VILLAGE OF

LINCOLNSHIRE

Annual Comprehensive Financial Report

For the Year Ended December 31, 2021

Village of Lincolnshire, Illinois

Annual Comprehensive Financial Report

December 31, 2021

Prepared By Finance Department
Matt Rossi
Finance Director/Village Treasurer

Village of Lincolnshire

Table of Contents
December 31, 2021

	Page
Introductory Section	
Letter of Transmittal	i
Organizational Chart	viii
Principal Officials	ix
Financial Section	
Independent Auditors' Report	1
Required Supplementary Information	
Management's Discussion and Analysis	4
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	28
Statement of Activities	30
Fund Financial Statements	
Balance Sheet - Governmental Funds	31
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	32
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	33
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	34
Statement of Net Position - Proprietary Funds	35
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	37
Statement of Cash Flows - Proprietary Funds	38
Statement of Fiduciary Net Position - Fiduciary Fund	40
Statement of Changes in Fiduciary Net Position - Fiduciary Fund	41
Index to Notes to Financial Statements	42
Notes to Financial Statements	43
Required Supplementary Information	
General Corporate Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	78

	Page
Historical Pension and Other Postemployment Benefit Information	
Illinois Municipal Retirement Fund - Schedule of Changes in the Employer's Net Pension Liability and Related Ratios	79
Illinois Municipal Retirement Fund - Schedule of Employer Contributions	81
Police Pension Fund - Schedule of Changes in the Employer's Net Pension Liability and Related Ratios	83
Police Pension Fund - Schedule of Employer Contributions	85
Police Pension Fund - Schedule of Investment Returns	87
Postretirement Health Plan - Schedule of Changes in the Employer's Total OPEB Liability and Related Ratios	89
Notes to Required Supplementary Information	90
Supplementary Information	
General Corporate Fund	
Detailed Schedule of Revenues - Budget and Actual	91
Detailed Schedule of Expenditures - Budget and Actual	93
Governmental Funds	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Special Service Area Debt Service Fund	101
Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Capital Projects Fund	102
Combining Balance Sheet - Nonmajor Governmental Funds	104
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	105
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	
Motor Fuel Tax Fund	106
Fraud, Alcohol and Drug Fund	107
Park Development Capital Projects Fund	108
Enterprise Funds	
Water and Sanitary Sewer Fund	
Combining Schedule of Net Position	109
Combining Schedule of Revenues, Expenses and Changes in Net Position	110

	Page
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual	
Revenue Account	111
Improvement Account	112
Schedule of Operating Expenses - Budget and Actual	
Revenue Account	113
Improvement Account	115
Internal Service Fund	
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual	
Vehicle Maintenance and Operations Fund	116
Fiduciary Fund	
Schedule of Changes in Fiduciary Net Position - Budget and Actual	
Police Pension Fund	118
Statistical Section	
Net Position by Component	119
Change in Net Position	120
Fund Balances of Governmental Funds	122
Changes in Fund Balances of Governmental Funds	123
Principal Property Taxpayers	124
Sales Tax by Category	125
Direct and Overlapping Sales Tax Rates	126
Ratios of Outstanding Debt by Type	127
Ratios of General Bonded Outstanding	128
Direct and Overlapping Bonded Debt - Governmental Activities	129
Legal Debt Margin Information	130
Demographic and Economic Information	131
Principal Employers	132
Full-time Equivalent Employees	133
Operating Indicators	134
Capital Asset Statistics	140

VILLAGE OF
LINCOLNSHIRE

June 22, 2022

To the Mayor, Board of Trustees and Citizens of the Village of Lincolnshire:

Formal Transmittal

State law requires all general-purpose local governments publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report of the Village of Lincolnshire for the fiscal year ended December 31, 2021.

This report consists of management's representations concerning the finances of the Village. Management assumes full responsibility for the completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, the Village Management has established a comprehensive internal control framework designed both to protect the Village's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Village's financial statements in accordance with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh anticipated benefits, the Village's objective is to provide reasonable, rather than absolute, assurance the financial statements are free of any material misstatements. As Management, we assert, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Baker Tilly US LLP, Independent Certified Public Accountants, have issued an unmodified opinion on the Village's financial statements for the fiscal year ended December 31, 2021. The independent auditors' report is presented at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Village

Basic Information

The Village of Lincolnshire, incorporated in 1957, is located in southern Lake County and is 38 miles north of the City of Chicago. The community covers nearly five-square miles with the northern branch of the Des Plaines River running through its boundaries. Thousands of native deciduous trees and significant open space help create a bucolic atmosphere making the Village a very desirable community to locate both businesses and residences. The Village is also home to the nationally recognized Adlai E. Stevenson High School and Lincolnshire Prairie View School District serving preschool through 8th grade which has received the prestigious Blue Ribbon Award from the U.S. Department of Education. The Village became home rule by a voter approved referendum in 1975. The 2020 federal census recorded 7,940 residents, and Lincolnshire's day-time population is estimated at nearly 20,000.

The Village has the authority to levy a property tax on real property located within its boundaries. It is also empowered by state statute to extend its corporate limits via annexation, which it has done from time to time. As a home-rule entity, the Village has no tax rate limits or debt limits, and is not required to conduct a referendum to authorize the issuance of debt or to increase property taxes.

The Village has operated under the council-manager form of government since its incorporation. Policy-making and legislative authority are vested in a seven-member Board, composed of a mayor, and six trustees, elected on an at-large basis for four year, staggered terms. The Village Board appoints a Village Manager; Treasurer, and Corporation Counsel. The Village Manager is responsible for carrying out the policies and ordinances of the Village Board; overseeing the day-to-day operation of the Village; and for appointing the heads of the various departments.

The Village provides a full range of services including police protection; community and economic development; construction and maintenance of the Village's streets and other infrastructure. It also is responsible for the operation and maintenance of an extensive water and sanitary sewer system. The Village's Public Works Department oversees maintenance of the Village's park and path system and manages a woodlands program which serves to protect and preserve urban forest and natural areas. Fire protection is provided by the Lincolnshire-Riverwoods Fire Protection District. The Village's Annual Comprehensive Financial Report also includes the activities of the Police Pension Fund; however, control of the Police Pension Fund rests with an independent board.

The annual budget serves as the foundation for the Village's financial planning and control. All departments of the Village are required to submit their request for appropriations to the Village Manager as part of the annual budget process. The Village Manager presents the proposed budget to the Village Board for review in October. The Village Board adopts a final budget no later than the close of the fiscal year which is December 31. The budget is prepared by fund, function (i.e., public works), and division (i.e., streets). Budgeted transfers must be approved by the Board. Any revisions altering the total expenditures of any department must be approved by the Village Board. Budget-to-actual comparisons are provided in this report for each governmental and proprietary fund for which an appropriated annual budget has been adopted.

Assessment of Economic Condition and Future Outlook

Local Economy
The Village of Lincolnshire has an established reputation in Lake County and the north suburbs of Chicago as a premier community. Lincolnshire boasts a variety of housing options, nationally recognized elementary and high school, corporate headquarters and strong restaurant/retail sector, as well as excellent municipal services.

Annual operational cost and debt service has traditionally been funded with current revenues. Historically, capital expenses have been funded via accumulated reserves designated for such use. Subsequent to 12/31/2021, the Village issued bonds to fund a $4 million storm sewer capital project. The project is planned to commence in 2023. The Village has historically levied property taxes to offset the costs associated with police protection services, pension obligations, and social security.

The Village continues its long-standing practice to budget 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 is in compliance with the Village's fund balance policy.

Key Village Indicators and Fiscal Trends
(dollars in millions)

Fiscal Year End	2021	2020	2019	2018	2017	2016	2015	2014	2013
EAV (million)	$655	$657	$667	$659	$644	$625	$586	$563	$561
Gen Fund Revenue	$12.6	$10.9	$14.1	$13.3	$12.2	$11.6	$12.3	$11.3	$10.3
Gen Fund Reserve Ratio (% of annual expense plus debt)	75%	75%	75%	80%	74%	124%	125%	145%	124%

The three basic economic indicators listed above serve as benchmarks as to how Lincolnshire finances have been impacted over the years. The Village experienced an 18.9% growth from the 2013 low ($561 million) to 2019 ($667.1 million). Unfortunately; during the pandemic, a wave of residents submitted property assessment appeals resulting in a $9.3 million (1.4%) reduction in 2020 and additional $2.6 million decrease from 2020 to 2021 to Lincolnshire's equalized assessed valuation.

Five types of revenue sources account for 63.0% of the total projected revenues for the FY22 General Fund. These sources and their respective budget increases/ -decreases over FY21 are as follows: Sales Tax (-8.1%), Utility Tax (3.6%), Telecommunication Tax (-5.1%) Rooms & Admissions Tax (39.0%), and Property Tax (-3.0%). Staff expects certain revenue sources to exceed budget expectations so long as COVID restrictions are not reinstated. Given the impact of the COVID-19 pandemic and related revenue loss, the Village Board is closely monitoring economic conditions. The 2022 budget reflects a freeze in the property tax rate and an increase in charges for water and sewer service. All other tax percentages are to remain the same in 2022 as they were in 2021. The General Capital Projects Fund was created in FY2013 to allocate General Fund reserves to pay for needed infrastructure projects and equipment. It is the Village's policy to maintain a reserve equal to 75% of one year's operating expenses. Reserves in excess of this policy are transferred to the General Capital Projects Fund annually. Any shortfalls in the General Funds reserve will be replenished from a General Capital Projects Fund transfer. The General Fund FY22 Budget anticipates a transfer of $1.7 million from the General Capital Projects Fund to the General

Fund. This transfer is required to transfer money to the Water & Sewer Improvement fund to pay for multiple capital projects related to the Village's water distribution system.

Major revenue sources and regional/national economic trends, as well as the impact of the ongoing pandemic, continue to be monitored since they normally have the largest impact on the Village's finances. The Village's major revenue sources saw an increase in 2021 compared to 2020, but the levels are still below what was experienced in "pre-COVID" years. Concurrently, expenditures continue to be examined on a monthly basis.

Long-Term Financial Planning

The Village's long-term strategy is aimed at preserving the outstanding quality of life enjoyed by its residents and also ensure residents' expectation for excellent service continues to be delivered. The financial stress resulting from the recent recession required the Village to focus more so on increasing efficiencies and delivering core services than in the past. Operating and capital expenditure spending levels are forecasted to rise; reversing the recent trend where expenses shrunk to meet the challenge of diminished revenues.

Relevant Financial Policies for this Year

The cornerstone of the Village's strategic financial planning has always been to conservatively anticipate revenues to be "lower than projected" and to assume expenditures to be "at 100% of budgeted". The General Fund unassigned fund balance; as of 12/31/2021, is currently at 75.0% of annualized general fund operating expenditures (excluding Sales Tax Rebate, Economic Incentive payments, and Police Pension Contribution). The Village's policy guideline established for budgetary and planning purposes ("75% of one-year's operational expenditures excluding capital outlay, but includes annual debt service"). Additionally, the General Capital Projects Fund has a $5.9 million balance reserved for capital.

