal Year Ended	Fiscal Year Ended	Fiscal Year Ended	
	5/31/2009	5/31/2010	5/31/2011	5/31/2012	12/31/2012	12/31/2013	12/31/2014	12/31/2015	12/31/2016	12/31/2017
Public Works										
Forestry										
Number of Parkway Trees Planted	550	362	203	241	355	382	409	478	871	827
Number of Parkway Trees Trimmed	2,384	3,845	3,339	2,997	241	2,414	2,462	3,343	3,093	3,954
Number of Parkway Trees Removed	245	212	190	253	496	481	1,186	1,450	293	438
Wood Chips Produced (Cubic Yards)	1,415	995	836	902	560	799	2,262	636	408	540
Fleet Services										
Number of Repair Work Orders	3,380	3,083	2,159	2,134	1,112	1,777	2,978	1,737	2,700	1,670
Amount of Repair Costs (Parts & Labor)	\$624,147	\$630,053	\$602,477	\$624,524	\$354,959	\$712,814	\$712,814	\$760,819	\$738,756	\$712,161
Gallons of Fuel Pumped	141,130	129,785	128,903	118,750	72,752	122,685	123,966	114,997	125,039	124,748
Fuel Cost	\$348,599	\$295,790	\$341,530	\$380,153	\$228,664	\$389,142	\$375,736	\$230,240	\$183,266	\$222,169
Public Safety										
Fire (1)										
Number of Fire Calls	3,090	2,813	3,043	3,131	1,990	3,124	3,384	1,631	1,695	1,695
Number of EMS Calls	4,378	4,251	4,436	4,593	2,911	4,801	5,091	4,778	5,004	4,969
ISO Rating	3	3	3	3	3	3	3	3	3	3
Police										
Number of Incidents	53,547	49,935	48,619	47,382	26,555	43,809	44,781	45,846	52,360	61,110
Number of Crimes	1,229	1,205	1,240	1,126	1,281	1,761	1,014	1,329	1,120	1,080
Crimes/1,000 Residents	28.0	28.0	28.7	26.1	27.9	40.6	23.7	30.9	25.9	25.1
Community Development										
Number of Building Permits Issued	2,804	2,773	2,887	2,993	2,125	2,487	2,463	2,511	2,584	2,645
Number of Building Inspections	6,357	4,782	4,707	5,047	3,449	5,732	5,122	4,674	4,986	5,247
Number of Code Enforcement Cases	1,119	984	929	932	441	814	653	989	1,035	1,209
Number of Tickets Issued	41	28	19	18	6	16	6	11	11	11
Finance										
Number of Utility Bills Issued	76,818	77,540	77,968	76,717	42,433	79,137	75,191	74,725	75,479	77,058
Number of Utility Accounts Shut Off	992	788	1,058	910	500	567	401	449	470	299
Ambulance Billing	\$1,236,418	\$1,323,579	\$2,044,650	\$1,997,685	\$1,339,896	\$2,086,897	\$2,508,610	\$2,317,300	\$2,294,400	\$2,355,400
Number of Accounts Payable Checks	6,173	5,331	4,264	3,868	2,501	3,538	3,325	2,978	2,589	2,538
Highways and Streets										
Contract Asphalt Patching/Grinding/Overlay	\$26,013	\$799,531	\$857,521	\$1,169,513	\$1,264,669	\$1,403,705	\$1,033,511	\$934,323	\$772,081	\$1,193,540
Concrete Street Rehabilitation	\$1,182,497	\$578,736	\$1,394,953	\$898,867	\$957,467	\$873,183	\$973,007	\$580,283	\$605,994	\$535,983
In-House Grind/Overlay	\$1,343,540	\$288,934	\$182,920	\$260,952	\$261,278	\$126,270	\$321,512	\$227,927	\$219,222	\$139,757
Water and Sewer										
Total Distribution Pumpage (1,000 Gallons)	1,528,830	1,450,928	1,511,756	1,536,368	934,701	1,452,666	1,482,604	1,342,976	1,367,284	1,349,096
% Unaccounted for Water	6.32%	5.28%	N/A	3.96%	6.05%	11.92%	6.24%	10.30%	10.10%	10.00%
Sanitary Sewer Overflows	9	2	3	2	1	6	5	3	1	-

N/A - Not Available
Data Source: Village Records

VILLAGE OF LOMBARD, ILLINOIS

Capital Asset Statistics by Function/Program - Last Ten Fiscal Years
December 31, 2017 (Unaudited)

Function/Program	Fiscal Year Ended	Fiscal Year Ended	Fiscal Year Ended	Fiscal Year Ended	Fiscal Year Ended	Fiscal Year Ended	Seven Months Ended	Fiscal Year Ended	Fiscal Year Ended	Fiscal Year Ended
	5/31/2009	5/31/2010	5/31/2011	5/31/2012	12/31/2012	12/31/2013	12/31/2014	12/31/2015	12/31/2016	12/31/2017
Police Stations	1	1	1	1	1	1	1	1	1	1
Department Vehicles	39	39	37	37	37	37	36	36	36	36
Fire Stations	2	2	2	2	2	2	2	2	2	2
Public Works Streets (Miles)	155	155	155	155	155	155	155	150	147	148
Streetslights	2,831	2,946	2,954	3,113	3,113	3,113	3,105	3,132	3,389	3,376
Traffic Signals (Village Owned)	37	37	37	38	38	38	37	37	36	36
Water and Sewer Water Mains (Miles)	180.7	181.8	181.8	181.8	186.0	186.0	186.0	186.0	180.0	181.8
Fire Hydrants	2,669	2,698	2,698	2,698	2,770	2,770	2,797	2,798	2,786	2,766

Data Source: Village Records

APPENDIX B

DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC.

1. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has an S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

2. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

3. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

4. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the bond registrar and request that copies of notices be provided directly to them.

5. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

6. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Village as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

7. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Village or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the Village, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Village or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

8. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to any Tender/Remarketing Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to any Tender/Remarketing Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to any Tender/Remarketing Agent's DTC account.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the Village or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. The Village may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Village believes to be reliable, but the Village takes no responsibility for the accuracy thereof.

APPENDIX C

PROPOSED FORM OF OPINION OF BOND COUNSEL

We hereby certify that we have examined certified copy of the proceedings (the “*Proceedings*”) of the President and Board of Trustees of the Village of Lombard, DuPage County, Illinois (the “*Village*”), passed preliminary to the issuance by the Village of its fully registered General Obligation Bonds (Alternate Revenue Source), Series 2018 (the “*Bonds*”), to the amount of \$3,900,000, dated the date hereof, due serially on January 1 of the years and in the principal amounts and bearing interest at the interest rates per annum as follows:

YEAR OF MATURITY	PRINCIPAL AMOUNT	RATE OF INTEREST
2021	\$ 910,000	4.00%
2022	950,000	5.00%
2023	1,000,000	5.00%
2024	1,040,000	5.00%

and we are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force.

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the Village, and is payable from (a) from moneys to the credit of the Bond and Interest Subaccount within the Surplus Account of the Waterworks and Sewerage Fund, said Surplus Account consisting of the funds remaining in the Waterworks and Sewerage Fund after the required monthly deposits and credits have been made under the Bond Ordinance or future revenue bond ordinances to the various prior lien accounts of the Waterworks and Sewerage Fund (the “*System Revenues*”), and (ii) all collections distributed to the Village from those taxes imposed by the Village pursuant to the Non-Home Rule Municipal Retailers’ Occupation Tax Act and the Non-Home Rule Municipal Service Occupation Tax Act, each as supplemented and amended from time to time or substitute taxes therefor as provided by the State of Illinois or the Village in the future (together with the System Revenues, the “*Pledged Revenues*”) and (b) ad valorem property taxes as levied against all of the taxable property in the Village without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors’ rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

The Village is authorized to issue from time to time additional obligations payable from the Pledged Revenues as permitted by law and to determine the lien priority of any such obligations.

It is also our opinion that, subject to the Village’s compliance with certain covenants, under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended (the “*Code*”), but is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Failure to comply with certain of such Village covenants could cause interest on the Bonds to be includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

It is also our opinion that the Bonds are “qualified tax-exempt obligations” pursuant to Section 265(b)(3) of the Code.

We express no opinion herein as to the accuracy, adequacy or completeness of any information furnished to any person in connection with any offer or sale of the Bonds.

