

**Village of Libertyville, IL**  
*spirit of independence*

# POPULAR ANNUAL FINANCIAL REPORT

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FOR THE FISCAL YEAR ENDED  
APRIL 30, 2022





## Contents

Village Government	<b>1</b>
Village Revenues	<b>4</b>
Village Expenses	<b>5</b>
Financial Statements	<b>6</b>
General Fund Snapshot	<b>8</b>
Pension Obligations	<b>9</b>
Financial Policies	<b>10</b>
Property Taxes	<b>11</b>
Non-Home Rule Sales Tax	<b>12</b>
Major Initiatives	<b>13</b>
A Message from Your Finance Department	<b>14</b>

August 31, 2022

Citizens of Libertyville,

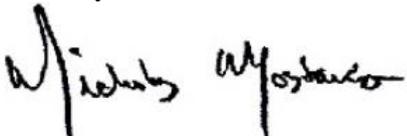
The Village of Libertyville is pleased to present the Village's first Popular Annual Financial Report (PAFR) for the fiscal year ended April 30, 2022. This report provides a brief overview and analysis of the Village's results for the most recent fiscal year, including information on the Village's funding sources (revenues), and how those dollars are spent (expenses), as well as pertinent trends in the local economy.

The information in this report is derived from the Village's 2022 Annual Comprehensive Financial Report (ACFR), which represents the Village's official annual audited financial statements. The Village's financial statements received a favorable (clean) audit opinion from the Village's independent auditors, affirming that the Village's financial statements are fairly presented in all material respects, and in conformity with Generally Accepted Accounting Principles (GAAP).

The Government Finance Officers Association (GFOA) administers the PAFR award program. This prestigious, national award recognizes participating local governments for conforming to the program's standards of creativity, presentation and usefulness to the reader. The Village intends to submit this document to the GFOA for consideration of a PAFR award.

We hope that you find this report insightful and a means of greater understanding of the Village's financial condition. If you have any questions or comments regarding this document, or any Village report, please contact me directly at [nmostardo@libertyville.com](mailto:nmostardo@libertyville.com).

Sincerely,



**Nicholas A. Mostardo**  
Director of Finance

**The Village of Libertyville, incorporated in 1882, is located in Lake County and lies approximately thirty-five miles north of the City of Chicago and seven miles west of Lake Michigan.**



The Village provides a full range of services, including building and zoning, code enforcement, maintenance of streets, bridges and sewers, police, fire protection and paramedic services, parks and recreation, water distribution and waste water transmission and treatment.

The Village is governed by a Mayor and Board of six trustees. Policy making and legislative authority are vested in the Village Board. The Village Board is responsible for passing ordinances, adopting the budget, appointing committees and appointing the Village Administrator, Village Attorney, and certain department heads. The Village Administrator is responsible for carrying out the policies and ordinances of the Village Board and for overseeing the day to day operations of the Village. The Mayor and Village Board are elected at large on a non-partisan basis to four year staggered terms.

Village of Libertyville Fast Facts	
<b>Population (U.S. Census Bureau)</b>	20,579
<b>Per Capita Personal Income</b>	\$72,487
<b>Fiscal Year 2022 Expenses</b>	\$46.98 Million
<b>Fiscal Year 2022 Revenues</b>	\$59.12 Million
<b>Total Taxable Assessed Value (2021 Levy)</b>	\$1,276,670,658
<b># of Full-Time Equivalent Employees</b>	153

**Mayor & Village Board**



**Donna Johnson  
Mayor**



**Scott Adams**



**Peter Garrity**



**Matthew Hickey**



**Matthew Krummick**



**Dan Love**



**James Connell**

**LEGISLATIVE**

Village President	Donna Johnson
Village Clerk	Luke Stowe
Village Attorney	Hart M. Passman