To balance the FY22 balanced General Fund budget it was necessary to include draw funds from the General Capital Fund reserve. In recent years "belt-tightening" measures were initiated, where appropriate, for operating and capital expenditures (i.e., joint purchasing agreements, department reorganization and leaving open unfilled positions, project by project evaluation, outsourcing dispatch services). Annual General Fund revenues have been adequate to cover annual operations and permit the Village to allocate excess funds to capital projects identified in the 10-Year Capital Plan.

Major Initiatives of the Year

As part of the annual budget process, the Board of Trustees developed and prioritized the 2021 strategic goals to promote the Village Board's vision of providing outstanding public services in a fiscally conservative manner. Village staff also completed the eighth annual update of Lincolnshire's 10-Year Capital Plan and 5-Year Financial Forecast. Both of these documents aid elected officials, and management, to budget and plan expenditures in an effective and fiscally responsible manner. The Village Board, management and staff are pleased to report the primary goal of maintaining high service levels while not increasing the burden to the taxpayers has been substantially achieved even in light of the uncertainty regarding the financial position of the State of Illinois and impacts of the COVID-19 pandemic. After eight consecutive years of maintaining a tax rate of .241 per $100 EAV, the Village raised the property tax rate to .250 in tax year 2020 (collected in fiscal year 2021) which comprises less than 3% of the total property tax bill paid by residents in the community. The property tax rate was kept at .250 for tax year 2021 (collected in fiscal year 2022).

With the slow economic recovery, the current financial crisis for the State of Illinois, and the revenue loss as a result of the COVID-19 pandemic, the Village's strategy is for the Village Board, management and staff to engage in regular evaluation of all aspects of the Village's operations and capital needs to identify opportunities for cost containment as well as the generation of new revenues.

In terms of the Village's enterprise system, water rates were increased 5.0%, and sewer rates were increased 5.0%. A significant commitment was made in 2014 to begin to address water distribution system infrastructure needs as outlined in the 10-Year Capital Plan. In 2018 plans were developed, and in 2019 the Village installed segment 1 and segment 2 of the Crosstown Water Main project. This project will provide system redundancy, increased water pressure, and improved system operation serving those residential areas both east and west of Riverwoods Road. The project will also supplement existing 70 year old water mains in the project area. The project is planned to be completed in 2022.

Development Initiatives

In 2021, a number of significant commercial, industrial and residential projects were approved or constructed resulting in one-time revenues associated with property transfer, building permit fees, as well as long-term revenues via additional property, sales, and utilities taxes for the Village.

- M/I Homes, the developer for the **Lincolnshire Trails Subdivision** (located on a 20-acre property on the north side of Riverside Road, northeast of Sedgebrook and Camberley Club), nearly completed construction of 44 townhomes. As of December 2021, 40 certificates of occupancy were issued with the remaining four homes under construction.

- Arthur J. Greene Construction continued building and marketing their 15-lot single-family home subdivision known as **Manors of Whytegate** on the former Mons homestead at 1700 Riverwoods Road, north of Half Day Road. As of December 2021, six certificates of occupancy and a total of ten permits were issued. It is expected all lots will be sold and construction underway for the remaining homes by the end of 2022.

- **U-Haul** started construction on additional improvements for warehouse, self-storage, and RV parking on a 31-acre property at 200 Industrial Drive following Village Board approvals in August 2021.

- The Village rezoned an 8-acre property at the southwest corner of Milwaukee Avenue and Half Day Road from O/I Office/Industrial to B2 General Business with a Planned Unit Development designation for a mixed-use commercial development in April 2021. The development is expected to occur in two phases. Phase 1 will include a Thorntons gas station/convenience store, Buona Beef restaurant, Rainbow Cone Café, and two other retail/restaurant uses. The developer, **Keystone Planning + Design**, expects to break ground on the first phase of the development in 2022.

- The 41-acre **St. James** property at 90, 98, and 100 Half Day Road remained on hold as of December 2021 due to the uncertainty around the COVID-19 pandemic. TSJ Lincolnshire LLC, property owners, received a one-year extension from the Village, until March 2022, to file their final development plans given the original filing deadline of March 2021.

Subsequent to the Fiscal Year 2021, the **St. James** property became available for sale and a mixed-use or commercial development after the ownership decided not to pursue new development plans. Two other large properties are also being marketed for sale and development for office/warehouse uses. They are the 26-acre **former Lietzau Farm** at 15730 Aptakisic Road and the 30-acre **Quill** corporate campus property at 100 Schelter Road.

The following ten (10) businesses opened in Lincolnshire in 2021:

- **Benchmark Products**, a provider of products and services for cleanrooms and manufacturing facilities - 325 Marriott Drive (69,149 sq.ft.)
- **Charming Charlie**, a women's fashion retailer – 970 Milwaukee Avenue (4,000 sq.ft.)
- **Chipy Café**, a family-owned breakfast and lunch restaurant – 275 Parkway Drive (1,750 sq.ft.)
- **Home2 Suites hotel**, an extended stay hotel - 350 Knightsbridge Parkway (113 rooms)
- **Homz Mortgage**, a residential mortgage company - 111 Barclay Boulevard (95 sq.ft.)
- **Intuitive Counseling**, PLLC, a behavioral health practice – 100 Tri-State International (1,398 sq.ft.)
- **LiftMode**, a health supplements company - 425 Barclay Boulevard (28,000 sq.ft.)
- **Poke Bros.**, a fast casual restaurant - 950 Milwaukee Avenue (738 sq.ft.)
- **Relevant Radio**, a Catholic-based media company - 680 Barclay Boulevard (25,229 sq.ft.)
- **Weston Solutions**, an environmental and infrastructure services support firm – 300 Knightsbridge Parkway (4,750 sq.ft.)

Acknowledgments

Individuals

The preparation of the Annual Comprehensive Financial Report on a timely basis was made possible by the dedicated staff of the Finance Department- Tara Ibrahim, Accounting Manager, Nancy Panos, Finance Clerk, and Rebekah Fontane, Administrative Assistant I. Additionally, we would like to express our sincere appreciation to Wally Dittrich, Village Engineer/ Assistant Public Works Director; Tonya Zozulya, Planning & Development Manager; and Carol Lustig, Administrative Assistant I for their continued efforts throughout the year which allowed for the smooth and timely preparation of this report. Finally, we wish to express our appreciation to the members of the Village Board for their interest and support in planning and conducting the financial operations in a responsible and progressive manner.

Respectively Submitted,

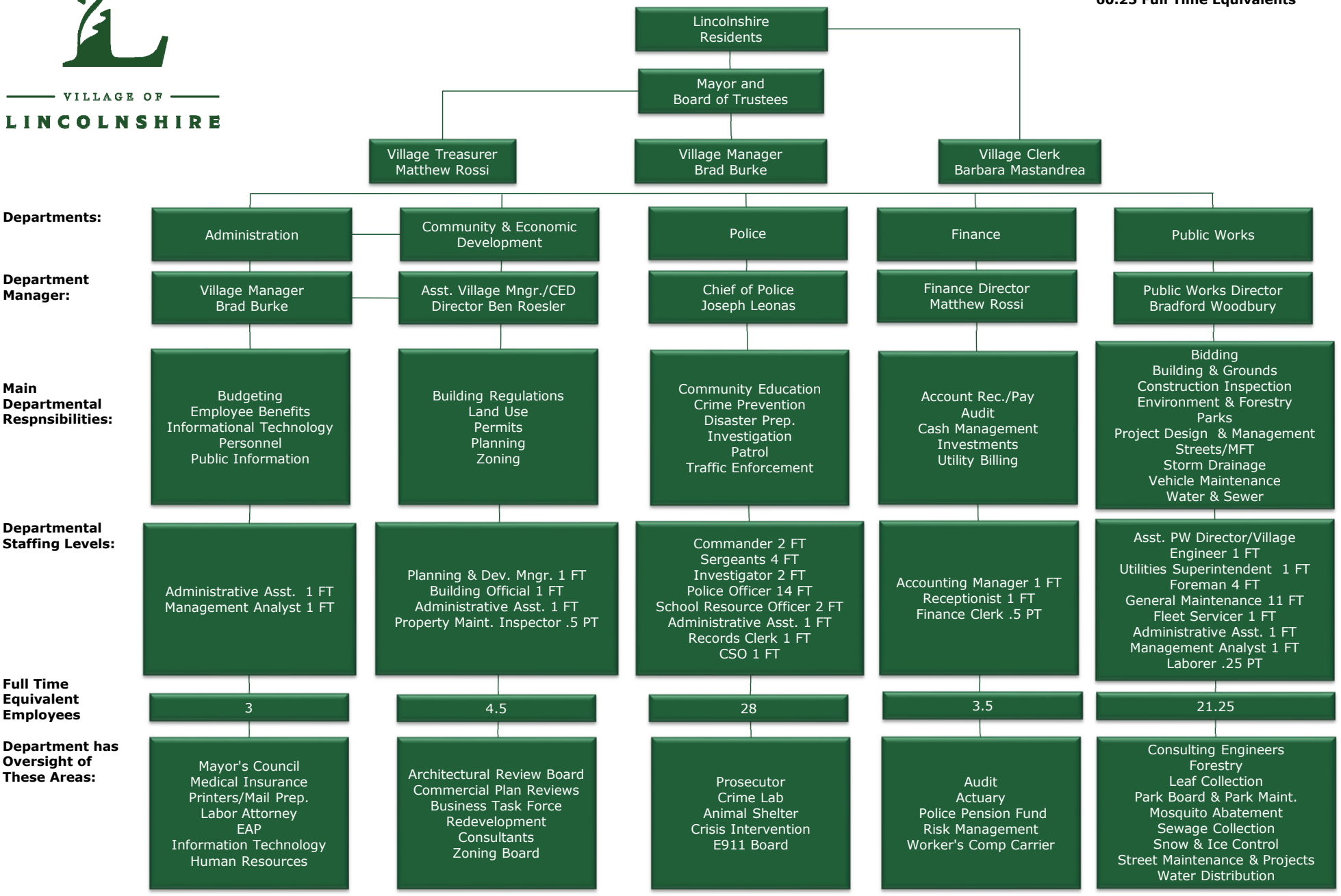
Bradly J. Burke
Village Manager

Matt Rossi
Finance Director/ Treasurer

VILLAGE OF LINCOLNSHIRE

Village of Lincolnshire
Organizational Chart
12/31/2021

59 Full Time Employees
1.25 Part Time or Seasonal Employees
60.25 Full Time Equivalents



VILLAGE OF LINCOLNSHIRE

PRINCIPAL OFFICIALS

December 31, 2021

Mayor

Elizabeth Brandt

Village Board

Dr. Mara Grujanac
Robert Mitchell
Julie Harms Muth
Veronica Pantelis
Jill Raizin
Dr. Sandra Wright

Village Clerk

Barbara Mastandrea

* * * * * *

Village Manager

Bradly Burke

Finance Director/Village Treasurer

Matt Rossi

Independent Auditors' Report

To the Honorable Mayor and the Board of Trustees of
Village of Lincolnshire, Illinois

Report on the Audit of the Financial Statements

Opinions

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 Lincolnshire, Illinois (the Village), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Lincolnshire, Illinois, as of December 31, 2021 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (GAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Village and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that rise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Baker Tilly US, LLP, trading as Baker Tilly, is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. © 2020 Baker Tilly US, LLP

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections as listed in the table of contents but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2022 on our consideration of the Village's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Oak Brook, Illinois
June 22, 2022

VILLAGE OF LINCOLNSHIRE, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2021

As management of the Village of Lincolnshire, we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended December 31, 2021 (FY2021). Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, it should be read in conjunction with the Village's financial statements.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Village exceeded its liabilities at the close of fiscal year ending December 31, 2021 by $102.2 million (net position). Of this amount, $5.2 million represents shortfall of unrestricted net position, which is needed to meet the government's ongoing obligations to citizens and creditors. The negative unrestricted balance is primarily related to implementation of Governmental Accounting Standards #68 accounting and financial reporting for pensions and #75 accounting and financial reporting for postemployment benefits other than pensions. The statements establish standards for measuring and recognizing liabilities and deferred outflows and deferred inflows related to defined benefit pension and OPEB plans.