In rendering this opinion, we have relied upon certifications of the Village with respect to certain material facts within the Village’s knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of result. This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

APPENDIX D

**VILLAGE OF LOMBARD
DUPAGE COUNTY, ILLINOIS**

**EXCERPTS OF FISCAL YEAR 2017 AUDITED FINANCIAL STATEMENTS
RELATING TO THE VILLAGE'S PENSION PLANS**

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS

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

Illinois Municipal Retirement Fund (IMRF)

Plan Descriptions

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

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

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

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

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

Plan Membership. As of December 31, 2017, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	270
Inactive Plan Members Entitled to but not yet Receiving Benefits	131
Active Plan Members	<u>110</u>
Total	<u><u>511</u></u>

Contributions. As set by statute, the Village's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year-ended December 31, 2017, the Village's contribution was 16.24% of covered payroll.

Net Pension Liability. The Village's net pension liability was measured as of December 31, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2017, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions Interest Rate	7.50%
Salary Increases	3.39% to 14.25%
Cost of Living Adjustments	2.50%
Inflation	2.50%

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

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	27%	3.0%
Domestic Equities	38%	6.9%
International Equities	17%	6.8%
Real Estate	8%	5.8%
Blended	9%	2.65% - 7.35%
Cash and Cash Equivalents	1%	2.3%

Discount Rate

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

Discount Rate Sensitivity

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability/(Asset)	\$ 13,210,385	3,936,635	(3,739,654)

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2016	\$ 77,823,173	66,099,091	11,724,082
Changes for the Year:			
Service Cost	819,812	-	819,812
Interest on the Total Pension Liability	5,698,024	-	5,698,024
Difference Between Expected and Actual Experience of the Total Pension Liability	233,077	-	233,077
Changes of Assumptions	(2,226,914)	-	(2,226,914)
Contributions - Employer	-	1,253,498	(1,253,498)
Contributions - Employees	-	369,970	(369,970)
Net Investment Income	-	12,084,849	(12,084,849)
Benefit Payments, including Refunds of Employee Contributions	(4,518,863)	(4,518,863)	-
Other (Net Transfer)	-	(1,396,871)	1,396,871
Net Changes	5,136	7,792,583	(7,787,447)
Balances at December 31, 2017	77,828,309	73,891,674	3,936,635

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

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

For the year ended December 31, 2017, the Village recognized pension expense of \$1,605,441. At December 31, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 141,083	(47,627)	93,456
Change in Assumptions	-	(1,420,552)	(1,420,552)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,108,070	(5,830,702)	(3,722,632)
Total Deferred Amounts Related to IMRF	2,249,153	(7,298,881)	(5,049,728)

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

Fiscal Year	Net Deferred (Inflows) of Resources
2018	\$ (1,257,830)
2019	(932,744)
2020	(1,401,477)
2021	(1,457,677)
2022	-
Thereafter	-
Total	(5,049,728)

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan

Plan Descriptions

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

Plan Membership. At December 31, 2017, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	65
Inactive Plan Members Entitled to but not yet Receiving Benefits	2
Active Plan Members	<u>66</u>
Total	<u>133</u>

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

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Plan Descriptions – Continued

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

Contributions. Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended December 31, 2017, the Village's contribution was 47.96% of covered payroll.

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of December 31, 2017, using the following actuarial methods and assumptions:

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

Mortality rates were based on the RP-2014 Mortality Table (BCHA) projected to 2018 using improvement scale MP-2017. The other non-economic actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance (GRS) in 2017.

Discount Rate

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Discount Rate Sensitivity

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability	\$ 45,876,500	32,615,756	21,671,435

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2016	\$ 99,202,675	61,303,888	37,898,787
Changes for the Year:			
Service Cost	1,531,174	-	1,531,174
Interest on the Total Pension Liability	6,796,831	-	6,796,831
Difference Between Expected and Actual Experience of the Total Pension Liability	(659,841)	-	(659,841)
Changes of Assumptions	(2,555,004)	-	(2,555,004)
Contributions - Employer	3,080,872	3,080,872	(3,080,872)
Contributions - Employees	-	699,450	(699,450)
Net Investment Income	-	6,681,876	(6,681,876)
Benefit Payments, including Refunds of Employee Contributions	(4,210,233)	(4,210,233)	-
Administrative Expense	-	(66,007)	66,007
Net Changes	902,927	6,185,958	(5,283,031)
Balances at December 31, 2017	100,105,602	67,489,846	32,615,756

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

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

For the year ended December 31, 2017, the Village recognized pension revenue of \$568,213. At December 31, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Resources	Deferred Outflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 241,358	(586,403)	(345,045)
Change in Assumptions	750,514	(3,312,175)	(2,561,661)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,381,676	(1,926,367)	(544,691)
Total Deferred Amounts Related to Police Pension	2,373,548	(5,824,945)	(3,451,397)

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

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2018	\$ (261,699)
2019	(902,759)
2020	(1,111,955)
2021	(1,111,954)
2022	(63,030)
Thereafter	-
Total	(3,451,397)

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters' Pension Plan

Plan Descriptions

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

Plan Membership. At December 31, 2017, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	48
Inactive Plan Members Entitled to but not yet Receiving Benefits	2
Active Plan Members	64
Total	114

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

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters' Pension Plan – Continued

Plan Descriptions – Continued

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

Contributions. Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended December 31, 2017, the Village's contribution was 34.69% of covered payroll.

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters' Pension Plan – Continued

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of December 31, 2017, using the following actuarial methods and assumptions:

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

Mortality rates were based on the RP-2014 Mortality Table (BCHA) projected to 2018 using improvement scale MP-2017. The other non-economic actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance (GRS) in 2017.

Discount Rate

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

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters' Pension Plan – Continued

Discount Rate Sensitivity

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability	\$ 29,232,653	18,723,515	10,010,905

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2016	\$ 77,782,977	54,554,946	23,228,031
Changes for the Year:			
Service Cost	1,643,565	-	1,643,565
Interest on the Total Pension Liability	5,329,656	-	5,329,656
Difference Between Expected and Actual Experience of the Total Pension Liability	1,170	-	1,170
Changes of Assumptions	(1,530,549)	-	(1,530,549)
Contributions - Employer	-	2,237,228	(2,237,228)
Contributions - Employees	-	658,618	(658,618)
Net Investment Income	-	7,095,084	(7,095,084)
Benefit Payments, including Refunds of Employee Contributions	(3,290,005)	(3,290,005)	-
Administrative Expense	-	(42,572)	42,572
Net Changes	2,153,837	6,658,353	(4,504,516)
Balances at December 31, 2017	79,936,814	61,213,299	18,723,515

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters' Pension Plan – Continued

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

For the year ended December 31, 2017, the Village recognized pension revenue of \$170,091. At December 31, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 1,002	(835,114)	(834,112)
Change in Assumptions	1,666,068	(2,699,306)	(1,033,238)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,485,876	(2,633,220)	(1,147,344)
Total Deferred Amounts Related to Firefighters' Pension	3,152,946	(6,167,640)	(3,014,694)

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

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2018	\$ 166,281
2019	(54,848)
2020	(1,427,133)
2021	(1,262,025)
2022	(218,482)
Thereafter	(218,487)
Total	(3,014,694)

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plan

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

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

Plan Membership. As of December 31, 2017, the measurement date, the following employees were covered by the benefit terms:

Active Employees Full Eligible	208
Active Employees not yet Eligible	8
Retired Plan Members	<u>54</u>
Total	<u><u>270</u></u>

Total OPEB Liability

The Village's total OPEB liability of \$7,241,099 was measured as of December 31, 2017 and was determined by an actuarial valuation as of that date.