**BOARD OF TRUSTEES**

Scott Adams	Peter Garrity
Matthew Hickey	Matthew Krummick
Dan Love	James Connell

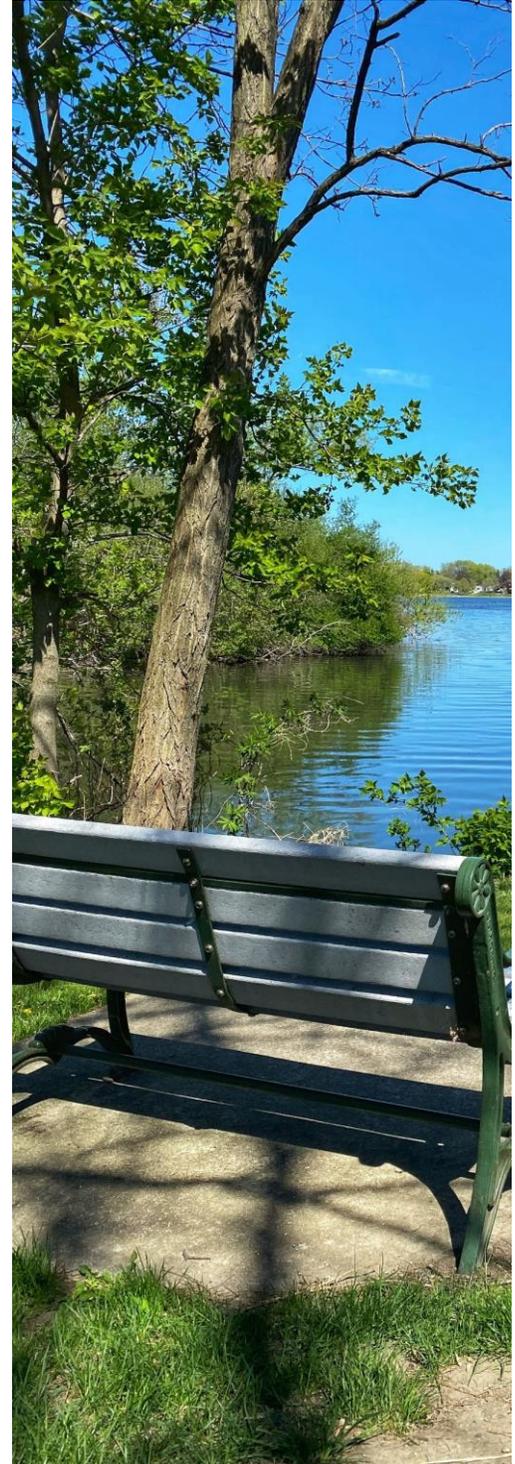
**ADMINISTRATIVE**

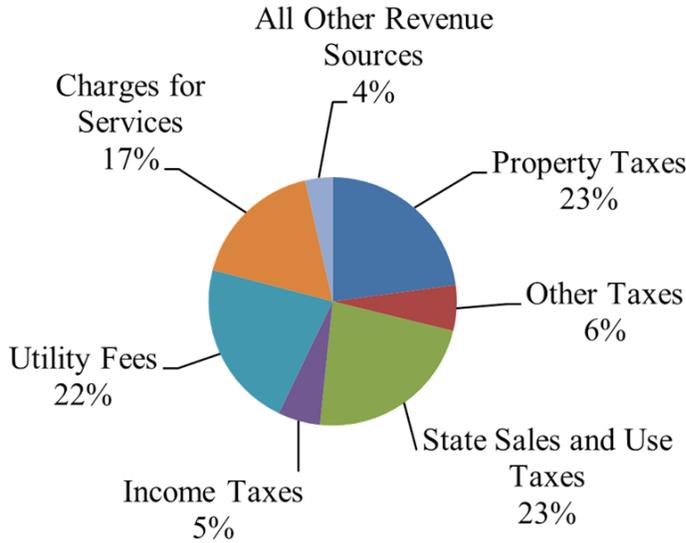
Village Administrator	Kelly A. Amidei
Deputy Village Administrator	Ashley R. Engelmann
Director of Finance/Treasurer	Nicholas A. Mostardo
Director of Public Works	Paul K. Kendzoir
Community Development	John P. Spoden
Chief of Police	Edmondo Roncone
Fire Chief	Richard Carani
Director of Recreation	Margaret Resnick

## Local Economy

The Village of Libertyville, incorporated in 1882, is located in Lake County and lies approximately thirty-five miles north of the City of Chicago and seven miles west of Lake Michigan. The Village covers an area of approximately nine square miles with unincorporated areas to the north and northwest. The Village has good transportation links to the Chicago metropolitan area and the interstate highway system. The Village is within one-half mile of Interstate 94 (Tri-State Tollway), the highway which connects the Chicago metropolitan area to Milwaukee. Located within commuting distance of Chicago, the Village has experienced robust growth in taxable valuation and new residential, commercial, and industrial construction.