- The Village's total net position increased by $885,365 during the twelve months ended December 31, 2021. The net position associated with "governmental activities" decreased $477,577. The largest contributing factors for the decrease relate to multiple tax revenue sources not reaching pre-pandemic (COVID-19) levels including Sales Tax (12% below 2019 revenue), Home Rule Sales Tax (14% below 2019 revenue), Food & Beverage Tax (27% below 2019 revenue), and Room & Admission Tax (53% below 2019 revenue).

  The business-type $1,037,058 "Net Loss before Contributions and Transfers" continues to emphasize the current water and sewer rates are not sufficient to cover the long-term capital needs. The increase in Net Position of $1,362,942 was due to a $2,400,000 subsidy from the General Fund to Water Sewer Improvement Fund.

- At the close of the current fiscal year, the Village's governmental fund's reported combined fund balances of $18.0 million, a decrease of $2.5 million, or 12%, in comparison with the prior fiscal period. The components of the combined fund balance consist of six different funds; three of which are considered "major" and three considered "non-major." At 41.0%, the General Fund comprises the largest share of the Village's combined ending fund balance; the General Capital Fund is second at 33.2% and Park Development Fund is the third largest fund at 10.6%. The Village is the conduit to the Special Service Area (Sedgebrook Development) Debt Service. The entire SSA Debt Service Fund is considered a major governmental fund, and the balance in this fund is restricted. Of the $7.38 million fund balance held in the General Fund, 79.2% of it is available spending at the government's discretion (classified as "unrestricted", unassigned").

- At the end of FY2021; the General Fund unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) represents $6,903,718 which includes the value of land held for resale. The General Fund unrestricted fund balance comprises approximately 75.0% of the General Corporate Fund FY2021 annual operating expenditures (excluding capital and transfers to capital). The Village's policy is to maintain a minimum of 75% of equivalent operating expenditures.

- The Village's general capital fund saw a decrease of $2.1 million to bring the balance down to just under $6 million. Fund were transferred from the general capital fund to the general fund to maintain a 75% fund balance in the general fund. The FY2021 balance of $6 million is the lowest balance this fund has been since 2015.

OVERVIEW OF THE FINANCIAL STATEMENTS

Governmental Accounting Standards Board (GASB) Statement 34 is designed to provide two perspectives of the Village's financial performance; a focus on the Village as a whole (government-wide) and a focus on the major individual funds. Both perspectives (government-wide and major fund) provide a broader basis upon which to compare and judge the Village's financial accountability. This improved accountability is in part achieved by consolidating financial transactions (eliminating activities between certain funds and focusing on major funds), allocating specific revenues that finance operations to those expenditures, and displaying information about long-term financial decisions.

This Management Discussion and Analysis is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Village's financial activity, (3) identify Village's financial position and ability to address future challenges, (4) identify material deviations from budget, and (5) identify individual fund specific concerns. Readers are encouraged to review the additional information furnished in the transmittal letter found on pages i-vii of this report.

GOVERNMENT REPORTING THE VILLAGE AS A WHOLE

Government-wide Financial Statements

The Village's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Village's overall financial status. Financial reporting, at this level, uses accounting similar to full accrual accounting used in the private sector. Inter-fund activity is eliminated, and the cost of assets with a long service life is spread out over future years so that capital expenditures are amortized (through depreciation) when the benefits are realized.

The first government-wide statement is the *Statement of Net Position* presenting information about all Village assets, deferred inflows of resources, liabilities, and deferred outflows of resources, with the difference reported as *net position.* Over a multi-year period, an increase or decrease in net position can detect an improvement or deterioration in the financial position of the Village as a whole. Additionally, one would need to evaluate non-financial factors, such as the condition of Village infrastructure, the satisfaction of constituents, and other information beyond the scope of this report to make a more complete assessment of whether the Village as a whole has improved.

The second government-wide statement is the *Statement of Activities,* which reports how the Village's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when the cash is received or paid. The statement of activities' purpose is to show the financial reliance of the Village's distinct activities or functions on revenue provided by Village taxpayers.

Both government-wide financial statements (Statement of Net Position and Statement of Activities) distinguish governmental activities of the Village, principally supported by taxes and intergovernmental revenues (such as state shared revenues), from business-type activities intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, public safety and public services. Public services encompass the repair and maintenance of the streets and storm drainage system along with the care of the parks and grounds areas. Special Service Areas are also included in the governmental activities. Business-type activities include the water and sewer utility. Fiduciary activities, such as employee pension plans, are not available to fund Village programs; therefore, are not included in the government-wide statements.

The Village's financial reporting includes the funds of the Village (primary government). The Village is not accountable for any outside organizations; therefore, no adjustments were made to blend financial information from other legally separate entities into this report.

The government-wide financial statements are presented on pages 28-30 of this report.

REPORTING THE VILLAGE'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

A fund is a unit of accountability used to maintain control over resources segregated for specific activities or objectives. The Village uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Village's most significant funds rather than the Village as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report. The Village has three types of funds:

Governmental funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, Governmental fund statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

The government-wide financial statements provide a long-term view. Comparisons between the individual governmental fund statements and government wide statement provides information about financing decisions and the amount invested in maintaining and improving infrastructure. These two perspectives can provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet, and the governmental fund statement of revenues, expenditures and changes in fund balances reconcile the differences between these two perspectives. Budgetary comparison statements are included in the required supplementary information for the general fund. Budgetary

comparison schedules for other funds can be found in a later section of this report. These statements and schedules demonstrate compliance with the Village's budget.

The basic governmental fund financial statements are presented on pages 31-34 of this report.

Proprietary funds reported in the fund financial statements are for those services for which the Village charges customers a user fee. There are two kinds of proprietary funds, enterprise and internal service. Enterprise funds essentially encompass the same functions reported as business-type activities in the government-wide statements. Enterprise fund services are primarily provided to customers external to the Village organization such as those of water and sewer utilities. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Village's various functions. The Internal service fund provides services (repair and maintenance of Village vehicles) and charges user fees to individual departments within the Village organization. Because the internal service fund primarily serves the Village, it is included within the governmental activities of the government-wide financial statements.

Proprietary fund statements provide both long-term and short-term financial information consistent with the focus provided by the government-wide financial statements, but with more detail for the major enterprise fund and individual component units. Individual fund information for the internal service fund is found in combining statements in a later section of this report.

The basic proprietary fund financial statements are presented on pages 35-38 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The Lincolnshire Police Pension plan is reported as a pension trust fund in the financial Statements, but is excluded from the government-wide reporting. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements are presented on pages 40-41 of this report.

Notes to the financial statements
The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 43 of this report.

Other information
In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information related to budgetary information and the Village's progress in funding its Illinois Municipal Retirement Fund (IMRF) and Police Pension obligations to provide pension benefits to its employees.

Major funds are reported in the basic financial statements as discussed. Combining and individual statements and schedules for non-major and internal service fund are presented in a subsequent section of this report beginning on page 104.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted in an earlier statement, net position may serve, over time, as a useful indicator of a government's financial position. In the case of the Village of Lincolnshire, assets exceeded liabilities by $102.2 million at the close of the most recent fiscal year.

The largest portion of the Village's net position is its investment in capital assets - land, buildings, machinery and equipment - less any related debt used to acquire those assets still outstanding. The Village uses these capital assets to provide services to citizens. These assets are not available for future spending. Although the Village's investment in capital assets is reported net of related debt, it should be noted 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 Village's net position and summary of changes in net position should be viewed in their separate governmental and business-type components.

CONDENSED STATEMENT OF NET POSITION

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2021	2020	2021	2020	2021
Current and Other Assets	$25,892,809	$23,849,936	$2,767,242	$3,328,451	$28,660,051	$27,178,387
Capital Assets	$68,197,648	$68,270,324	$32,880,933	$34,260,811	$101,078,581	$102,531,135
Deferred Outflows of Resources	$1,721,403	$1,159,821	$209,079	$118,141	$1,930,482	$1,277,962
Total Assets and Deferred Outflows	$95,811,860	$93,280,081	$35,857,254	$37,707,403	$131,669,114	$130,987,484
Other Liabilities	$3,506,773	$3,948,592	$845,299	$1,544,438	$4,352,072	$5,493,030
Long-Term Liabilities	$18,519,306	$14,921,571	$909,634	$543,574	$19,428,940	$15,465,145
Deferred Inflows of Resources	$6,269,355	$7,371,069	$306,913	$461,041	$6,576,268	$7,832,110
Total Liabilities and Deferred Inflows	$28,295,434	$26,241,232	$2,061,846	$2,549,053	$30,357,280	$28,790,285
Net Position						
Investment in Capital Assets Net of Related Debt	$68,197,648	$68,270,324	$32,880,933	$34,260,811	$101,078,581	$102,531,135
Restricted	$4,999,882	$4,881,965	0	0	$4,999,882	$4,881,965
Unrestricted	($5,681,104)	($6,113,440)	$914,475	$897,539	($4,766,629)	($5,215,901)
Total Net Position	$67,516,426	$67,038,849	$33,795,408	$ 35,158,350	$101,311,834	$102,197,199

For Fiscal Year ended 2021, the Total Primary Government, as well as Governmental Activities, reported positive balances in two of the three categories of net position. The negative unrestricted Balance is primarily related to the 2016 implementation of Governmental Accounting Standard #68 accounting and financial reporting for pensions. The statement establishes standards for measuring and recognizing liabilities and deferred outflows and deferred inflows related to defined benefit pension plans. Business-type activities reported positive balances in all categories of net position. The same situation held true for the prior fiscal year. The Village has historically funded needed capital improvements on a pay-as-you go basis. It has been a long-standing Village Board policy to accumulate funds to pay for needed infrastructure and improvements.

Business-type Activities Net Position reported a 4.0% increase in Net Position mainly attributed to a $2.4 million transfer in from the general fund. $1.7 million of capital asset depreciation was also recorded in FY2021.