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Total OPEB Liability – Continued

Actuarial Assumptions and Other Inputs. The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	3.00%
Discount Rate	3.44%
Healthcare Cost Trend Rates	8.50% in fiscal year 2017, trending to 5.50% in fiscal year 2027, and an ultimate trend rate of 5.00% in 2073.
Asset Valuation Method	Market

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

Change in the Total OPEB Liability

Balance at December 31, 2016	\$ 6,867,533
Changes for the Year:	
Service Cost	250,008
Interest on the Total Pension Liability	263,184
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	-
Changes of Assumptions or Other Inputs	289,583
Benefit Payments	(429,209)
Net Changes	<u>373,566</u>
Balance at December 31, 2017	<u><u>7,241,099</u></u>

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

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

The following presents the total OPEB liability, calculated using a Single Discount Rate of 3.44%, as well as what the total OPEB liability would be if it were calculated using a Single Discount Rate that is one percentage point lower or one percentage point higher:

	1% Decrease (2.44%)	Current Discount Rate (3.44%)	1% Increase (4.44%)
Total OPEB Liability	\$ 8,933,090	7,241,099	7,241,371

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

The following presents the total OPEB liability, calculated using a Healthcare Trend Rate of 8.50%, as well as what the total OPEB liability would be if it were calculated using a Healthcare Trend Rate that is one percentage point lower or one percentage point higher:

	Healthcare Cost Trend Rates	Healthcare Cost Trend Rates
Total OPEB Liability	\$ 7,284,195	7,241,099
	decreasing to 4.00%	decreasing to 5.00%
	(7.50%)	(8.50%)
	decreasing to 9.50%	decreasing to 6.00%
		8,861,718

VILLAGE OF LOMBARD, ILLINOIS

Notes to the Financial Statements
December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

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

For the year ended December 31, 2017, the Village recognized OPEB expense of \$541,993. At December 31, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ -	-	-
Change in Assumptions	260,782	-	260,782
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	-	-
Total Deferred Amounts Related to OPEB	260,782	-	260,782

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

Fiscal Year	Net Deferred Outflows of Resources
2018	\$ 28,801
2019	28,801
2020	28,801
2021	28,801
2022	28,801
Thereafter	116,777
Total	260,782

VILLAGE OF LOMBARD, ILLINOIS
 Illinois Municipal Retirement Fund
 Required Supplementary Information
 Schedule of Employer Contributions
 December 31, 2017

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

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	26 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.75%
Salary Increases	3.75% - 14.50%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012)

Note:

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

REQUIRED SUPPLEMENTARY INFORMATION

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

- Schedule of Changes in the Employer's Total OPEB Liability
 Other Post-Employment Benefit Plan
- Schedule of Employer Contributions
 Illinois Municipal Retirement Fund
 Police Pension Fund
 Firefighters' Pension Fund
- Schedule of Changes in the Employer's Net Pension Liability
 Illinois Municipal Retirement Fund
 Police Pension Fund
 Firefighters' Pension Fund
- Schedule of Investment Returns
 Police Pension Fund
 Firefighters' Pension Fund
- Budgetary Comparison Schedule
 General Fund

Notes to the Required Supplementary Information

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

VILLAGE OF LOMBARD, ILLINOIS

Police Pension Fund

Required Supplementary Information
Schedule of Employer Contributions
December 31, 2017

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

Notes to the Required Supplementary Information:

Actuarial Cost Method
Amortization Method
Remaining Amortization Period
Asset Valuation Method
Inflation
Salary Increases
Investment Rate of Return
Retirement Age
Mortality

Entry Age Normal Level % Pay (Closed)
21 Years
Market Value
2.50%
3.50% - 11.00%
7.00%
See the Notes to the Financial Statements
RP 2014 Projected to 2018

Note:

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

VILLAGE OF LOMBARD, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information
Schedule of Employer Contributions
December 31, 2017

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

Notes to the Required Supplementary Information:

Actuarial Cost Method
Amortization Method
Remaining Amortization Period
Asset Valuation Method
Inflation
Salary Increases
Investment Rate of Return
Retirement Age
Mortality

Entry Age Normal Level % Pay (Closed)
21 Years
Market Value
2.50%
3.50% - 12.50%
7.00%
See the Notes to the Financial Statements
RP 2014 Projected to 2018

Note:

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

VILLAGE OF LOMBARD, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
December 31, 2017

	12/31/2015	12/31/2016	12/31/2017
Total Pension Liability			
Service Cost	\$ 791,529	830,041	819,812
Interest	5,347,448	5,565,299	5,698,024
Differences Between Expected and Actual Experience	1,033,943	(237,225)	233,077
Change of Assumptions	89,660	(361,558)	(2,226,914)
Benefit Payments, Including Refunds of Member Contributions	(4,210,801)	(4,320,449)	(4,518,863)
Net Change in Total Pension Liability	3,051,779	1,476,108	5,136
Total Pension Liability - Beginning	73,295,286	76,347,065	77,823,173
Total Pension Liability - Ending	76,347,065	77,823,173	77,828,309
Plan Fiduciary Net Position			
Contributions - Employer	\$ 1,245,964	1,392,045	1,253,498
Contributions - Members	347,456	352,751	369,970
Net Investment Income	309,847	4,423,634	12,084,849
Benefit Payments, Including Refunds of Member Contributions	(4,210,801)	(4,320,449)	(4,518,863)
Other (Net Transfer)	2,810,809	469,833	(1,396,871)
Net Change in Plan Fiduciary Net Position	503,275	2,317,814	7,792,583
Plan Net Position - Beginning	63,278,002	63,781,277	66,099,091
Plan Net Position - Ending	63,781,277	66,099,091	73,891,674
Employer's Net Pension Liability	\$ 12,565,788	11,724,082	3,936,635
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.54%	84.93%	94.94%
Covered Payroll	\$ 7,615,518	7,577,819	7,718,851
Employer's Net Pension Liability as a Percentage of Covered Payroll	165.00%	154.72%	51.00%

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

VILLAGE OF LOMBARD, ILLINOIS

Police Pension Fund

Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
December 31, 2017

	12/31/2015	12/31/2016	12/31/2017
Total Pension Liability			
Service Cost	\$ 1,455,364	1,531,546	1,531,174
Interest	5,957,834	6,688,180	6,796,831
Differences Between Expected and Actual Experience	(542,772)	622,457	(659,841)
Change of Assumptions	7,281,562	(3,244,715)	(2,555,004)
Benefit Payments, Including Refunds of Member Contributions	(3,556,531)	(3,880,431)	(4,210,233)
Net Change in Total Pension Liability	10,595,457	1,717,037	902,927
Total Pension Liability - Beginning	86,890,181	97,485,638	99,202,675
Total Pension Liability - Ending	97,485,638	99,202,675	100,105,602
Plan Fiduciary Net Position			
Contributions - Employer	\$ 2,537,579	2,936,167	3,080,872
Contributions - Members	653,110	695,084	699,450
Net Investment Income	792,942	3,223,224	6,681,876
Benefit Payments, Including Refunds of Member Contributions	(3,556,531)	(3,880,431)	(4,210,233)
Administrative Expense	(44,419)	(42,302)	(66,007)
Net Change in Plan Fiduciary Net Position	382,681	2,931,742	6,185,958
Plan Net Position - Beginning	57,989,465	58,372,146	61,303,888
Plan Net Position - Ending	58,372,146	61,303,888	67,489,846
Employer's Net Pension Liability	\$ 39,113,492	37,898,787	32,615,756
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	59.88%	61.80%	67.42%
Covered Payroll	\$ 6,331,082	6,589,512	6,423,894
Employer's Net Pension Liability as a Percentage of Covered Payroll	617.80%	575.14%	507.73%

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

VILLAGE OF LOMBARD, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
December 31, 2017

	12/31/2015	12/31/2016	12/31/2017
Total Pension Liability			
Service Cost	\$ 1,513,082	1,562,481	1,643,565
Interest	4,614,739	5,171,731	5,329,656
Differences Between Expected and Actual Experience	(596,117)	1,174,979	1,170
Change of Assumptions	5,332,533	(2,512,331)	(1,530,549)
Benefit Payments, Including Refunds of Member Contributions	(2,822,892)	(2,991,521)	(3,290,005)
Net Change in Total Pension Liability	8,041,345	2,405,339	2,153,837
Total Pension Liability - Beginning	67,336,293	75,377,638	77,782,977
Total Pension Liability - Ending	75,377,638	77,782,977	79,936,814
Plan Fiduciary Net Position			
Contributions - Employer	\$ 2,008,243	2,034,905	2,237,228
Contributions - Members	564,175	583,561	658,618
Net Investment Income	25,474	2,827,910	7,095,084
Benefit Payments, Including Refunds of Member Contributions	(2,822,892)	(2,991,521)	(3,290,005)
Administrative Expense	(43,309)	(50,476)	(42,572)
Net Change in Plan Fiduciary Net Position	(268,309)	2,404,379	6,658,353
Plan Net Position - Beginning	52,418,876	52,150,567	54,554,946
Plan Net Position - Ending	52,150,567	54,554,946	61,213,299
Employer's Net Pension Liability	\$ 23,227,071	23,228,031	18,723,515
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.19%	70.14%	76.58%
Covered Payroll	\$ 5,725,023	6,357,452	6,449,094
Employer's Net Pension Liability as a Percentage of Covered Payroll	405.71%	365.37%	290.33%

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

VILLAGE OF LOMBARD, ILLINOIS

Police Pension Fund

Required Supplementary Information
Schedule of Investment Returns
December 31, 2017

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

Note:

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

VILLAGE OF LOMBARD, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information
Schedule of Investment Returns
December 31, 2017

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

Note:

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

VILLAGE OF LOMBARD, ILLINOIS

Other Post-Employment Benefit Plan

Required Supplementary Information
Schedule of Changes in the Employer's Total OPEB Liability
December 31, 2017

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

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

Changes of Benefit Terms. There was no change in the retirees' share of health insurance premiums.
Changes of Assumptions. Changes of assumptions and other inputs reflect the effects of changes in the trend rate each period. The following are the trend rates used in each period:

Fiscal Year	Healthcare Trend
2018	7.50%
2019	6.50%
2020	6.00%
2021	5.50%
2022	5.00%
2023	5.00%
2024	5.00%
2025	5.00%
2026	5.00%
2027	5.00%
Ultimate	5.00%

In 2017, there was no change in the healthcare trend rates from the prior year.

COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES

INTERNAL SERVICE FUND

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

Fleet Services Fund

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

TRUST AND AGENCY FUNDS

PENSION TRUST FUNDS

Police Pension Fund

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

Firefighters' Pension Fund

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

AGENCY FUND

Special Assessments Fund

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

VILLAGE OF LOMBARD, ILLINOIS

Pension Trust Funds

Combining Statement of Fiduciary Net Position
December 31, 2017

	Police Pension	Firefighters' Pension	Totals
ASSETS			
Cash and Cash Equivalents	\$ 912,737	1,332,869	2,245,606
Investments			
U.S. Government and Agency Obligations	29,952,380	12,188,270	42,140,650
Local Government Obligations	4,663,141	2,431,037	7,094,178
Corporate Bonds	-	10,603,360	10,603,360
Mutual Funds	30,628,133	30,249,979	60,878,112
Stock Equities	-	3,483,876	3,483,876
Illinois Funds	75,965	67,963	143,928
Illinois Metropolitan Investment Funds	1,080,279	602,004	1,682,283
Receivables - Accrued Interest	215,473	264,176	479,649
Prepays	-	795	795
Total Assets	67,528,108	61,224,329	128,752,437
LIABILITIES			
Accounts Payable	38,262	11,030	49,292
NET POSITION			
Net Position Restricted for Pensions	67,489,846	61,213,299	128,703,145

VILLAGE OF LOMBARD, ILLINOIS

Pension Trust Funds

Combining Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended December 31, 2017

	Police Pension	Firefighters' Pension	Totals
Additions			
Contributions - Employer	\$ 3,033,053	2,189,459	5,222,512
Contributions - Plan Members	699,450	658,618	1,358,068
Total Contributions	3,732,503	2,848,077	6,580,580
Other Income	47,819	47,769	95,588
Investment Income			
Interest Earned	2,580,737	2,334,367	4,915,104
Net Change in Fair Value	4,229,123	4,861,687	9,090,810
Less Investment Expenses	6,809,860	7,196,054	14,005,914
Net Investment Income	(127,984)	(100,970)	(228,954)
6,681,876	7,095,084	13,776,960	
Total Additions	10,462,198	9,990,930	20,453,128
Deductions			
Administration	66,007	42,572	108,579
Benefits and Refunds			
Benefits	4,210,233	3,287,146	7,497,379
Refunds	-	2,859	2,859
Total Deductions	4,276,240	3,332,577	7,608,817
Change in Fiduciary Net Position	6,185,958	6,658,353	12,844,311
Net Position Restricted for Pensions			
Beginning	61,303,888	54,554,946	115,858,834
Ending	67,489,846	61,213,299	128,703,145

VILLAGE OF LOMBARD, ILLINOIS

Police Pension Fund

Schedule of Changes in Fiduciary Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Additions			
Contributions - Employer	\$ 3,038,330	3,038,330	3,033,053
Contributions - Plan Members	646,230	646,230	699,450
Total Contributions	3,684,560	3,684,560	3,732,503
Other Income	-	-	47,819
Investment Income			
Interest Earned	4,358,140	4,358,140	2,580,737
Net Change in Fair Value	-	-	4,229,123
Less Investment Expenses	4,358,140	4,358,140	6,809,860
Net Investment Income	-	-	(127,984)
Total Additions	8,042,700	8,042,700	10,462,198
Deductions			
Administration	181,160	181,160	66,007
Benefits and Refunds	4,508,790	4,508,790	4,210,233
Total Deductions	4,689,950	4,689,950	4,276,240
Change in Fiduciary Net Position	3,352,750	3,352,750	6,185,958
Net Position Restricted for Pensions			
Beginning			61,303,888
Ending			67,489,846

VILLAGE OF LOMBARD, ILLINOIS

Firefighters' Pension Fund

Schedule of Changes in Fiduciary Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Additions			
Contributions - Employer	\$ 2,190,710	2,190,710	2,189,459
Contributions - Plan Members	557,540	557,540	658,618
Total Contributions	2,748,250	2,748,250	2,848,077
Other Income	-	-	47,769
Investment Income			
Interest Earned	3,959,750	3,959,750	2,334,367
Net Change in Fair Value	-	-	4,861,687
Less Investment Expenses	3,959,750	3,959,750	7,196,054
Net Investment Income	-	-	(100,970)
Total Additions	6,708,000	6,708,000	9,990,930
Deductions			
Administration	128,180	128,180	42,572
Benefits and Refunds	3,669,410	3,669,410	3,287,146
Refunds	-	-	2,859
Total Deductions	3,797,590	3,797,590	3,332,577
Change in Fiduciary Net Position	2,910,410	2,910,410	6,658,353
Net Position Restricted for Pensions			
Beginning			54,554,946
Ending			61,213,299