The population of Libertyville doubled in the 70's and has remained fairly stable since then with the 2020 census showing 20,579 residents. Socioeconomic indices highlight the affluent character of the community with home values averaging \$450,300 compared with the Lake County median of \$271,100. The per capita income is \$72,487, as compared to Lake County's \$47,223. Although much of the Village is developed, there is open space bordering the corporate limits with the potential for further development. Due to the strong local economy, the Village of Libertyville has an Aa2 rating from Moody's Investors Service.





The Village’s revenue base continues to be diversified with only 23% originating from property taxes.

**FY 2021-2022 Revenues: \$59,119,905**

**Property Taxes**

Taxes collected from property owners based upon assessed valuation and tax rate (includes the police and firefighters’ pension funds). \$ 13,531,724

**Other Taxes**

Taxes collected for utilities, hotel/motel, replacement, and other miscellaneous 3,506,544

**Sales and Use Taxes**

Sales tax is imposed on a seller’s receipts from sales of tangible personal property for use or consumption. 13,494,370

**Income Taxes**

The Village receives a portion of the state income tax receipts based on a per-capita basis. 3,251,812

**Utility Fees**

The Village provides water, sewer and stormwater sewer services. Each component has a separately determined user fee and funding mechanism. 12,960,889

**Charges for Services**

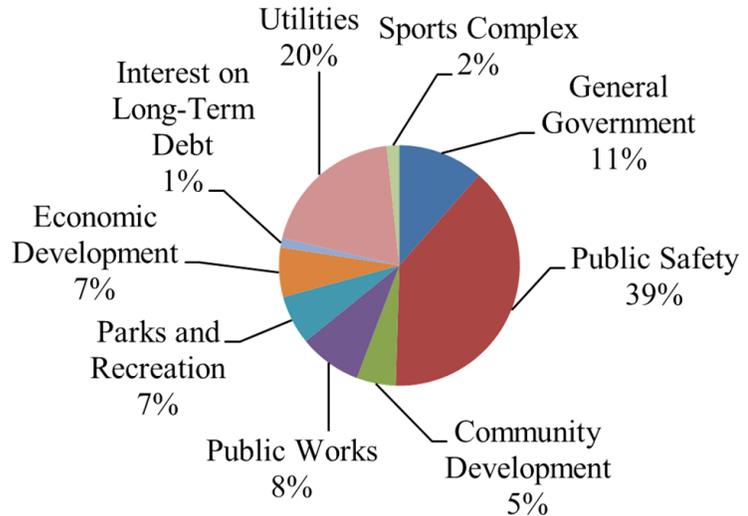
Includes fire protection fees, ambulance fees, recreation fees, cable franchise fees, and other miscellaneous charges for services. 10,258,254

**All Other Revenue Sources**

Includes telecom infrastructure fees, fines and forfeits, interest income, miscellaneous revenue and operating/capital grants. 2,116,312

**Total** \$ 59,119,905

39% of the Village’s expenses are related to the provision of public safety services.