The following table provides a summary of the Village's changes in net position:

STATEMENT OF ACTIVITIES
(in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2021	2020	2021	2020	2021
REVENUES:						
Program Revenues:						
Charges for Services	1,564	1,737	5,145	5,504	6,709	7,241
Operate Grants & Contr	1,062	1,187	0	0	1,062	1,187
Capital Grants & Contr	0	498	0	0	0	498
General Revenue:						
Property Taxes	2,734	2,934			2,734	2,934
Other Taxes	7,035	8,576			7,035	8,576
Miscellaneous	200	15			200	15
Interest Income	347	84	3	1	350	85
Total Revenues	**12,942**	**15,031**	**5,148**	**5,505**	**18,090**	**20,536**
EXPENSES:						
General Government	2,702	3,543			2,702	3,543
Public Safety	4,162	3,611			4,162	3,611
Comm & Econ Development	944	746			944	746
Public Works	3,598	2,480			3,598	2,480
Parks & Open Spaces	2,271	2,089			2,271	2,089
Interest	670	639			670	639
Water and Sewer			6,799	6,542	6,799	6,542
Total Expense	**14,347**	**13,108**	**6,799**	**6,542**	**21,146**	**19,650**
Inc (Dec) in assets before transfers	(1,405)	1,923	(1,651)	(1,037)	(3,056)	886
Transfers	(271)	(2,400)	270	2,400	0	0
Inc (Dec) in Net Position	(1,676)	(477)	(1,380)	1,363	(3,056)	886
Net Position - Beginning	69,192	67,516	35,175	33,795	104,367	101,311
Net Position - Ending	$67,516	$67,039	$33,795	$35,158	$101,311	$102,197

Government Activities

During the current fiscal year, net position for governmental activities decreased $477,577 (-0.7%) from the Net Position at the start of the fiscal year for an ending balance of $67,038,849. The decrease in overall net position of governmental activities is reflected in the above condensed Statement of Activities.

Revenue:

Total revenues increased $2.09 million from $12.94 million (FY2020) to $15.03 million (FY2021).

Property taxes represent approximately 20.2% of the Village's Governmental Activities revenue. Although the Village is not subject to the Tax Cap Limitation Act, the Village's property tax revenue increased 7.3% from $2,734,390 (FY2020) to $2,933,796 (FY2021). The Village's equalized assessed valuation decreased 0.41% from $657,767,329 to $655,076,868 for tax years 2020 (actually received 2021) and tax year 2021 (to be received in 2022), respectively.

The Illinois Department of Revenue reports the Village of Lincolnshire's sales tax revenue during 2021 increased $803,844 (34.5%). The largest sales tax categories include Drinking & Eating ($1,008,660), Drugs ($845,903), and Furniture ($741,845). The two categories that saw a decrease were Furniture and lumber which decreased by 7.7% and 37.2% respectively. The 34.5% increase can be mainly attributed to businesses opening up after initial pandemic shutdowns in 2020. Although the 2021 sales tax revenues have not returned to pre-pandemic levels, they are trending in a positive direction.

Lincolnshire's other tax revenues posting 2021 gains over 2020 include: Income Tax $195,969 (24.5%); Sales Tax $417,432 (33.6%); Home Rule Sales Tax $363,813 (33.4%); Food and Beverage Tax $153,029 (39.3%); Room Tax $380,729 (71.7%). Many of these large increases are due to businesses reopening after the COVID lockdowns in 2020. Tax revenues reporting losses include: Real Estate Transfer Tax $42,583 (-8.6%) and State Use Tax $36,263 (-11.2%). A state legislation was put into place in 2021 which essentially shifted some funds from State use tax to sales tax. Tax payments from the State of Illinois consistently lag three months from the liability month end to disbursement; MFT and State Income Tax are the exceptions, with a one month lag.

During FY2021, the Lincolnshire Police Department continued to provide resource officers to Adlai E. Stevenson High School. A second school resource officer was added to serve the high school in 2019 after a renegotiation of an updated intergovernmental agreement with District #125. Revenue posted to Governmental Activities for FY2021 services rendered were $334,254; up 2.8% or $8,988 from FY2020. This increase was due to the additional services requested during COVID and annual increase to the officer's salaries and benefits. The service contract is based on actual officer salaries, the cost of a police vehicle, special duty details, and benefits.

The "second tier" revenue sources (non-taxes) were down $420,852 (-32.9%) from FY2020. Specifically, the following revenue decreased from FY2020; License & Permits -$33,698 (-5.3%), Investment Income -$419,540 (-102.0%). Fines and Forfeitures saw an increase of $32,386 (13.7%) from FY2020. Investment income saw a significant decrease in FY2021 due to fixed income seeing negative returns in 2021. Building permit fees normally account for 25% to 45% of the License & Permits category, for FY201, these fees represented 32.1% of the total while cable TV franchise fees made up 29.1%.

Annual new privately owned housing units started in the U.S. increased from 1.38 million in 2020 to 1.6 million units in 2021, up 16%%.

Inflation, as measured by the US Consumer Price Index (CPI), increased from a yearly inflation rate of 1.4% in December 2019 to 7.0% in December 2021. This is the highest 1-year inflation rate in the Unites States since the early 1980's. Multiple measures will be taken by the federal reserve in 2022 to combat the extreme inflation. On January 12, 2022, CNBC reported "*The December CPI report of a 7% increase over the last 12 months will be shocking for some investors as we haven't seen a number that high" in almost 40 years,* said Brian Price, head of investment management at Commonwealth Financial Network*. "Fed officials largely attribute rising inflation pressures to pandemic-specific issues in which a shortage of workers has led to clogged supply chains and empty store shelves. Though there are signs the omicron variant cases could peak soon, lingering Covid issues combined with cold weather in the Northeast point "to renewed upward pressure on food prices"* wrote Paul Ashworth, chief U.S. economist at Capital Economics.

Subsequent to 12/31/2021 the Fed increased the interest rate by 0.25% in March 2022, 0.50% in May 2022, and is expected to increase the rate up to five more times in 2022 to combat inflation. The 0.25% rate hike in March was the first interest rate increase by the Fed since December 2018.

Expenses:

The Village's Governmental Activities expenses decreased $1.2 million (-8.6%) from the prior year; $14.3 million in FY2020 compared to $13.1 million in FY2021. Noteworthy item for FY2021 is the Village continues to remain "debt free" of bank loans.

The Village continued its approach of fully funding pension obligations based on both short-term costs and long-term actuarial analysis. Typically, municipal governments' pension funding levels fluctuate year to year. Investment returns have a huge impact on portfolio values for all pension funds. The Illinois Municipal Retirement Fund (IMRF) actuary utilizes a "smoothing technique" to delay and soften the effect to the employer rate. IMRF earned a 2021 investment return of 16.6% after portfolio management fees, which is double its assumed rate of return of 7.25% for the year. IMRF assets grew from $50.3 billion at the beginning of 2021 to about $56.8 billion at the end of 2021, a gain of about $6.5 billion for the year. The 2021 investment return increased IMRF's funded status on a market basis from 93.6% on December 31, 2020, to 98.8% on December 31, 2021. Lincolnshire's FY2020 employer contribution rate of 15.77% decreased to 14.59% in FY2021. This 7.5% rate decrease resulted in an overall $40,552 (8.2%) decrease in employer contributions. In response to investment gains, Lincolnshire's employer IMRF contribution rates will decrease from 14.59 percent of payroll in 2021 to 12.85 percent of payroll in 2021 (-11.9%).

Annual Police Pension costs, also known as "Employer Contributions" are actuarially calculated based on Lincolnshire's Police Pension Funding Policy. Assumptions include salary, benefit costs, and investment returns. In 2021, the actuary recommended contribution was $1,068,536. Due to late payments from the prior year tax levy, actual contributions were $44,724 higher than the recommended amount at $1,113,260. The Village set its property tax levy in December 2020, collected it in 2021, and direct deposited into the Police Pension Fund. The Village's contribution payments were up $203,106 (22.3%) from FY2020 Actual employer contribution. In 2022, the Village is expected to consolidate police pension assets into a consolidated fund with all other article 3 (police pension) funds in the state of Illinois. This is part of a legislation put into place in 2019. The consolidation of all article 3 assets allows for a more diversified investment portfolio and is anticipated to have a higher return

on investment which is expected to result in lower employer contributions in the long term. Pension funding specifics can be found on pages 68-72.

Business-Type Activities

Business-type activities increased the Village's net position by $1,362,942. The Water & Sewer Fund is the only business-type activity, classified as a proprietary fund, operated by the Village. The fund is made up of an "operations" component and a "capital improvement" component. The Fund's operating income before depreciation was $548,614 in 2021.

Revenues:

Operating revenues increased $551,911 (11.4%); from $4,838,761 in FY2020 compared to $5,390,672 in FY2021. Revenues for the Water & Sewer fund are derived largely from water sales. For FY2021, water revenues were up largely due to 5.0% water rate increase and an increased amount of water billed.

With the exception of a couple very small subdivisions under construction, water customer accounts are up 28. 2021 customer account increases came primarily from the addition units located in the Lincolnshire Trails and Manors of Whytegate subdivisions. The year ended with 2,665 units; with 2,408 residential and 257 commercial accounts. Lincolnshire's water and sewer rates increased 5.0%.

As a result of the fixed income returns decreasing, the investment income declined $1,997 (-58.1%) for the current year for the Water & Sewer Fund.

Expenses:

Depreciation for the Water & Sewer system decreased by $17,796 (2.9%) to $1,700,083 for 2021.

The Village reports the Water/Sewer and Internal Service Fund (Governmental Activities) as proprietary funds. The Water/Sewer Fund is considered a "major fund." Water is purchased from the City of Highland Park at a rate of $3.69 per thousand gallons. Due to the COVID pandemic, Highland Park froze the water rate in 2021. Wastewater treatment service is provided under a contractual agreement with Lake County Public Works at a rate of $4.54 (effective December 1, 2021) per thousand gallons of water usage, up 2.5% from 2020. The Village charges all municipal customers based on tiered structure; a higher usage will result in a higher rate. The minimum rate of $13.98 combined water & sewer rate per 1,000 gallons increases to a maximum $19.47 combined rate per 1,000 gallons for the consumer using 1.1 million gallons or more per month. The spread between the purchase and sale rates is intended to finance the operations of the municipal waterworks and sewage system, including, but not limited to labor costs, supplies and miscellaneous infrastructure repairs. The 2007 sanitary sewer treatment agreement between Lake County and the Village provides for a "summer sewer credit" during the summer period. The premise is that all water used during the summer does not return through the sanitary sewer system. The resident's summer sanitary sewer charge does not exceed 10% above their average non-summer period (September to May).

The proprietary funds' operating expenses decreased $254,385 (-3.5%) from the prior year; $7,299,926 in FY2020 compared to $7,045,541 in FY2021. This decrease can be largely contributed to GASB 68 accounting standards for future pension related expenses. The Water and Sewer Fund operating expenses decreased 4.7% or $238,857 from the prior year.

As noted previously above, business-type activities are intended to be self-sufficient, that is, charges for services should be adequate to cover operating costs. Comparative operating information for the operations section of the business-type fund for the last four fiscal years ending December 31, are presented below.