APPENDIX E

**VILLAGE OF LOMBARD
DUPAGE COUNTY, ILLINOIS**

NET REVENUE OF WATERWORKS AND SEWERAGE FUND

Statement of Net Position
Waterworks and Sewerage Fund

	Audited Fiscal Year Ending December 31				
	2013	2014	2015(1)	2016	2017
ASSETS:					
Current Assets:					
Cash and Investments.....	\$ 14,469,233	\$ 10,827,947	\$ 9,613,411	\$ 5,887,997	\$ 7,245,330
Receivables – Net of Allowances:					
Accounts.....	2,515,014	2,973,406	2,736,952	2,441,068	2,624,130
Other Taxes.....	0	341,521	334,412	766,672	1,284,176
Accrued Interest.....	53,150	39,127	28,267	23,220	25,883
Due From Other Governments.....	0	500,000	0	3,011,223	0
Prepays.....	291,541	326,283	323,675	370,927	340,649
Total Current Assets.....	<u>\$ 17,328,938</u>	<u>\$ 15,008,284</u>	<u>\$ 13,036,717</u>	<u>\$ 12,501,107</u>	<u>\$ 11,520,168</u>
Noncurrent Assets:					
Capital Assets:					
Nondepreciable Capital Assets.....	\$ 4,504,756	\$ 7,274,767	\$ 8,328,033	\$ 13,389,816	\$ 22,468,891
Depreciable Capital Assets.....	80,421,220	80,830,915	84,369,757	89,595,390	93,189,495
Accumulated Depreciation.....	<u>(34,465,084)</u>	<u>(36,436,641)</u>	<u>(38,432,119)</u>	<u>(40,523,648)</u>	<u>(42,421,822)</u>
Total.....	<u>\$ 50,460,892</u>	<u>\$ 51,669,041</u>	<u>\$ 54,265,671</u>	<u>\$ 62,461,558</u>	<u>\$ 73,236,564</u>
Equity Interest In Joint Venture					
Total Noncurrent Assets.....	<u>\$ 23,253,227</u>	<u>\$ 24,051,759</u>	<u>\$ 19,162,412</u>	<u>\$ 22,974,713</u>	<u>\$ 23,770,460</u>
Total Assets.....	<u>\$ 91,043,057</u>	<u>\$ 90,729,084</u>	<u>\$ 86,464,800</u>	<u>\$ 97,937,378</u>	<u>\$ 108,527,192</u>
DEFERRED OUTFLOWS OF RESOURCES:					
Deferred Items – IMRF.....	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,000,774</u>	<u>\$ 654,016</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 91,043,057</u>	<u>\$ 90,729,084</u>	<u>\$ 86,464,800</u>	<u>\$ 98,938,152</u>	<u>\$ 109,181,208</u>
LIABILITIES:					
Current Liabilities:					
Accounts Payable.....	\$ 833,507	\$ 1,506,390	\$ 1,023,848	\$ 3,333,184	\$ 2,245,705
Accrued Payroll.....	213,796	180,646	93,927	122,221	122,312
Deposits Payable.....	263,102	262,679	273,906	264,973	303,671
Interest Payable.....	97,185	70,207	52,586	36,507	41,801
Compensated Absences.....	65,356	37,020	40,498	42,480	49,466
Debt Certificates.....	2,278,940	1,972,225	2,072,600	1,938,425	1,420,750
IEPA Loan Payable.....	0	0	0	109,265	286,537
Total Current Liabilities.....	<u>\$ 3,751,886</u>	<u>\$ 4,029,167</u>	<u>\$ 3,557,365</u>	<u>\$ 5,847,055</u>	<u>\$ 4,470,242</u>
Noncurrent Liabilities:					
Compensated Absences.....	\$ 261,423	\$ 148,080	\$ 161,994	\$ 169,921	\$ 197,862
Net Pension Liability – IMRF.....	0	0	0	3,405,259	1,144,707
Installment Contracts Payable.....	8,902,200	6,929,975	4,857,375	2,918,950	1,498,200
IEPA Loan Payable.....	0	0	0	3,960,057	10,106,538
Total Noncurrent Liabilities.....	<u>\$ 9,163,623</u>	<u>\$ 7,078,055</u>	<u>\$ 5,019,369</u>	<u>\$ 10,454,187</u>	<u>\$ 12,947,307</u>
Total Liabilities.....	<u>\$ 12,915,509</u>	<u>\$ 11,107,222</u>	<u>\$ 8,576,734</u>	<u>\$ 16,301,242</u>	<u>\$ 17,417,549</u>
DEFERRED INFLOWS OF RESOURCES:					
Deferred Items – IMRF.....	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 104,417</u>	<u>\$ 2,122,392</u>
Total Liabilities and Deferred Inflows of Resources.....	<u>\$ 12,915,509</u>	<u>\$ 11,107,222</u>	<u>\$ 8,576,734</u>	<u>\$ 16,405,659</u>	<u>\$ 19,539,941</u>
NET POSITION:					
Net Investment in Capital Assets.....	\$ 47,529,752	\$ 47,765,938	\$ 48,965,452	\$ 53,534,861	\$ 59,924,539
Unrestricted.....	<u>30,597,796</u>	<u>31,855,924</u>	<u>28,922,614</u>	<u>28,997,632</u>	<u>29,716,728</u>
Total Net Position.....	<u>\$ 78,127,548</u>	<u>\$ 79,621,862</u>	<u>\$ 77,888,066</u>	<u>\$ 82,532,493</u>	<u>\$ 89,641,267</u>

Note: (1) The Village implemented GASB Statement No. 68 in fiscal year 2015, which revised and established new financial reporting requirements related to pension liabilities.

**Statement of Revenues, Expenses and Changes in Net Position
Waterworks and Sewerage Fund**

	Audited Fiscal Year Ending December 31				
	2013	2014	2015	2016	2017
OPERATING REVENUES:					
Charges for Services.....	\$14,284,278	\$14,350,288	\$14,845,277	\$16,254,939	\$16,492,569
Total Operating Revenues.....	<u>\$14,284,278</u>	<u>\$14,350,288</u>	<u>\$14,845,277</u>	<u>\$16,254,939</u>	<u>\$16,492,569</u>
OPERATING EXPENSES:					
Administration.....	\$ 1,173,268	\$ 1,054,347	\$1,184,241	\$ 3,836,699	\$ 1,436,692
Operations.....	9,976,995	10,616,096	10,611,860	10,820,014	11,289,226
Sewerage Treatment.....	3,561,330	3,841,678	3,987,108	4,079,484	4,216,849
Depreciation.....	<u>1,892,971</u>	<u>1,971,557</u>	<u>1,995,478</u>	<u>2,091,530</u>	<u>2,290,448</u>
Total Operating Expenses.....	<u>\$16,604,564</u>	<u>\$17,483,678</u>	<u>\$17,778,687</u>	<u>\$20,827,727</u>	<u>\$19,233,215</u>
Operating Income (Loss).....	\$(2,320,286)	\$(3,133,390)	\$(2,933,410)	\$(4,572,788)	\$(2,740,646)
NONOPERATING REVENUES (EXPENSES) :					
Sales Tax.....	\$ 2,792,960	\$ 2,019,659	\$ 5,062,424	\$ 4,446,536	\$ 7,849,684
Interest Income.....	11,409	40,727	130,429	96,824	77,027
Connection Fees.....	1,704,306	1,649,841	1,724,194	1,459,130	1,529,339
Joint Venture Income (Expense).....	(117,627)	798,532	(4,889,347)	3,812,301	795,748
Grant.....	0	0	0	0	341,381
Other Income.....	0	0	6,891	17,127	2,450
Disposal of Capital Assets.....	0	0	(276,839)	0	(305,178)
Interest Expense.....	<u>(237,335)</u>	<u>(222,238)</u>	<u>(175,258)</u>	<u>(134,891)</u>	<u>(171,767)</u>
Total Nonoperating Revenues (Expenses)....	<u>\$ 4,153,713</u>	<u>\$ 4,286,521</u>	<u>\$ 1,582,494</u>	<u>\$ 9,697,027</u>	<u>\$10,118,684</u>
Income Before Contributions and Transfers...	\$ 1,833,427	\$ 1,153,131	\$(1,350,916)	\$ 5,124,239	\$ 7,378,038
Capital Contributions.....	\$ 264,180	\$ 327,973	\$ 189,232	\$ 58,292	\$ 252,866
Capital Grants.....	150,000	500,000	0	0	0
Transfers Out.....	<u>(546,085)</u>	<u>(486,790)</u>	<u>(572,112)</u>	<u>(538,104)</u>	<u>(522,130)</u>
Change In Net Position.....	\$ 1,701,522	\$ 1,494,314	\$(1,733,796)	\$ 4,644,427	\$ 7,108,774
Net Position, Beginning.....	<u>76,426,026</u>	<u>78,127,548</u>	<u>79,621,862</u>	<u>77,888,066</u>	<u>82,532,493</u>
Net Position, Ending.....	<u>\$78,127,548</u>	<u>\$79,621,862</u>	<u>\$77,888,066</u>	<u>\$82,532,493</u>	<u>\$89,641,267</u>

Earnings of Waterworks and Sewerage System (I)

	Calendar Years Ending December 31				
	2013	2014	2015	2016	2017
Operating Revenue.....	\$14,284,278	\$14,350,288	\$14,845,277	\$16,254,939	\$16,492,569
Add Interest Income.....	<u>11,409</u>	<u>40,727</u>	<u>130,429</u>	<u>96,824</u>	<u>77,027</u>
Sub-Total.....	<u>\$14,295,687</u>	<u>\$14,391,015</u>	<u>\$14,975,706</u>	<u>\$16,351,763</u>	<u>\$16,569,596</u>
Operating Expense.....	<u>16,604,564</u>	<u>17,483,678</u>	<u>17,778,687</u>	<u>20,827,727</u>	<u>19,233,215</u>
Sub-Total.....	<u>\$(2,308,877)</u>	<u>\$(3,092,663)</u>	<u>\$(2,802,981)</u>	<u>\$(4,475,964)</u>	<u>\$(2,663,619)</u>
Add Depreciation.....	1,892,971	1,971,557	1,995,478	2,091,530	2,290,448
Add Connection Fees (2).....	<u>1,704,306</u>	<u>1,649,841</u>	<u>1,724,194</u>	<u>1,459,130</u>	<u>1,529,339</u>
Net Revenue Available for Debt Service....	<u>\$ 1,288,400</u>	<u>\$ 528,735</u>	<u>\$ 916,691</u>	<u>\$ (925,304)</u>	<u>\$ 1,156,168</u>

- Notes: (1) Source: the Village's audited financial statements.
(2) Includes water and sewer connections and capital rate at \$1.20 per 1,000 gallons billed.

APPENDIX F

**VILLAGE OF LOMBARD
DUPAGE COUNTY, ILLINOIS**

PLEDGED MONEYS ESCROW AGREEMENT

Relating to the \$3,900,000 General Obligation Bonds (Alternate Revenue Source), Series 2018, of the Village of Lombard, DuPage County, Illinois.