**FY 2021-2022 Expenses: \$46,984,106**

**General Government**

Includes general administrative services (legislative, administration and finance, legal, public building, community activities, parking, etc). \$ (5,400,241)

**Public Safety**

Includes police and fire services (nearly 36% of total are police and fire pension expenses). 18,321,868

**Community Development**

Includes planning, building services, and general economic development. 2,472,942

**Public Works**

Includes engineering, highways and streets, snow and ice control, special service area services, and refuse and recycling. 3,950,693

**Parks and Recreation**

Includes parks, recreation, and swimming pool services. 3,103,809

**Economic Development**

Includes services related to the operation of the Village's TIF District. 3,125,630

**Interest on Long-Term Debt**

Includes interest costs on all Village governmental long-term debt, including general obligation bonds and TIF notes. 597,974

**Utilities**

Includes water works, sewage and stormwater services. 9,211,226

**Sports Complex**

Includes all services related to the operation of the Village’s sports complex. 799,723

**Total**

**\$ 46,984,106**

## Village Financial Data

The tables on the next page are condensed forms of the financial statements within the Annual Comprehensive Financial Report. The Village's Annual Comprehensive Financial Report contains very detailed information and data.

The Annual Comprehensive Financial Report should be read in conjunction with this PAFR. Interested users may obtain a complete copy by visiting the Village's website at [www.libertyville.com](http://www.libertyville.com). The PAFR is consistent with Generally Accepted Accounting Principles, however, it is not intended to function as a complete set of financial statements.

The Statement of Net Position (the Village's Balance Sheet) and Statement of Activities (the Village's Income Statement) are divided between governmental and business-type activities to distinguish functions of the Village which are principally supported by taxes and intergovernmental revenues (governmental activities) from those functions which are intended to recover all or a significant portion of their costs through user-fees and charges (business-type activities). The governmental activities include general government, community development, public safety, public works, parks and recreation, and economic development. The business-type activities include utilities and sports center operations.

The Statement of Net Position presents information on all Village assets and liabilities, 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 is improving or deteriorating. The Village reports restricted net position of \$2,981,650 on April 30, 2022, which is legally restricted external purposes. The Village's investment in capital assets (net of debt used to purchase such assets) amounts to \$162,235,894 on April 30, 2022.



<b>Village Statement of Net Position</b>			
	<b>2022</b>	<b>2021</b>	<b>2020</b>
<b>Current Assets, Other Assets and Deferred Outflows</b>	\$ 70,726,149	57,330,061	57,783,074
<b>Capital Assets</b>	201,511,904	206,161,391	204,652,832
<b>Total Assets/Deferred Outflows</b>	<u>272,238,053</u>	<u>263,491,452</u>	<u>262,435,906</u>
<b>Current Liabilities and Deferred Inflows</b>	33,208,283	39,811,245	29,499,772
<b>Noncurrent Liabilities</b>	87,257,768	84,044,004	104,090,297
<b>Total Liabilities and Deferred Inflows</b>	<u>120,466,051</u>	<u>123,855,249</u>	<u>133,590,069</u>
<b>Net position</b>			
<b>Net Investment in Capital Assets</b>	162,235,894	160,693,371	159,256,256
<b>Restricted</b>	2,981,650	2,339,531	2,019,235
<b>Unrestricted (Deficit)</b>	(13,445,542)	(23,396,699)	(32,429,654)
<b>Total Net Position</b>	<u>151,772,002</u>	<u>139,636,203</u>	<u>128,845,837</u>

The Statement of Revenues, Expenses and Changes in Net Position below summarizes the reasons behind the change in the Village's net position. Revenues include program revenues (charges for services and grants that directly relate to the provision of certain Village services) and general revenues (majority of which are property taxes and state shared revenues).

	<b>Village Changes in Net Position</b>			<b>% Change from 2020-2022</b>
	<b>2022</b>	<b>2021</b>	<b>2020</b>	
<b>Revenues</b>	\$ 59,119,905	\$ 52,765,071	\$ 50,855,192	16.3%
<b>Expenses</b>	46,984,106	41,974,705	50,923,708	(7.7%)
<b>Change in Net Position</b>	12,135,799	10,790,366	(68,516)	307%
<b>Net Position - Beginning</b>	139,636,203	128,845,837	128,914,353	8.3%
<b>Net Position - Ending</b>	<u>\$151,772,002</u>	<u>\$ 139,636,203</u>	<u>\$ 128,845,837</u>	17.8%