UTILITY OPERATING RESULTS FROM FY2018 TO FY2021				
	2018	2019	2020	2021
Water: Rate per 1,000 gallons	$5.65	$6.50	$6.83	$7.17
Sewer: Rate per 1,000 gallons	$6.06	$6.18	$6.49	$6.81
Operating Revenue	$4,716,333	$4,831,396	$4,838,761	$5,390,672
Operating Expenses (includes depreciation)	$5,924,162	$5,880,021	$6,798,795	$6,542,141

As part of the FY2021 budget, the Village increased its water usage fees 5.0% and sanitary sewer fees 5.0%. These rates became effective for services provided after December 05, 2020 (February 1, 2021 billing date).

Rate increases from the water supplier have become a regular occurrence, while sanitary sewer charges increases are less frequent. For budget year 2021, a water rate increase was instituted to absorb a proposed rate increase by the Village's water supplier. The General Fund subsidized $2,400,000 to Water Sewer Improvements.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds

The Governmental Accounting Standards Board prepares standards to be followed by units of local government. Standard 54 has significantly changed the reporting of Fund Balance. The Village of Lincolnshire implemented Standard 54 effective FY11.

New definitions were created by Standard 54:

Fund Balance – the difference between assets and liabilities in a Governmental Fund.

Nonspendable Fund Balance – the portion of a Governmental Fund's net position not available to be spent, either short term or long term, in either form (e.g. prepaid assets, inventories, short-term receivables) or through legal restrictions (i.e., principal of an endowment).

Restricted Fund Balance – the portion of a Governmental Fund's fund balance subject to external enforceable legal purpose restrictions as to what the fund balance can be spent on.

Committed Fund Balance – the portion of a Governmental Fund's fund balance limited with self-imposed constraints or limitations that have been placed at the highest level of decision making authority.

Assigned Fund Balance – the portion of a Governmental Fund's fund balance to denote management's intended use of resources.

Unassigned Fund Balance – available expendable financial resources in a governmental fund not the object of tentative management plan (i.e., assigned). Positive unassigned fund balance can only be reported in the General Fund.

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

As previously discussed, *governmental funds* are reported in the fund statement with its focus on the near-term inflows, outflows and of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, the "unrestricted" classification of the fund balance serves as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2021 the Village's governmental fund balance reported a combined ending fund balance of $18.01 million. This was a decrease of $2.5 million (-12.0%) compared to the prior fiscal year. The largest contributing factors relate to multiple tax revenue sources not fully recovering from the COVID pandemic including Sales Tax (12% below 2019 revenue), Home Rule Sales Tax (14% below 2019 revenue), Food & Beverage Tax (27% below 2019 revenue), and Room & Admission Tax (53% below 2019 revenue). Revenues coming in over 2019 levels include: Income Tax (28% greater than 2019 revenue), and State Use Tax (18% greater than 2019 revenue).

The General Fund's 32.5% or $5.85 million unassigned Fund Balance is a modest portion of the $18.01 million governmental fund balance. FY2021 represents the eighth year the Village restricted Governmental Fund Balance; $5.9 million or 33.2%, for General Capital Projects. In 2004, the Village agreed to be a "conduit" to the Sedgebrook Special Service Area debt service resulting in the creation of the SSA Debt Service Fund. The $2.25 million restricted Fund Balance of the SSA Debt Service Fund makes it the third largest portion of the governmental fund balance at 12.5%. The fund balances classified as "non-spendable" and "restricted" are $1,159,950 and $4,881,965 respectively. These balances are not available for discretionary spending because they have already been spent or are restricted for a variety of purposes.

The General Fund serves as the Village's primary operating fund and the largest source of day-to-day municipal service delivery. The net change to the General Fund's fund balance was a decrease of $45,203 or -0.6%, from the previous year. Prior to FY2014, capital projects were paid from the General Fund's unassigned fund balance in excess of the target balance. Beginning FY2014, the General Capital Projects Fund was created, via a General Fund transfer. In FY2021, the General Fund transfer to General Capital Projects Fund was $450,000.

The Village calculates a fund balance ratio, taking into account only the current year's operating expenditures including debt service, but excluding expenditures classified as "capital." The unassigned fund balance policy is 75% of the current year's operating expenses. An annual transfer of funds exceeding the policy occurs in December of each year. In the event the General Fund's estimated year-end falls below the 75% policy, a transfer of General Capital Projects' restricted fund balance will be transferred back to the General Fund. Annually on 1/1 following the close of a fiscal year, the chart below is updated to serve as a financial indicator for Village purposes.

A comparison of the FY2021 budget revenue reveals total General Fund revenues were 5.7% above FY2021 Final Budget or $683,191. Total actual expenditures $10.77 million were 4.9% below $11.3 million budget or $550,856.

GENERAL OPERATING FUND BALANCE			
FISCAL YEAR	TOTAL FUND BALANCE	OPERATING EXPENSES (EXCLUDING CAPITAL)	FUND BALANCE AS % OF OPER. EXP.
12/31/2019*	$6,878,959	$9,245,277	77.8%
12/31/2020*	$7,011,644	$8,683,038	79.6%
12/31/2021*	$6,903,718	$9,305,070	74.2%

* Excludes Non-spendable Fund Balance and Restricted Fund Balance related to Public Safety totaling. Includes Land Held for Resale.

In addition to the General Fund being classified as a "major fund," the Governmental Accounting Standards Board ("GASB") guidelines indicate the General Capital Projects Fund and the Special Service Area Debt Service Fund are also considered "major" funds in fiscal year 2021.

The total combined fund balance of the three non-major governmental funds decreased $320,205 from $2.72 million to $2.40 million. A decrease occurred in all three funds; Park Development Fund ($-130,088); Motor Fuel Tax Fund ($-141,521); as well as, Fraud Alcohol Drug Enforcement Fund ($-48,596) as noted in the Combining Statement of Revenues, Expenditures and Changes in Fund Balances for Non-major Governmental Funds.

Proprietary Funds

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

Net Position of the Water & Sewer Fund increased $1,362,942 (4.0%) from $33.80 million for FY2020 to $35.16 million in FY2021. The unrestricted net position declined $16,936 (-1.9%) for FY2021. The Village intends to operate the Water/Sewer Operating Fund at a breakeven rate while maintaining a cash reserve equal to three months of operating expenses. Excess revenue will be transferred to Water/ Sewer Improvement Fund for planned infrastructure projects.

General Fund Budgetary Highlights

On February 22, 2021, the Village Board approved the annual appropriations ordinance for the Village of Lincolnshire for Fiscal Year 2021. The annual Appropriation Ordinance provides the formal authority for the expenditure of public funds. Historically, the Village has passed an Appropriation Ordinance where the operating appropriated line items are 110% of approved operating budget. The budget document is the spending plan for the Village, and the Appropriation Ordinance provides the formal spending authority. A more formal and legal approach to addressing those expenditures that exceed the original Appropriation Ordinance is for the Village Board to consider and pass a Supplemental Appropriation Ordinance prior to the close of the fiscal Year. The Village did not need to pass a Supplemental Appropriation ordinance to amend the original Appropriation for FY2021. The Village's "Level of Budgetary Control Policy" requires departmental expenditures that exceed the budget by 10 percent or five thousand dollars be brought to the Village Board for review and approval.

The following chart reflects the condensed Budgetary Comparison Schedule (in millions):

	Final Budget	Actual	Variance
General Fund:			
Revenues:			
Property Tax	$1.747	1.766	0.018
Other Taxes	8.558	8.974	0.415
Licenses and Permits	0.704	0.596	(0.107)
Fines and Forfeitures	0.216	0.268	0.052
Intergovernmental	0.450	1.061	0.610
Investment Income	0.260	(0.028)	(0.288)
Miscellaneous	0.064	0.045	(0.018)
TOTAL REVENUES	$11.999	12.683	0.638
Expenditures:			
Current:			
General Government	$2.523	2.324	(0.199)
Public Safety	4.905	4.790	(0.115)
Comm & Econ Dev.	0.914	0.775	(0.140)
Public Works	1.617	1.586	(0.031)
Parks & Open Spaces	1.369	1.302	(0.067)
Debt Service	0.000	0.000	0.000
TOTAL EXPENDITURES	$11.329	$10.778	($0.551)

The Village Board, as part of the 2021 budget process, determined it was in the best interests of the Village to continue appropriating a portion of Police Protection Services, FICA Expenses, and IMRF Contributions separate from the General Corporate Fund. This is necessary to provide the opportunity to levy a property tax for police protection, FICA expenditures and IMRF Contributions.

Since many of the Village's expenses can be impacted by factors not controlled by the Village, such as the COVID-19 worldwide pandemic, weather and economy, budget line items are best estimates based on past experience. Although the 2021 General Fund expenditures were below the appropriated amounts, several line items exceeding their budgeted amount. These items include: CED Outside Services which exceeded budget by $17,810 (594%) related to the Corporate Center Subarea Plan; as well as Public Works HVAC & Elect Maint $11,606 (61%) related to unexpected repairs to the Village Hall HVAC system.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Governmental-Type Activities

The Village's Net Investment in Capital Assets, net of accumulated depreciation, for governmental-type capital assets, as of the fiscal year end was $68,270,324.

Capital asset purchases and improvements during the current fiscal year included the following:

- Construction in Progress
  - Server Upgrade
  - Microwave SAN System
  - Lincolnshire Drive North Drainage Improvements
  - Lincolnshire Drive South Drainage Improvements
  - Windsor Drive Drainage Improvements
  - Park & Entryway Sign Design and Installation

- Per the Village's replacement schedule the following items were disposed of:
  - 2007 Ford Crown Victoria
  - 2007 Ford Crown Victoria
  - 2009 Ford Crown Victoria
  - 2013 Ford Taurus
  - 2011 Ford Crown Victoria
  - 2013 Chevy Impala
  - 2009 Ford F350
  - 2014 Ford Focus

- Equipment/Vehicles purchased
  - 2021 Ford Police Interceptor Unit #2191 - $43,463
  - 2021 Ford Police Interceptor Unit #2101 - $45,588
  - 2021 Ford Police Interceptor Unit #2102 - $53,752
  - 2021 Ford Police Interceptor Unit #2103 - $51,050
  - 2021 Ford Police Interceptor Unit #2104 - $49,056
  - 2021 Ford Police Interceptor Unit #2105 - $45,947
  - 2021 Ford F-500 1 Ton Unit #232 - $108,415

- Building and parking improvements-
  - North Park Shed - $43,111

- Easements- none

• Land- none

• Land Improvements- none

• Parks- none

• No Right of Way purchases or donated to the Village in 2021

• No new Street dedicated to the Village

• Storm sewers
    Queensway Drive Drainage Improvements - $211,033

• Pathways
    Westminster Way Walking Path - $174,980
    Riverwoods Road Walking Path - $522,742

• No new Street lights

• No new Traffic Control Signals

• Pedestrian Bridge

Business-Type Activities

The Village's Net Investment in Capital Assets, net of accumulated depreciation, for business-type capital assets, as of the fiscal year end was $34,260,811.