This Pledged Moneys Escrow Agreement, dated October 11, 2018, by and between the Village of Lombard, DuPage County, Illinois (the “*Village*”), the Village Treasurer and Amalgamated Bank of Chicago, as escrow agent, not individually, but in the capacity as hereinafter described, with corporate trust offices in Chicago, Illinois (the “*Escrow Agent*”), in consideration of the mutual promises and agreements herein set forth:

WITNESSETH:

ARTICLE I.

DEFINITIONS

The following words and terms used in this Agreement shall have the following meanings unless the context or use clearly indicates another or different meaning:

“*Additional Deposits*” shall have the meaning set forth in Section 2.02(D) hereof.

“*Agreement*” means this Pledged Moneys Escrow Agreement, dated October 11, 2018, among the Village, the Village Treasurer and the Escrow Agent.

“*Board*” means the President and Board of Trustees of the Village.

“*Bond Ordinance*” means the bond ordinance adopted by the Board on the 20th day of September, 2018, authorizing the issuance of the Bonds and the execution of this Agreement.

“*Bond Registrar*” means Amalgamated Bank of Chicago, Chicago, Illinois, as paying agent and bond registrar for the Bonds, or any successor thereto in such capacity under the Bond Ordinance.

“*Bonds*” means the \$3,900,000 General Obligation Bonds (Alternate Revenue Source), Series 2018, of the Village.

“*Business Day*” means any day other than (i) a Saturday, a Sunday or a legal holiday or (ii) a day on which banking institutions in Chicago, Illinois or New York, New York, are required or authorized by law, regulation or executive order to be closed.

“*County Clerk*” means the County Clerk of The County of DuPage, Illinois.

“*County Collector*” means the County Treasurer and *ex-officio* County Collector of The County of DuPage, Illinois.

“*Department of Revenue*” means the Illinois Department of Revenue.

“*Escrow Agent*” means Amalgamated Bank of Chicago, Chicago, Illinois, as escrow agent, not individually, but in the capacity as hereinafter described, or any successor thereto as Escrow Agent.

“*Levy Year*” means the year for which a tax will be levied, to be extended by the County Clerk during the next succeeding year, to make payments of principal of and interest on the Bonds due on July 1 of such next succeeding year and on January 1 of the following year. For example, the 2019 Levy Year refers to the year in which the Village would levy a tax which would be extended for collection by the County Clerk during calendar year 2020, and the proceeds of which would be used to make payments on the Bonds due on July 1, 2020, and January 1, 2021.

“*Payment Date*” means a date on which principal of or interest on the Bonds is due, the same being January 1 and July 1 of each year, commencing July 1, 2019.

“Permitted Investments” means any lawful investment for the funds of the Village.

“Pledged Moneys” means, together, the Sales Tax Revenues and the Pledged Taxes.

“Pledged Moneys Escrow Account” means the special account created by Section 2.01 hereof for the purpose of holding funds for the payment of principal of and interest on the Bonds, and designated as the “Village of Lombard, DuPage County, Illinois, General Obligation Bonds (Alternate Revenue Source), Series 2018, Bond Fund.”

“Pledged Taxes” means the direct, annual taxes levied by the Village in the Bond Ordinance upon all taxable property located in the Village for the purpose of paying the interest on and principal of the Bonds.

“Sales Tax Revenues” means all collections distributed to the Village from those taxes imposed by the Village pursuant to the Non-Home Rule Municipal Retailers’ Occupation Tax Act and the Non-Home Rule Municipal Service Occupation Tax Act, each as supplemented and amended from time to time or substitute taxes therefor as provided by the State or the Village in the future, the same being a portion of the revenues of the Village pledged to the payment of the Bonds.

“State” means the State of Illinois.

“State Comptroller” means the State Comptroller of the State.

“Treasurer” means the Village Treasurer.

“Valuation Date” means December 31 of each year.

“Village” means the Village of Lombard, DuPage County, Illinois.

ARTICLE II.

CREATION OF THE PLEDGED MONEYS ESCROW ACCOUNT

2.01. Establishment of the Pledged Moneys Escrow Account. The Pledged Moneys Escrow Account is hereby established with the Escrow Agent as a trust fund held for the benefit

of the owners of the Bonds pursuant to the Bond Ordinance and this Agreement, separate and segregated from all other funds and accounts of the Village. Within the Pledged Moneys Escrow Account there shall be established four subaccounts: the “*Revenue Subaccount*”, the “*Bond Payment Subaccount*”, the “*Pledged Taxes Subaccount*” and the “*Excess Revenues Subaccount*”.

2.02. *Sales Tax Revenues, Pledged Taxes and Additional Deposits.* Pursuant to the Bond Ordinance and for the purpose of providing the funds required to pay the interest on the Bonds when and as the same falls due and to pay and discharge the principal thereof at maturity, the Sales Tax Revenues, the Pledged Taxes and the Additional Deposits shall be paid to the Escrow Agent for deposit into the Pledged Moneys Escrow Account in accordance with the following procedures:

(A) *Initial Deposit*– On the date hereof, the Village has deposited \$227,211.11 with the Escrow Agent, such amount being an amount sufficient to pay the interest due on the Bonds through January 1, 2020 (the “*Initial Deposit*”). The Initial Deposit constitutes Sales Tax Revenues for purposes of this Agreement and shall be deposited into the Bond Payment Subaccount for the purpose of making such payments of interest due on the Bonds.

(B) *Sales Tax Revenues* – On the date hereof, the Village has directed the Director of the Department of Revenue and the State Comptroller to pay all of the Sales Tax Revenues to the Escrow Agent on behalf of the Village. All Sales Tax Revenues shall be deposited when received by the Escrow Agent, into the Revenue Subaccount. Beginning March 1, 2019, Sales Tax Revenues shall be retained in the Revenue Subaccount in a fractional of the principal maturing and the interest becoming due in the next Levy Year, commencing with the 2019 Levy Year with respect to the July 1, 2020,

and January 1, 2021 Payment Dates, until there shall have been accumulated in the Revenue Subaccount an amount sufficient to pay such principal of or interest, or both, of the Bonds due in the next Levy Year (the “*Next Levy Year Requirement*”). The fraction of the Sales Tax Revenues to be set aside each month in the Revenue Subaccount to satisfy the Next Levy Year Requirement shall be not less than one-tenth of the principal and interest becoming due during the next Levy Year, commencing with the 2019 Levy Year, and in the amounts set forth in *Schedule A* hereto. All Sales Tax Revenues not so set aside in such month shall be deposited into the Excess Revenues Subaccount. Not later than the Valuation Date in each year, the Escrow Agent shall transfer the Sales Tax Revenues retained in the Revenue Subaccount to the Bond Payment Subaccount, *provided, however*, that the amount so transferred shall not exceed the Next Levy Year Requirement, as set forth on *Schedule A* hereto. If the amount so transferred is sufficient to provide for the Next Levy Year Requirement, the Escrow Agent shall notify the Village Treasurer of the amount on deposit in the Bond Payment Subaccount to enable the Village to abate the Pledged Taxes levied to pay the Next Levy Year Requirement. If the amount so transferred is insufficient to pay the Next Levy Year Requirement, the Escrow Agent shall notify the Village Treasurer of the amount of such deficiency. If the Village does not make an Additional Deposit with the Escrow Agent in the amount of such deficiency on or before January 31st following the Valuation Date, then the applicable portion of the Pledged Taxes levied for the payment of the Bonds shall be extended for payment and the Village will comply with the provisions of Section 2.02(C) hereof. If the amount deposited into the Bond Payment Account on the Valuation Date in any year is sufficient to pay the Next Levy Year Requirement, then any funds on hand in the Revenue Subaccount during the period beginning on the Valuation Date and ending

on the last day of February following the Valuation Date shall be deposited into the Excess Revenue Subaccount. If the amount deposited into the Bond Payment Subaccount on such Valuation Date is insufficient to pay the Next Levy Year Requirement, then any such funds on hand in the Revenue Subaccount during the period beginning on the Valuation Date and ending on the last day of February following the Valuation Date shall be deposited into the Bond Payment Subaccount until the amount on hand in the Bond Payment Subaccount is sufficient to pay the Next Levy Year Requirement, after which any funds on hand in the Revenue Subaccount during such period shall be deposited into the Excess Revenue Subaccount.