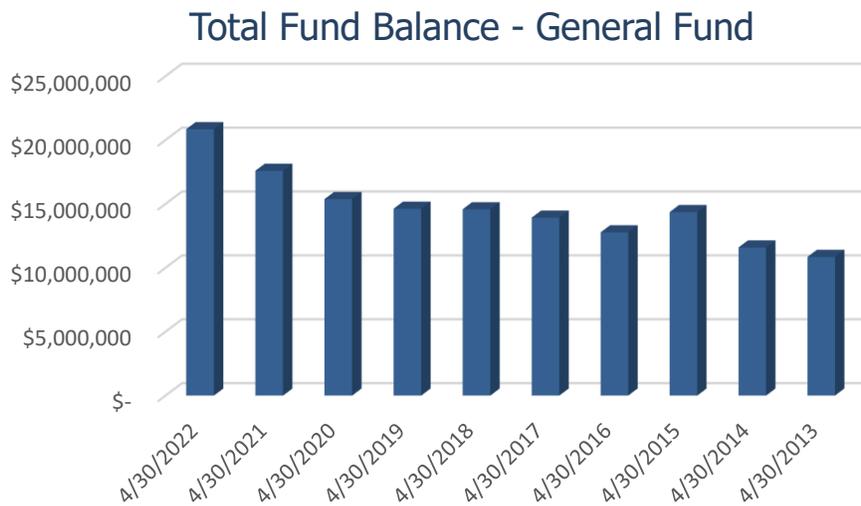
The General Fund is the chief operating fund of the Village. As of April 30, 2022, unassigned (available) fund balance in the General Fund was \$16,029,421, with total fund balance reaching \$20,851,306 as of April 30, 2022. The variation between the two amounts is attributable to prepaids, statutorily restricted funds, and insurance deposits.

As a measure of the General Fund’s liquidity, it is useful to compare unassigned fund balance to total General Fund expenditures. Unassigned fund balance represents 57.7% of total General Fund expenditures at April 30, 2022, or just over a six-month reserve to meet future operating needs of the fund.

The Village continues its long-standing practice of budgeting revenues conservatively, while assuming that 100% of the expense budget will be spent. This prudent practice has led to a healthy General Fund fund balance which complies with the Village’s Fund Balance Policy.

Fiscal Year End	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Fund Fund Balance (in millions)	\$20.9*	\$17.6	\$15.4	\$14.6	\$14.6	\$13.9	\$12.8	\$14.4	\$11.6	\$10.9

\* Unassigned fund balance totals \$16.0 million



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. The pension plans are established by State Statute, and benefits and funding requirements for each of the plans are also dictated by State Statute and provide for retirement, disability and death benefits for plan participants.

In December of 2010, the Illinois General Assembly approved pension reform legislation that requires the Village's pension plans to be 90% funded by the year 2040. Employee contributions to the IMRF, Police Pension and Fire Pension plans are based on a percentage of pensionable base salary, and are 4.50%, 9.91% and 9.455%, respectively. The Village is responsible to contribute amounts that vary each year based on the funding requirements calculated by independent actuaries for each of the plans. The Village endeavors each year to contribute the Police and Fire pensions funds an amount that exceeds the State minimum contribution. The funding goal for both funds is 100% funded by 2040.




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### Police Pension Fast Facts

Total Assets - \$40,484,834  
 Total Pension Liability - \$64,364,259  
 Percent Funded – 62.90%

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### Fire Pension Fast Facts

Total Assets - \$36,779,836  
 Total Pension Liability - \$53,702,732  
 Percent Funded – 68.49%