Capital asset events during the current fiscal year included the following:

• Construction in Progress
    Crosstown Water Main
    Northampton Watermain Replacement

• Per the replacement schedule Public Works Utility Division no disposals in 2021

• Public Works purchased/ replaced:

• Water mains added- none

• Sanitary Sewer - none

Debt

The Village debt consists of one municipal bond obligation related to Special Service Area (SSA) project. At this time, the Village does not have debt in the form of bank loans with direct responsibility for paying.

In FY2004-05 the Village issued $15 million in debt for a Special Service Area development project. The funds from this bond were used to construct the infrastructure integral to the Sedgebrook retirement community. Financing of this debt is through property taxes dedicated exclusively to the Special Service Area.

At the end of the fiscal year, the Village's debt, SSA related, amounted to $10.1 million compared to $10.6 million last year - a decline of 4.7% - as shown in the following table.

OUTSTANDING DEBT AT YEAR END DECEMBER 31						
Type of Debt	Government Activities		Business Activities		Totals	
	2020	2021	2020	2021	2020	2021
Bond Issue-SSA	$10,635,000	$10,140,000	$0	$0	$10,635,000	$10,140,000
Total	$10,635,000	$10,140,000	$0	$0	$10,635,000	$10,140,000

The Village is a home rule community, and is; therefore, not limited by State Statute pertaining to debt limit. The Village's outstanding debt (excluding the SSA debt) represents 0.0% of its EAV. Briefly stated, the Village is "debt free". Detailed information on the Village's long-term debt activity can be found in the Long-Term Debt Section in the footnotes.

Bond Ratings

The Village normally finances its infrastructure excess reserves from the general fund and has historically sought bank loans for large projects. Subsequent to the end of fiscal year 2021, the Village sought a credit rating in order to complete a debt issuance to fund a storm sewer capital plan. In May 2022, The Village received a AAA rating from Standard & Poor's (S&P) Global Ratings which is the most prestigious rating and signifies the Village has extremely strong capacity to meet financial commitments.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Lincolnshire is recognized as a desirable community in the Chicago area for residents and businesses. The Village is home to a number of prominent corporate headquarters, first-class hotels, restaurants, retailers and entertainment venues. Businesses choose to locate in Lincolnshire due, in part, to its close proximity to highways/arterials, O'Hare Airport, relatively low taxes, high daytime population, award-winning public schools and business-friendly and supportive local government. The Lincolnshire Marriott Resort, with its meeting facilities, championship golf course, and live theater, is a major attraction for the Village. The Village is well-positioned to attract new businesses and diversify its economic base while maintaining its small-town atmosphere and exceptional quality of life.

The Village's commercial occupancy rate for its largest retail centers for the first quarter of 2022 and 2021 was as follows: Village Green (2022 – 97%; 2021 - 95%); Lincolnshire Commons (2022 – 84%; 2021 - 82%); and City Park (2022 – 26%; 2021 – 47%). The overall retail occupancy in the Village was 77% in the first quarter of 2022 versus 80% in the first quarter of 2021.

Lincolnshire's office occupancy rate was 76% in the first quarter of 2022, compared to 80% in the first quarter of 2021. Lincolnshire's industrial occupancy rate was 82% in the first quarter of 2022 and 95% in the first quarter of 2021.

Below is an overview of commercial and industrial activity in the Village as of December 2021:

- M/I Homes, the developer for the **Lincolnshire Trails Subdivision** (located on a 20-acre property on the north side of Riverside Road, northeast of Sedgebrook and Camberley Club), nearly completed construction of 44 townhomes. As of December 2021, 40 certificates of occupancy were issued with the remaining four homes under construction.

- Arthur J. Greene Construction continued building and marketing their 15-lot single-family home subdivision known as **Manors of Whytegate** on the former Mons homestead at 1700 Riverwoods Road, north of Half Day Road. As of December 2021, six certificates of occupancy and a total of ten permits were issued. It is expected all lots will be sold and construction underway for the remaining homes by the end of 2022.

- **U-Haul** started construction on additional improvements for warehouse, self-storage, and RV parking on a 31-acre property at 200 Industrial Drive following Village Board approvals in August 2021.

- The Village rezoned an 8-acre property at the southwest corner of Milwaukee Avenue and Half Day Road from O/I Office/Industrial to B2 General Business with a Planned Unit Development designation for a mixed-use commercial development in April 2021. The development is expected to occur in two phases. Phase 1 will include a Thorntons gas station/convenience store, Buona Beef restaurant, Rainbow Cone Café, and two other retail/restaurant uses. The developer, **Keystone Planning + Design**, expects to break ground on the first phase of the development in 2022.

- The 41-acre **St. James** property at 90, 98, and 100 Half Day Road remained on hold as of December 2021 due to the uncertainty around the COVID-19 pandemic. TSJ Lincolnshire LLC, property owners, received a one-year extension from the Village, until March 2022, to file their final development plans given the original filing deadline of March 2021.

Subsequent to the Fiscal Year 2021, the **St. James** property became available for sale and a mixed-use or commercial development after the ownership decided not to pursue new development plans. Two other large properties are also being marketed for sale and development for office/warehouse uses. They are the 26-acre **former Lietzau Farm** at 15730 Aptakisic Road and the 30-acre **Quill** corporate campus property at 100 Schelter Road.

The following ten (10) businesses opened in Lincolnshire in 2021:

- **Benchmark Products**, a provider of products and services for cleanrooms and manufacturing facilities - 325 Marriott Drive (69,149 sq.ft.)

- **Charming Charlie**, a women's fashion retailer – 970 Milwaukee Avenue (4,000 sq.ft.)

- **Chipy Café**, a family-owned breakfast and lunch restaurant – 275 Parkway Drive (1,750 sq.ft.)

- **Home2 Suites hotel**, an extended stay hotel - 350 Knightsbridge Parkway (113 rooms)

- **Homz Mortgage**, a residential mortgage company - 111 Barclay Boulevard (95 sq.ft.)

- **Intuitive Counseling**, PLLC, a behavioral health practice – 100 Tri-State International (1,398 sq.ft.)

- **LiftMode**, a health supplements company - 425 Barclay Boulevard (28,000 sq.ft.)

- **Poke Bros.**, a fast casual restaurant - 950 Milwaukee Avenue (738 sq.ft.)

- **Relevant Radio**, a Catholic-based media company - 680 Barclay Boulevard (25,229 sq.ft.)

- **Weston Solutions**, an environmental and infrastructure services support firm – 300 Knightsbridge Parkway (4,750 sq.ft.)

The Village diligently monitors all major tax and non-tax revenues. This includes following legislative briefings reporting the State of Illinois may reduce taxes shared with local governments in an attempt to solve its fiscal problems. Those plans could potentially have a significant impact on the Village's fiscal status.

According to the Village's combined general fund and general capital Fund Balance, the Village ended FY2021 in less favorable financial position as it did at the start of the year. Net change to both funds combined declined $2.2 million. This decrease can be directly ties to a transfer out to the water & sewer improvement fund which continues to emphasize the current water and sewer rates are not sufficient to cover the long-term capital needs.

Real estate transfer tax stamp revenue decreased 10% from $502,844 in FY2020 to $452,664 in FY2021. Although the total number of properties sold increased from 2020, there were fewer commercial sales which typically have a higher tax collection amount. Major sales recorded in FY2021 include- 595 Bond Street – Kauffman Engineering, 680 Barclay – Relevant Radio Inc., and 425 Barclay – Tuzel Realty Management.

FY 2021	Real Estate Transfer Tax Stamps Sold	Real Estate Transfer Tax Stamp Revenue	Real Estate Sales Value
Single Family	169	$ 326,329	$ 109,730,707
Condo Units	26	$ 31,771	$ 10,328,550
Townhomes	38	$ 59,584	$ 19,021,132
Land	8	$ 1,605	$ 535,000
Commercial	3	$ 33,375	$ 11,125,000
TOTALS	244	$ 452,664	$ 165,061,085

- The Lincolnshire equalized assessed valuation (EAV) decreased for the second straight year. The 2021 EAV dropped 0.4% or $2.6 million compared to 2020. The 2020 EA1 (which is used for the property tax collected in Fiscal Year 2022) is $655,076,868. The last 10 years of EAV history can be found below.

Tax Year	Collection Year	EAV
2011	2012	$604,496,224
2012	2013	$562,195,221
2013	2014	$561,725,434
2014	2015	$563,549,256
2015	2016	$586,329,751
2016	2017	$625,649,053
2017	2018	$644,309,622
2018	2019	$659,376,155
2019	2020	$667,097,000
2020	2021	$657,767,329
2021	2022	$655,076,868

- The unemployment rate (not seasonally adjusted) for December 2021; according to the Bureau of Labor Statistics was 3.9% in Lake County. The rate in the State of Illinois for the same time period was 5.1% and the U.S. rate was 3.9%.

- According to United States Census Bureau, Lincolnshire's 2021 per capita income was $82,088; while the median household income grew 1.5% to $195,037.

BUDGET HIGHLIGHTS FOR FISCAL YEAR 2022.

General Fund

Seven types of revenue sources account for 63.4% of the total budgeted revenues for the FY2022 General Fund. These sources and their respective budget increases/ -decreases over FY2022 are as follows: Sales Tax (-2.9%), Home Rule Sales Tax (-2.6%), Utility Tax (-6.2%), Telecommunication Tax (-3.5%), Room Tax (31.4%) Admissions Tax (175.2%), and Property Tax (-2.0%). Given the impact of the COVID-19 pandemic and related revenue loss, the Village Board is closely monitoring economic conditions. The 2022 budget reflects a slight decrease to the property tax budget due to an increased number of property tax appeals. All tax percentages are to remain the same in 2022 as they were in 2021. A 5% increase to water and sewer rates were applied in FY2022.

Excluding transfers and debt service, the General Fund Expense budget increased $270,751 (2.4%) from $11.33 million in FY2021 to $11.60 million in FY2022. Notable expenditure increases include: Property/Liability Insurance $18,400, outside services $197,500 in regards to a comprehensive plan, in car cameras $19,000 for multiple police vehicles. The largest decreases include police pension contribution $-44,760; Public Works overtime $-20,000; IMRF contributions due to a decrease in the Village's required contribution rate; IT Consultant/System Monitoring $-22,180. The General Fund FY2022 budget anticipates a $1,700,000 transfer in from General Capital Fund a $2,350,000 transfer out to the Water/ Sewer Improvement Fund, and a $440,000 transfer to the Storm Sewer Operating Fund.

The Fiscal Year 2022 Budget contemplates implementation of $2,926,210 in General Capital improvement projects. The Village continues its commitment to capital improvements to the Village infrastructure. General capital projects budgeted in FY2022 include:

- Replacement of AV Equipment in Village Hall Board Room
- Replacement of Excavator
- Replacement of one Police Vehicle
- Purchase of Police Body Cameras
- Replacement of One Ton Flatbed truck
- Resurfacing of Barclay Road
- Resurfacing of portions of Anglican Ln., Northampton Ln., Elsinoor Dr., and Cornell Dr.
- Replacement of soccer goals at North Park
- Updating Concession Building at North Park
- Replacement of Parks and Village Entryway signs
- Installation of Poured in Place Playground Surface at Balzer Park

The Water Sewer Improvement Fund will receive transfers in from the General Fund of $2,350,000. The significant transfer is related to the completion of the Cross Town Water Main project, Replacement of water main on Northampton Lane, and Engineering Costs related to 2023 water main replacement.