(C) *Pledged Taxes* – In the event that the Pledged Taxes levied by the Village for the payment of the Bonds are extended for collection by the County Clerk in any year, the Treasurer shall, no later than January 31st, deliver to the County Collector and to the Escrow Agent a Segregation Order specifying the percentage of each distribution to be received during such year which is attributable to the Pledged Taxes and directing that such percentage of each such distribution be segregated and paid to the Escrow Agent. Promptly upon receipt of such property taxes for distribution, the County Collector shall segregate and pay directly to the Escrow Agent for deposit in the Pledged Taxes Subaccount an amount equal to the amount of such distribution multiplied by the percentage specified in the Segregation Order. Such amounts received by the Escrow Agent shall be deposited directly to the Pledged Taxes Subaccount. The Segregation Order shall be in the form and contain the substance as required by the County Collector at the time such Segregation Order is filed.

(D) *Additional Deposits* – The Village may make additional deposits from other moneys of the Village, including the net revenues of the waterworks and sewerage

system of the Village, which revenues are also pledged to the payment of the Bonds (“*Additional Deposits*”), into the Escrow Account pursuant to Section 2.02(B) or pursuant to this Section 2.02(D). As set forth in Section 2.02(B), if, following a Valuation Date, the amount on hand in the Bond Payment Subaccount is insufficient to provide for the respective Next Levy Year Requirement as set forth in *Schedule A* hereto, the Village may make an Additional Deposit at any time prior to the January 31st immediately following such Valuation Date into the Bond Payment Subaccount in an amount not to exceed the deficiency between the Next Levy Year Requirement and the amount on hand in the Bond Payment Subaccount. In addition, in the event that sufficient moneys are not on deposit in the Bond Payment Subaccount to make any required principal or interest payment on the Bonds when due, then an Additional Deposit may be paid to the Escrow Agent for deposit therein not less than four (4) Business Days before such principal or interest is due, in an amount sufficient to provide for the full and timely payment thereof. If the Treasurer makes an Additional Deposit because the Sales Tax Revenues or the Pledged Taxes have not been received by the Escrow Agent in time to pay principal of or interest on the Bonds when due, and if such Sales Tax Revenues or Pledged Taxes are received later and deposited into the Pledged Moneys Escrow Account, the Escrow Agent shall reimburse the Treasurer from such Sales Tax Revenues or Pledged Taxes in the amount of such Additional Deposit upon its written request.

If, in any year that Pledged Taxes are to be paid to the Escrow Agent pursuant to paragraph (C) above, the Treasurer shall fail to issue a direction for the segregation of such taxes by January 31st, the County Collector shall pay directly to the Escrow Agent, for deposit to the Pledged Taxes Account, all taxes received for the Village during such year on a pro rata basis

based upon the percentage that the Pledged Taxes bears to the total aggregate amount of property taxes extended for collection for the Village until and so long as either (i) the Treasurer issues a direction for segregation of taxes to the County Collector with respect to the Bonds or (ii) all amounts necessary to pay the principal of and interest on the Bonds from the taxes collected in such year have been paid to the Escrow Agent.

Such segregations, payments and deposits shall continue during each year, but only until and so long as an amount has been so deposited which, together with all moneys on deposit in the Pledged Moneys Escrow Account, is sufficient to pay the principal of and interest on the Bonds becoming due on July 1 of the calendar year of such deposit and January 1 of the next succeeding calendar year, and so long as amounts on deposit in the Pledged Moneys Escrow Account are sufficient to pay such principal and interest, no further deposits shall be required during such year.

2.03. Release of Monies in Excess Revenues Subaccount. Amounts deposited into the Excess Revenues Subaccount shall be free and clear of the lien of Bondholders described in 3.01 hereof and shall promptly be paid to the Village monthly in accordance with the following instructions:

[Wire instructions to be provided]

Such instructions may be changed only upon the written direction of the Village to the Escrow Agent.

ARTICLE III.

OPERATION OF THE PLEDGED MONEYS ESCROW ACCOUNT

3.01. Amounts Held in the Pledged Moneys Escrow Account. Moneys deposited into the Bond Payment Subaccount shall be used for the purpose of paying principal of and interest on the Bonds and shall not be used for any other purpose (other than making the reimbursements

authorized by Section 2.02, making the payments to the Village of monies deposited into the Excess Revenues Subaccount, and making investments permitted by Section 3.03 hereof) so long as any of the Bonds remain outstanding. The registered owners of the Bonds shall have a first and prior lien upon the moneys deposited into the Bond Payment Subaccount pursuant to Section 2.02 hereof and upon all present and future proceeds of the Sales Tax Revenues, the Pledged Taxes and Additional Deposits when deposited into the Pledged Moneys Escrow Account until the principal of and interest on the Bonds is paid in full, the Bonds are no longer deemed outstanding, or such proceeds are withdrawn or removed from the Pledged Moneys Escrow Account pursuant to this Agreement.

3.02. Payment of the Bonds. On each principal maturity or interest payment date on the Bonds, the Escrow Agent shall withdraw (i) first from the Pledged Taxes Subaccount and (ii) second from the Bond Payment Subaccount such amounts as are necessary for the purpose of paying all principal of and interest on the Bonds coming due on such date and shall transfer such amounts to the Bond Registrar. All transfers of money to the Bond Registrar shall be in immediately available funds. The remittance by the Escrow Agent of such moneys to the Bond Registrar shall fully release and discharge the Escrow Agent from any further duty or obligation with respect thereto under this Agreement. The Escrow Agent is authorized to liquidate any investments in the Pledged Moneys Escrow Account in order to make moneys available to make such transfers.

3.03. Investment of Moneys in the Pledged Moneys Escrow Account. Pending the need for the moneys deposited and to be deposited into the Pledged Moneys Escrow Account to be used for payment of principal of and interest on the Bonds, said moneys may be invested by the Escrow Agent in Permitted Investments only in accordance with the directions of the Treasurer or other authorized officer of the Village which may be received or given by facsimile

transmission but shall always be confirmed in writing as hereinafter specified. Investments shall be scheduled to come due to meet maturing principal and interest payments on the Bonds when due.

The Escrow Agent shall report on the status of the Pledged Moneys Escrow Account on a monthly basis, pursuant to Section 3.04 hereof. Distributions of net earnings on Permitted Investments shall be held for the payment of the next interest or principal due on the Bonds, until sufficient moneys are on deposit in the Bond Payment Subaccount to make such next payment, and thereupon, but only upon request and written direction of the Treasurer accompanied by a resolution of the Board so directing, may be transferred to the Treasurer for deposit in the fund as specified by the Board.

3.04. Monthly Reports. The Escrow Agent will submit to the Treasurer on or before the 10th day of each month, commencing in the month of October 2018, a statement, as of the last day of the immediately preceding month, itemizing all moneys received by it and all payments made by it under the provisions of this Agreement during the one-month period ending on such last day of the preceding month, and also listing the Permitted Investments on deposit therewith on the date of said report, including all moneys held by it received as interest on the Permitted Investments.

3.05. Sufficiency Reports; Payment. The Treasurer will advise or cause the Bond Registrar to advise the Escrow Agent at least forty-five (45) days prior to any principal or interest payment date of the amount of principal and/or interest due on the Bonds on such payment date. If it shall then appear to the Escrow Agent that the total funds in the Bond Payment Subaccount and the Pledged Taxes Subaccount, including deposits therein, investments and earnings on investments, will not be sufficient to make any payment due to the registered owners of any of the Bonds on such payment date, the Escrow Agent shall notify the Treasurer

not less than thirty (30) days prior to such date and the Treasurer shall make deposits therein pursuant to Section 2.02(D) hereof.

3.06. *Payment of Fees.* The fees of the Escrow Agent and the Bond Registrar shall be paid by the Village from funds other than those deposited hereunder.

ARTICLE IV.

COVENANTS

The Village, the Escrow Agent and the Treasurer covenant and agree as follows:

4.01. *Exculpation of Escrow Agent.* The Escrow Agent shall have no responsibility or liability whatsoever for (a) any of the recitals herein (except those relating to its own organization); (b) the performance of or compliance with any covenant, condition, term or provision of the Bonds or the Bond Ordinance; and (c) any undertaking or statement of the Village or the Treasurer hereunder or under the Bonds or the Bond Ordinance. The Escrow Agent is not a trustee for the Bondholders and has no obligation in its capacity as Escrow Agent to enforce the rights of the registered owners of the Bonds under this Agreement or the Bond Ordinance.