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### IMRF Pension Fast Facts

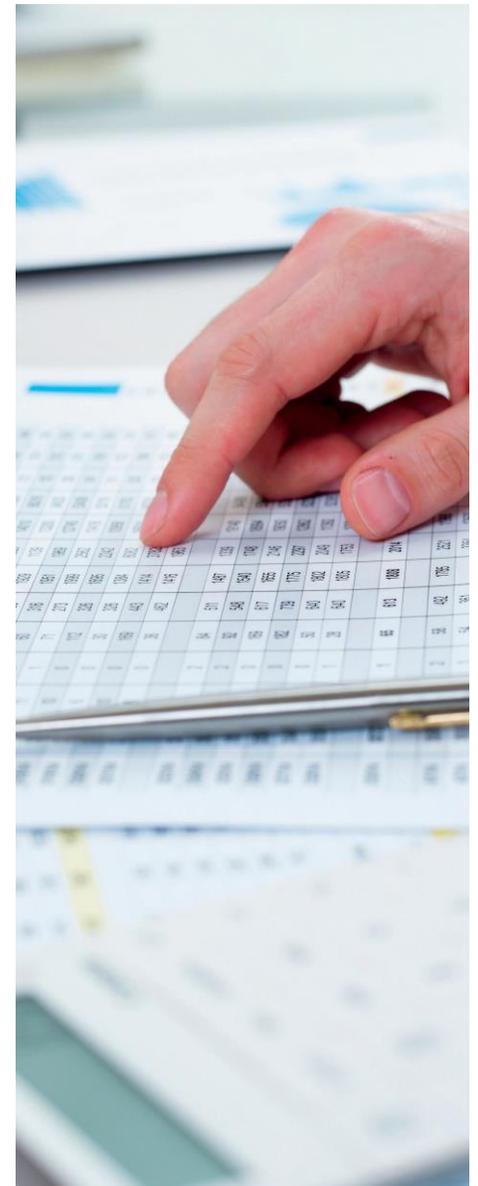
Total Assets - \$59,983,780  
 Total Pension Liability - \$56,284,465  
 Percent Funded – 106.57%



## Financial Health and Long - Term Financial Planning

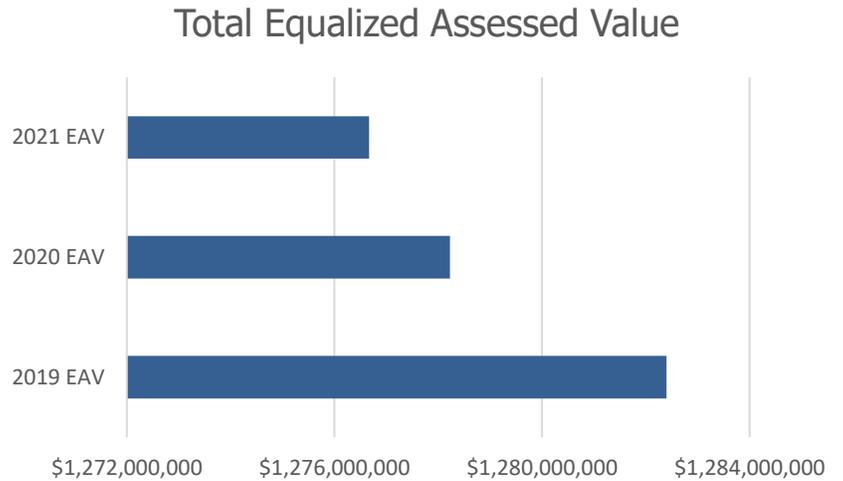
In order to ensure that the Village continues to meet its immediate and long-term service goals, the Village operates under a number of financial policies. Some of the Village's most significant financial policies are outlined below:

- The Village of Libertyville's operating priorities are focused on five main areas: financial sustainability, infrastructure sustainability, maintaining Libertyville's hometown feel, economic development and redevelopment, and workforce management and sustainability. Future projects to advance these initiatives include, but are not limited to, analysis of opportunities for shared services and joint bidding, further refinement of the Village's capital plan, and financial analysis and evaluation of various programs and services.
- The Village has adopted a Revenue Policy which strives to maintain a diversified and stable revenue stream. While sales tax remittances and property taxes constitute a plurality of General Fund revenues, the Village relies on other significant sources of revenue such as service charges (i.e. building permits, recreation user fees) and long-term contracts (i.e. Libertyville Fire Protection District, school district police protection). The Village Board endeavors to maintain a high service level for residents and businesses while controlling costs.
- The Village has a Fund Balance Policy which stipulates the minimum fund balance in the General Fund while providing guidelines in the form of target balances for the other funds. During FY 2021-2022, the General Fund unrestricted fund balance grew by \$2,520,475, ending in excess of the Fund Balance Policy requirement.