The Village created two new funds in fiscal year 2022 due to the implementation of a storm sewer utility fee. The two funds created are the Storm Sewer Operating Fund and Storm Sewer Improvement Fund. The Storm Sewer Operating fund will receive a transfer in of $440,000 from the general fund to fund normal day to day operations. The storm sewer utility fee was added to all utility accounts on the February 2022 bill. Each customer is billed based on the impervious surface of their properties. The Village budgeted $900,000 in revenue from this fee which will be used to pay for future capital projects starting in 2023.

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Village's finances, comply with finance-related laws and regulations and demonstrate the Village's commitment to public accountability.

Questions about this report or requests for additional information can be obtained by contacting the Village's Finance Director, Matt Rossi at mrossi@lincolnshireil.gov or accessing the Village's website at www.lincolnshireil.gov. A copy of this Annual Comprehensive Financial Report (ACFR) can be found on the website.

	Governmental Activities	Business-Type Activities	Total
Assets and Deferred Outflows of Resources			
Assets			
Cash and cash equivalents	$ 3,142,866	$ 2,188,248	$ 5,331,114
Investments	14,527,161	427,692	14,954,853
Receivables (net):			
Property taxes	2,823,705	-	2,823,705
Other taxes	1,727,118	-	1,727,118
Accounts	104,722	689,558	794,280
Accrued interest	15,028	-	15,028
Internal balances	46	(46)	-
Prepaid items	113,066	22,999	136,065
Deposits	343,480	-	343,480
Land held for resale	1,052,744	-	1,052,744
Capital assets:			
Capital assets not being depreciated	44,479,047	3,322,427	47,801,474
Capital assets (net of accumulated depreciation)	23,791,277	30,938,384	54,729,661
Total assets	92,120,260	37,589,262	129,709,522
Deferred Outflows of Resources			
Pension items, IMRF	448,686	118,141	566,827
Pension items, police pension	711,135	-	711,135
Total deferred outflows of resources	1,159,821	118,141	1,277,962

	Governmental Activities	Business-Type Activities	Total
Liabilities, Deferred inflows of Resources and Net Position			
Liabilities			
Accounts payable	$ 1,777,827	$ 1,477,257	$ 3,255,084
Accrued payroll	125,276	12,539	137,815
Deposits payable	1,018,767	-	1,018,767
Accrued interest payable	211,356	-	211,356
Unearned revenues	6,189	-	6,189
Noncurrent liabilities:			
Due within one year	809,177	54,642	863,819
Due in more than one year	14,921,571	543,574	15,465,145
Total liabilities	18,870,163	2,088,012	20,958,175
Deferred Inflows of Resources			
Property taxes levied for future periods	2,823,705	-	2,823,705
Pension items, IMRF	1,750,954	461,041	2,211,995
Pension items, police pension	2,796,410	-	2,796,410
Total deferred inflows of resources	7,371,069	461,041	7,832,110
Net Position			
Net investment in capital assets	68,270,324	34,260,811	102,531,135
Restricted for:			
Debt service	2,247,644	-	2,247,644
Maintenance of roadways	473,095	-	473,095
Public safety	392,308	-	392,308
Park improvements	1,768,918	-	1,768,918
Unrestricted (deficit)	(6,113,440)	897,539	(5,215,901)
Total net position	$ 67,038,849	$ 35,158,350	$102,197,199

See notes to financial statements

Village of Lincolnshire

Statement of Activities
Year Ended December 31, 2021

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities	Net (Expenses) Revenues and Changes in Net Position: Business-Type Activities	Net (Expenses) Revenues and Changes in Net Position: Total
Governmental activities:							
General government	$ 3,543,226	$ 233,324	$ -	$ -	$ (3,309,902)	$ -	$ (3,309,902)
Public safety	3,611,574	1,141,494	584,602	-	(1,885,478)	-	(1,885,478)
Community and economic development	746,138	286,279	-	-	(459,859)	-	(459,859)
Public works	2,479,941	33,901	457,536	-	(1,988,504)	-	(1,988,504)
Parks and open spaces	2,088,589	41,964	145,186	498,435	(1,403,004)	-	(1,403,004)
Interest and fiscal charges	639,013	-	-	-	(639,013)	-	(639,013)
Total governmental activities	13,108,481	1,736,962	1,187,324	498,435	(9,685,760)	-	(9,685,760)
Business-type activities:							
Water and sewer	6,542,141	5,503,642	-	-	-	(1,038,499)	(1,038,499)
Total business-type activities	6,542,141	5,503,642	-	-	-	(1,038,499)	(1,038,499)
Total	$ 19,650,622	$ 7,240,604	$ 1,187,324	$ 498,435	(9,685,760)	(1,038,499)	(10,724,259)
General Revenues							
Taxes							
Property					2,933,796	-	2,933,796
Sales					1,659,690	-	1,659,690
Local use					288,590	-	288,590
Utility					1,177,706	-	1,177,706
Telecommunications					1,027,171	-	1,027,171
Food and beverage					541,944	-	541,944
Room and admissions					978,326	-	978,326
Real estate transfer					452,664	-	452,664
Home rule sales					1,452,943	-	1,452,943
Income tax					997,095	-	997,095
Investment income					83,344	1,441	84,785
Miscellaneous					14,914	-	14,914
Total general revenues					11,608,183	1,441	11,609,624
Transfers					(2,400,000)	2,400,000	-
Change in net position					(477,577)	1,362,942	885,365
Net Position, Beginning					67,516,426	33,795,408	101,311,834
Net Position, Ending					$ 67,038,849	$ 35,158,350	$ 102,197,199

See notes to financial statements

Village of Lincolnshire

Balance Sheet
Governmental Funds
December 31, 2021

	General Corporate Fund	Special Service Area Debt Service Fund	General Capital Projects Fund	Nonmajor Governmental Funds	Total
Assets					
Cash and cash equivalents	$ 4,438	$ 1,433,170	$ 9,854	$ 1,588,896	$ 3,036,358
Investments	5,673,133	1,330,322	6,506,830	1,016,876	14,527,161
Receivables:					
Property taxes	1,663,080	1,160,625	-	-	2,823,705
Other taxes	1,700,065	-	-	27,053	1,727,118
Accounts	66,822	-	37,900	-	104,722
Accrued interest	15,028	-	-	-	15,028
Due from other funds	46	-	-	-	46
Prepaid items	107,206	-	-	-	107,206
Deposits	343,480	-	-	-	343,480
Land held for resale	1,052,744	-	-	-	1,052,744
Total assets	$ 10,626,042	$ 3,924,117	$ 6,554,584	$ 2,632,825	$ 23,737,568
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	$ 430,768	$ 515,848	$ 581,727	$ 230,252	$ 1,758,595
Accrued payroll	121,834	-	-	-	121,834
Deposits payable	1,018,767	-	-	-	1,018,767
Unearned revenues	6,189	-	-	-	6,189
Total liabilities	1,577,558	515,848	581,727	230,252	2,905,385
Deferred Inflows of Resources					
Property taxes levied for a future period	1,663,080	1,160,625	-	-	2,823,705
Total deferred inflows of resources	1,663,080	1,160,625	-	-	2,823,705
Fund Balances					
Nonspendable for prepaid items	107,206	-	-	-	107,206
Nonspendable for land held for resale	1,052,744	-	-	-	1,052,744
Restricted for debt service purposes	-	2,247,644	-	-	2,247,644
Restricted for maintenance of roadways	-	-	-	473,095	473,095
Restricted for public safety	374,480	-	-	17,828	392,308
Restricted for park improvements	-	-	-	1,768,918	1,768,918
Assigned for capital projects	-	-	5,972,857	142,732	6,115,589
Unassigned fund balance	5,850,974	-	-	-	5,850,974
Total fund balances	7,385,404	2,247,644	5,972,857	2,402,573	18,008,478
Total liabilities, deferred inflows of resources and fund balances	$ 10,626,042	$ 3,924,117	$ 6,554,584	$ 2,632,825	$ 23,737,568

See notes to financial statements

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2021

Total Fund Balances, Governmental Funds	$ 18,008,478
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds.	68,270,324
Accrued interest on long-term liabilities is shown as a liability on the statement of net position.	(211,356)
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	1,159,821
Less amount reported in the internal service fund below.	(31,675)
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(4,547,364)
Less amount reported in the internal service fund below.	123,611
The compensated absences liability for the Village is not due and payable in the current period and, therefore, not reported in the governmental funds.	(279,177)
Less amount reported in the internal service fund below.	4,056
Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds.	
SSA bonds payable	(10,140,000)
Net pension liability, Police Pension	(2,020,746)
Net pension liability, Illinois Municipal Retirement Fund	(887,888)
Total OPEB liability	(2,402,937)
Less internal service fund long-term liabilities	144,063
Internal service funds are reported in the statement of net position as governmental activities.	(150,361)
Net Position of Governmental Activities	$ 67,038,849

See notes to financial statements

Village of Lincolnshire

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended December 31, 2021

	General Corporate Fund	Special Service Area Debt Service Fund	General Capital Projects Fund	Nonmajor Governmental Funds	Total
Revenues					
Property taxes	$ 1,766,024	$ 1,167,772	$ -	$ -	$ 2,933,796
Other taxes	8,973,734	-	-	-	8,973,734
Licenses, permits and fees	596,948	-	-	-	596,948
Fines and forfeitures	267,532	-	-	853	268,385
Intergovernmental	1,060,739	-	-	457,536	1,518,275
Investment income (loss)	(27,718)	17,870	-	1,531	(8,317)
Donations	-	-	-	145,186	145,186
Miscellaneous	45,312	-	58,750	400	104,462
Total revenues	12,682,571	1,185,642	58,750	605,506	14,532,469
Expenditures					
Current:					
General government	2,324,220	6,692	38,997	-	2,369,909
Public safety	4,790,158	-	-	(551)	4,789,607
Community and economic development	775,406	-	-	-	775,406
Public works	1,585,591	-	-	-	1,585,591
Parks and open spaces	1,302,399	-	-	-	1,302,399
Capital outlay	-	-	2,026,191	599,726	2,625,917
Debt service:					
Principal retirement	-	495,000	-	-	495,000
Interest and fiscal charges	-	649,219	-	-	649,219
Total expenditures	10,777,774	1,150,911	2,065,188	599,175	14,593,048
Excess (deficiency) of revenues over expenditures	1,904,797	34,731	(2,006,438)	6,331	(60,579)
Other Financing Sources (Uses)					
Transfers in	450,000	-	326,536	-	776,536
Transfers out	(2,400,000)	-	(450,000)	(326,536)	(3,176,536)
Total other financing sources (uses)	(1,950,000)	-	(123,464)	(326,536)	(2,400,000)
Net change in fund balances	(45,203)	34,731	(2,129,902)	(320,205)	(2,460,579)
Fund Balances, Beginning	7,430,607	2,212,913	8,102,759	2,722,778	20,469,057
Fund Balances, Ending	$ 7,385,404	$ 2,247,644	$ 5,972,857	$ 2,402,573	$ 18,008,478