4.02. *Powers and Duties, Costs.* The Escrow Agent has all the powers and duties herein set forth with no liability in connection with any act or omission to act hereunder, except for its own negligence or willful misconduct, and shall be under no obligation to institute any suit or action or other proceeding under this Agreement or to enter any appearance in any suit, action or proceeding in which it may be a defendant or to take any steps in the enforcement of its, or any, rights and powers hereunder, nor shall it be deemed to have failed to take any such action, unless and until it shall have been indemnified by the Village to its satisfaction against any and all costs and expenses, outlays, counsel fees and other disbursements, including its own reasonable fees (provided notice is given to the Village of such costs and outlays within a reasonable time after

they are incurred), and if any judgment, decree or recovery be obtained by the Escrow Agent, payment of all sums due it, as aforesaid, shall be a first charge against the amount of any such judgment, decree or recovery.

4.03. *Buy and Sell Bonds, Investments.* The Escrow Agent, in its separate capacity as a banking institution, may in good faith buy, sell or hold and deal in any of the Bonds and may also, at the direction of the Treasurer as provided in Section 3.03 hereof, invest for the Pledged Moneys Escrow Account in certificates of deposit issued by itself if such qualify as Permitted Investments and in other Permitted Investments purchased from itself.

4.04. *Act upon this Agreement.* All payments to be made by, and all acts, and things required to be done by, the Escrow Agent under the terms and provisions of this Agreement, shall be made and done by the Escrow Agent without any further direction or authority of the Village or the Treasurer except as expressly provided herein.

4.05. *Act upon Notices or Orders.* The Escrow Agent is authorized, in its sole discretion, to disregard any and all notices or instructions given by the Village, the Treasurer or any other person, firm or corporation, except (i) only such notices or instructions as are hereinabove specifically provided for and (ii) orders or process of any court having jurisdiction duly entered or issued. If any property subject hereto is at any time attached, garnished, or levied upon under any court order or in case the payment, assignment, transfer, conveyance or delivery of any such property shall be stayed or enjoined by any court order, or in case any order, judgment or decree shall be made or entered by any court affecting such property or any part thereof, then, and in any of such events the Escrow Agent is authorized, in its discretion, to rely upon and comply with any such order, writ, judgment or decree which it is advised by legal counsel of its own choosing is binding upon it; and if it complies with any such order, writ, judgment or decree it shall not be liable to any of the parties hereto or to any other person, firm or corporation by

reason of such compliance even though such order, writ, judgment or decree may be subsequently reversed, modified, annulled, set aside or vacated.

4.06. *Good Faith Actions.* Absent negligence or willful misconduct of the Escrow Agent, the Escrow Agent shall not be personally liable for any act taken or omitted hereunder if taken or omitted by it in good faith and in the exercise of its own best judgment. The Escrow Agent shall also be fully protected in relying upon any written notice, demand, certificate or document which it in good faith believes to be genuine.

4.07. *Further Exculpation.* The Escrow Agent shall not be responsible for the sufficiency or accuracy of the form, execution, validity or genuineness of any securities now or hereafter deposited hereunder, or of any endorsement thereon, or for any lack of endorsement thereon, or for any description therein, nor shall it be responsible or liable in any respect on account of the identity, authority or rights of the persons executing or delivering or purporting to execute or deliver any such document, security or endorsement or this Agreement. The Escrow Agent shall not be liable for any depreciation or change in the value of any investments.

4.08. *Consult with Counsel.* If the Escrow Agent reasonably believes it to be necessary to consult with counsel concerning any of its duties in connection with this Agreement, or in case it becomes involved in litigation on account of being Escrow Agent hereunder or on account of having received property subject hereto, then in either case, its costs, expenses, and reasonable attorneys' fees shall be paid by the Village, and upon timely notice thereof having been given.

4.09. *Authorization.* Each of the parties hereto covenants, represents and warrants that it has all powers necessary under the applicable statutes, regulations and rulings and its governing body has taken all action necessary to authorize it to enter into this Agreement, and that the signatories to this Agreement on its behalf have been duly authorized to sign this Agreement on its behalf.

4.10. *Illinois Law.* This Agreement shall be construed, enforced, and administered in accordance with the laws of the State, and shall inure to, and be binding upon, the respective successors and assigns of the parties hereto.

ARTICLE V.

NOTICES

5.01. *Village.* All notices and communications to the Village shall be addressed in writing to:

Village Clerk
Village of Lombard
255 East Wilson Avenue
Lombard, Illinois 60148-3969

5.02. *Escrow Agent.* All notices and communications to the Escrow Agent shall be addressed in writing to:

Amalgamated Bank of Chicago
Corporate Trust Services
30 N. LaSalle Street, 38th Floor
Chicago, Illinois 60602

5.03. *Treasurer.* All notices and communications to the Treasurer shall be addressed in writing to:

Village Treasurer
Village of Lombard
255 East Wilson Avenue
Lombard, Illinois 60148-3969

Notices shall not be deemed to be given until actually received, in the case of the Village, by the Village Clerk at the Village offices (the address hereinabove noted); in the case of the Escrow Agent, by an officer in its trust department or other trust department employee administering the Pledged Moneys Escrow Account; and in the case of the Treasurer, by the Treasurer or a designated agent of the Treasurer. The Escrow Agent shall at all times keep the

Village informed as to the names of its officers and other employees who are directly involved in the administration of the Pledged Moneys Escrow Account. Whenever under the terms hereof the time for giving a notice or performing an act falls upon a Saturday, Sunday or holiday, such time shall be extended to the next Business Day.

ARTICLE VI.

RESIGNATION OR REMOVAL OF THE ESCROW AGENT

The Escrow Agent may at any time resign as Escrow Agent under this Agreement by giving thirty (30) days written notice to the Village, and such resignation shall take effect upon the appointment of a successor Escrow Agent by the Village. The Village may select as successor Escrow Agent any financial institution located within the State, which is authorized to maintain trust accounts for Illinois corporations under Federal or State law.

If at any time the Escrow Agent is no longer legally authorized or qualified (by reason of any Federal or State law or any other law or regulation) to act as Escrow Agent hereunder, then the Village may remove the Escrow Agent and may select as successor Escrow Agent any financial institution located within the State, which is authorized to maintain trust accounts for Illinois corporations under Federal or State law.

ARTICLE VII.

ALTERATION AND TERMINATION OF AGREEMENT

The Village, the Escrow Agent and the Treasurer may change and alter the terms of this Agreement for the following purposes:

(a) to correct errors, clarify ambiguities or insert inadvertently omitted material;
or

(b) to alter the procedures of Article II of this Agreement and definitions pertaining thereto necessitated by changes in State law and procedures thereunder with respect to the collection and distribution of the Pledged Moneys;

provided, however, that such changes and alterations shall not materially affect the protections provided by this Agreement to the holders of the Bonds.

This Agreement shall be binding on any successor to the Board and the Treasurer during the term of this Agreement.

When the principal of and interest on the Bonds is paid in full or the Bonds are no longer deemed outstanding, the Escrow Agent will transfer any balance remaining in the Pledged Moneys Escrow Account to the Treasurer with due notice thereof given the Village, and thereupon this Agreement shall terminate.

ARTICLE VIII.

EXECUTION IN COUNTERPARTS

This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Village has caused this Agreement to be executed by the President of the Village and attested by the Village Clerk, the Treasurer has caused this Agreement to be executed by his official signature, and the Escrow Agent, not individually, but in the capacity as hereinabove described, has caused this Agreement to be executed in its corporate name by one of its officers and to be attested by one of its officers under its corporate seal hereunto affixed, all as of the date first above written.

VILLAGE OF LOMBARD, DUPAGE COUNTY,
ILLINOIS

President of the Village

Attest:

Village Clerk

AMALGAMATED BANK OF CHICAGO
Chicago, Illinois

By _____
Its _____

Attest:

By _____
Its _____

[BANK SEAL]

Village Treasurer

SCHEDULE A

SCHEDULE OF SALES TAX REVENUES RETAINED IN REVENUE SUBACCOUNT PURSUANT TO SECTION 2.02(B)

LEVY YEAR AND MONTHS OF RETENTION	PRINCIPAL AND INTEREST DUE IN SUCH LEVY YEAR	PAYMENT DATES FOR LEVY YEAR
2019 (3/19-12/19)	\$1,095,900	7/1/2020 and 1/1/2021
2020 (3/20-12/20)	1,099,500	7/1/2021 and 1/1/2022
2021 (3/21-12/21)	1,102,000	7/1/2022 and 1/1/2023
2022 (3/22-12/22)	1,092,000	7/1/2023 and 1/1/2024