### Where Do My Property Taxes Go?

- Village – 9%
- Schools – 72%
- County – 8%
- Township – Less than 1%
- Library – 4%
- Other Governments – 7%



Property tax bills paid by residents and businesses are divided amongst several taxing districts, including the County, Township, Library, Schools and other taxing districts.

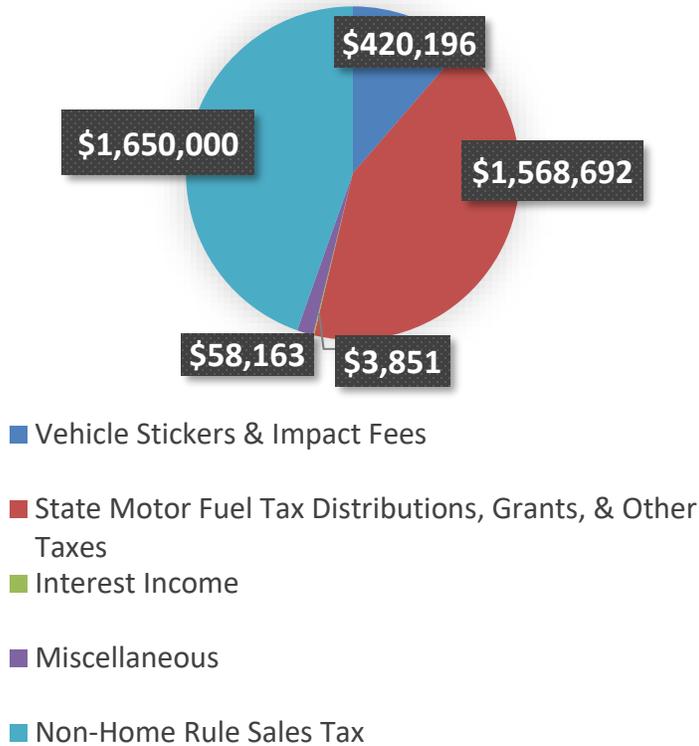
#### 2021 Property Tax Rate Fast Facts

Village Levy Tax Rate – 0.6942

Total Tax Rate – 7.8758

Village’s Share of Total Tax Rate – 9%

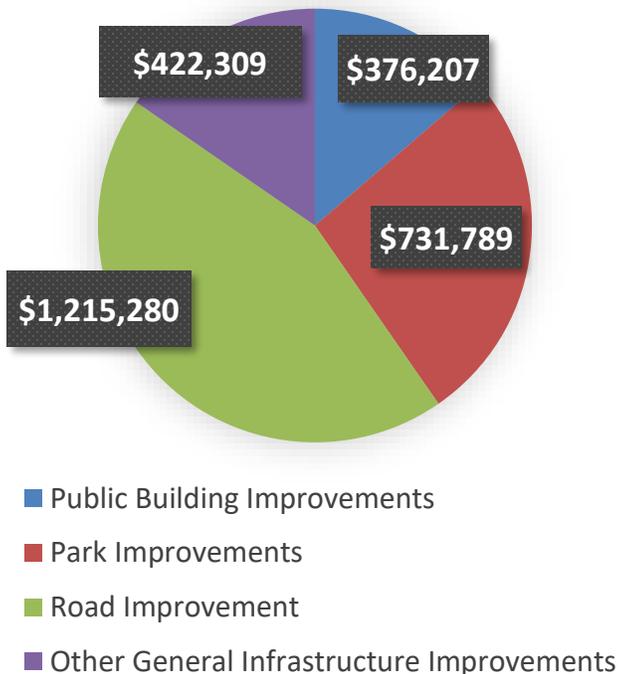
**Capital Improvement Revenues**



Recognizing a funding deficiency for the improvement of the Village’s general capital infrastructure, in 2020 the Village Board asked the citizens of the Village of Libertyville for authority to impose a 1.0% Non-Home Rule Sales Tax. A referendum held on March 17, 2020 overwhelmingly approved this initiative and the Village began to collect the new sales tax on July 1, 2020. Revenues from the Non-Home Rule Sales Tax have greatly enhanced the Village’s ability to make recurring capital improvements to assets such as streets, sidewalks, parks, parking lots, facilities, and information technology. Fiscal Year 2021-2022 recognized a full year of Non-Home Rule Sales Tax revenues totaling \$3,506,319. These revenues are accounted for in a segregated special revenue fund to promote transparency, as directed by the Village Board.

In Fiscal Year 2021-2022, the Village transferred \$1,650,000 from this special revenue fund to offset the cost of a number of capital projects that were identified in the Village’s 2019 Capital Improvement Plan. General capital spending (not including internal service or utility systems) in FY 2021-2022 totaled \$2,745,585. Beyond the considerable support provided by the Non-Home Rule Sales Tax, general infrastructure capital projects were also funded by grants, motor fuel taxes, and vehicle licenses.

**Capital Improvement Expenditures**



Every year during the month of November, the Village Board meets to discuss the annual update to the five-year financial plan which highlights the revenue and expenditure projections for the current fiscal year along with four future years. This plan is then used during the annual budget development process. The five-year plan focuses on the Village's operating funds, but also includes information on projected capital funding. During FY 2019-2020, the Village Board adopted the Village's first formal capital plan document which outlines capital needs in-depth for ten years. This plan was utilized as the basis for appropriating capital expenditures during FY 2021-2022.



One of the most significant long-term policy issues for the Village remains stormwater management. During FY 2019-2020, the Village Board adopted the Master Stormwater Management Plan. The total cost of improvements recommended by the consultant total \$45.5 million in 2018 dollars. After the adoption of the Plan, Village staff, during FY 2020-2021, engaged a consultant to develop a stormwater utility fee analysis for potential future implementation. The rate study recommended that the Village implement a stormwater utility fee based on impervious surface. The Village Board adopted this fee structure in March 2021 and the new utility fee went into effect for utility bills issued on or after September 1, 2021. The Village will issue its first series of bonds to fund the underlying projects during the summer of 2022.

In early 2020, the Village Board secured approval via referendum from Village of Libertyville voters to implement a non-home rule sales tax of one-percent (1%). The non-home rule sales tax went into effect on July 1, 2020 and the Village received its first disbursement of the tax in October 2020. The Village has accumulated \$2,139,754 of unrestricted non-home rule sales tax resources as of April 30, 2022 and typically receives monthly distributions totaling between \$250,000 - \$300,000. By Village Board resolution, these monies are dedicated to 1) Supporting the capital projects identified in the above-referenced capital improvement plan and 2) Replace a portion of General Fund operating revenue lost when the Village Board repealed the Places for Eating Tax, effective April 30, 2020.

The Village's Economic Development Manager continues to work with various property owners in order to redevelop several vacant properties within the Village. The Village Board has made this a priority for the past several years and there has been progress made on several parcels. As a subsequent event to FY 2021-2022, the Village sold the Golf Learning Center property on Route 45 and Peterson Road. The developer that purchased the property will be constructing two light industrial warehouse buildings on the site. Additionally, in FY 2021-2022 a lease commenced with a private party to operate the indoor Libertyville Sports Complex. Under the lease agreement, this private party has the ability to purchase the facility at any point during the period of their 24-month lease.



The Village of Libertyville is required to perform an audit of its finances each year. Historically, the Village has exceeded minimum reporting and disclosure standards by producing an Annual Comprehensive Financial Report. The Village's Annual Comprehensive Financial Report has been awarded a Certificate of Excellence in Financial Reporting for 29 consecutive years by the Government Finance Officers Association (GFOA). For more information on financial matters of the Village of Libertyville, please call the Finance Department at 847.362.2430.

The Village's website contains additional information, including the Village's Annual Comprehensive Financial Report, budget documents, Village Board of Trustee agendas and minutes, as well as other useful information. We hope that you find this PAFR both useful and informative. Any questions, comments or suggestions regarding this report can be directed to:

**Finance Department**

**Nicholas A. Mostardo**  
**Director of Finance/Treasurer**

**118 W Cook Avenue**  
**Libertyville, IL 60048**

**Telephone: 847.362.2430**