See notes to financial statements

Village of Lincolnshire

Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended December 31, 2021

Net Change in Fund Balances, Total Governmental Funds	$	(2,460,579)
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 net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.		
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements		1,268,399
Depreciation is reported in the government-wide financial statements		(1,685,837)
Net book value of assets retired		(8,321)
Contributed capital assets are reported as revenues in the government-wide financial statements.		498,435
Repayment of the SSA debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Principal repaid		495,000
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Compensated absences		(16,119)
Total OPEB liability		111,429
Accrued interest on debt		10,206
Net pension liability		2,881,617
Deferred outflows of resources related to pensions		(543,247)
Deferred inflows of resources related to pensions		(1,019,435)
Internal service fund is used by management to charge vehicle maintenance costs to individual funds. The change in net position of the internal service fund reported with governmental activities		(9,125)
Change in Net Position of Governmental Activities	$	(477,577)

Statement of Net Position
Proprietary Funds
December 31, 2021

	Business-Type Activities - Water and Sanitary Sewer Fund	Governmental Activities - Internal Service Fund
Assets		
Current assets:		
Cash and cash equivalents	$ 2,188,248	$ 106,508
Investments	427,692	-
Receivables:		
Accounts, billed	373,899	-
Accounts, unbilled	315,659	-
Prepaid items	22,999	5,860
Total current assets	3,328,497	112,368
Noncurrent assets:		
Capital assets:		
Capital assets not being depreciated	3,322,427	-
Capital assets (net of accumulated depreciation)	30,938,384	-
Total noncurrent assets	34,260,811	-
Total assets	37,589,308	112,368
Deferred Outflows of Resources		
Pension items, IMRF	118,141	31,675
Total deferred outflows of resources	118,141	31,675

See notes to financial statements

Village of Lincolnshire

Statement of Net Position
Proprietary Funds
December 31, 2021

	Business-Type Activities - Water and Sanitary Sewer Fund	Governmental Activities - Internal Service Fund
Liabilities		
Current liabilities:		
Accounts payable	$ 1,477,257	$ 19,232
Accrued payroll	12,539	3,442
Due to other funds	46	-
Compensated absences	54,642	4,056
Total current liabilities	1,544,484	26,730
Noncurrent liabilities:		
Long-term debt:		
Net pension liability	233,789	62,681
Total OPEB liability	309,785	81,382
Total noncurrent liabilities	543,574	144,063
Total liabilities	2,088,058	170,793
Deferred Inflows of Resources		
Pension items, IMRF	461,041	123,611
Total deferred inflows of resources	461,041	123,611
Net Position		
Net investment in capital assets	34,260,811	-
Unrestricted net position (deficit)	897,539	(150,361)
Total net position	$ 35,158,350	$ (150,361)

See notes to financial statements

Village of Lincolnshire

Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Year Ended December 31, 2021

	Business-Type Activities - Water and Sanitary Sewer Fund	Governmental Activities - Internal Service Fund
Operating Revenues		
Charges for services	$ 5,383,517	$ 494,275
Miscellaneous	7,155	-
Total operating revenues	5,390,672	494,275
Operating Expenses		
Administration	388,370	-
Operations	4,114,277	-
Repairs and maintenance	339,411	503,400
Depreciation	1,700,083	-
Total operating expenses	6,542,141	503,400
Operating income (loss)	(1,151,469)	(9,125)
Nonoperating Revenues (Expenses)		
Investment income	1,441	-
Connection fees	112,970	-
Total nonoperating revenues (expenses)	114,411	-
Income (loss) before transfers	(1,037,058)	(9,125)
Transfers		
Transfers in	2,400,000	-
Total transfers	2,400,000	-
Change in net position	1,362,942	(9,125)
Net Position (Deficit), Beginning	33,795,408	(141,236)
Net Position (Deficit), Ending	$ 35,158,350	$ (150,361)

See notes to financial statements

Village of Lincolnshire

Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2021

	Business-Type Activities - Water and Sanitary Sewer Fund	Governmental Activities - Internal Service Fund
Cash Flows From Operating Activities		
Received from customers	$ 5,343,660	$ 494,275
Paid to suppliers for goods and services	(4,420,661)	(337,204)
Paid to employees for services	(639,872)	(172,458)
Payments to other funds	(53,105)	-
Other income	7,155	-
Net cash flows from operating activities	237,177	(15,387)
Cash Flows From Investing Activities		
Investment income	637	-
Net cash flows from investing activities	637	-
Cash Flows From Noncapital Financing Activities		
Connection fees	112,970	-
Transfers	2,400,000	-
Change in interfund balances	272,199	-
Net cash flows from noncapital financing activities	2,785,169	-
Cash Flows From Capital and Related Financing Activities		
Acquisition and construction of capital assets	(2,235,875)	-
Net cash flows from capital and related financing activities	(2,235,875)	-
Net change in cash and cash equivalents	787,108	(15,387)
Cash and Cash Equivalents, Beginning	1,401,140	121,895
Cash and Cash Equivalents, Ending	$ 2,188,248	$ 106,508

See notes to financial statements

Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2021

	Business-Type Activities - Water and Sanitary Sewer Fund	Governmental Activities - Internal Service Fund
Reconciliation of Operating Loss to Net Cash Flows From Operating Activities		
Operating loss	$ (1,151,469)	$ (9,125)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation	1,700,083	-
Changes in assets and liabilities:		
Accounts receivable	(39,857)	-
Prepaid expense	(5,639)	(69)
Deferred outflows related to pensions	90,938	18,335
Accounts payable	(168,779)	(1,938)
Accrued salaries	2,801	682
Net pension liability	(349,612)	(76,864)
Deferred inflows related to pensions	154,128	50,199
Compensated absences	21,031	1,218
Total OPEB liability	(16,448)	2,175
Net cash flows from operating activities	$ 237,177	$ (15,387)
Noncash Capital and Related Financing Activities		
Change in capital-related accounts payable	$ 844,086	$ -

See notes to financial statements

Village of Lincolnshire

Statement of Fiduciary Net Position
Fiduciary Fund
December 31, 2021

	Pension Trust Fund
Assets	
Cash and cash equivalents	$ 36,361
Investments:	
Money markets	450,306
U.S. Treasury obligations	3,108,260
U.S. agencies securities	1,073,764
Equity mutual funds	14,521,457
Corporate bonds	5,680,542
Equities	5,539,039
Receivables:	
Accrued interest	61,251
Prepaid items	4,122
Total assets	30,475,102
Liabilities	
Accounts payable	23,694
Total liabilities	23,694
Net Position	
Restricted for pension benefits	$ 30,451,408
Total net position	$ 30,451,408

See notes to financial statements

Village of Lincolnshire

Statement of Changes in Fiduciary Net Position
Fiduciary Fund
Year Ended December 31, 2021

	Pension Trust Fund
Additions	
Contributions	
Employer	$ 1,113,260
Employee	243,339
Total contributions	1,356,599
Investment income	
Net appreciation in fair value of investments	1,871,773
Interest earned on investments	857,456
Total investment income	2,729,229
Less investment expense	(87,459)
Net investment income	2,641,770
Total additions	3,998,369
Deductions	
Benefits	1,358,389
Administrative	29,560
Total deductions	1,387,949
Change in fiduciary net position	2,610,420
Net Position, Beginning	27,840,988
Net Position, Ending	$ 30,451,408

See notes to financial statements

		Page
1.	**Summary of Significant Accounting Policies**	43
	Reporting Entity	43
	Government-Wide and Fund Financial Statements	44
	Measurement Focus, Basis of Accounting and Financial Statement Presentation	46
	Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity	48
	Deposits and Investments	48
	Receivables	51
	Prepaid Items	51
	Capital Assets	51
	Other Assets	52
	Deferred Outflows of Resources	52
	Compensated Absences	52
	Long-Term Obligations	53
	Deferred Inflows of Resources	53
	Equity Classifications	53
2.	**Detailed Notes on All Funds**	55
	Deposits and Investments	55
	Receivables	59
	Capital Assets	59
	Interfund Receivables/Payables and Transfers	60
	Long-Term Obligations	62
3.	**Other Information**	63
	Employees' Retirement System	63
	Risk Management	72
	Other Postemployment Benefits	73
	Subsequent Events	75
	Tax Abatement	75
	Effect of New Accounting Standards on Current-Period Financial Statements	77

1. Summary of Significant Accounting Policies

The Village of Lincolnshire, Illinois (the Village) was incorporated on August 5, 1957. The Village is a home-rule municipality, under the 1970 Illinois Constitution, located in Lake County, Illinois. The Village operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety (police), highways and streets, sanitation (water and sewer), health and social services, public improvements, planning and zoning and general administrative services.

The accounting policies of the Village of Lincolnshire, Illinois conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

Reporting Entity

This report includes all of the funds of the Village. The reporting entity for the Village consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units or its constituents; (2) the primary government or its component units, is entitled to or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government or its component units, is entitled to or has the ability to otherwise access, are significant to the primary government.

Component units are reported using one of three methods, discrete presentation, blended or fiduciary. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

Fiduciary Component Unit

The Police Pension Employees Retirement System (PPERS) is established for the Village's police employees. PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's Mayor, one pension beneficiary elected by the membership and two police employees elected by the membership constitute the pension board. The Village and the PPERS participants are obligated to fund all PPERS costs based upon actuarial valuations. A municipality is considered to have a financial burden if it is legally obligated or has otherwise assumed the obligation to make contributions to the pension plan. 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. PPERS is reported as a fiduciary component unit pension trust fund and the data for the pension is included in the government's fiduciary fund financial statements as a pension trust fund. No separate annual financial report is issued for the PPERS.

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Village does not allocate indirect expenses to functions in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

Fund Financial Statements

Financial statements of the Village are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues and expenditures/expenses.

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, 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

b. The same element of the individual governmental or enterprise fund that met the 10 percent test is at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

c. In addition, any other governmental or enterprise fund that the Village believes is particularly important to financial statement users may be reported as a major fund.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Village reports the following major governmental funds:

General Corporate Fund

General Corporate Fund accounts for the Village's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.

Debt Service Fund

Special Service Area Debt Service Fund is used to account for the resources accumulated and payments made for principal and interest on long-term special service area debt.

Capital Projects Fund

General Capital Projects Fund is used to account for the acquisition and construction of the Village's capital projects with funding provided by grants, donations and transfers.

Enterprise Fund

The Village reports the following major enterprise fund, which is the Village's only enterprise fund:

Water and Sanitary Sewer Fund is comprised of the water and sanitary sewer revenue account and water and sewer improvement account, accounts for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis to be financed or recovered primarily through user charges or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control or accountability or other purposes.

The Village reports the following nonmajor governmental funds:

Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

Motor Fuel Tax Fund
Fraud, Alcohol and Drug Fund

Capital Projects Fund

Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Park Development Capital Projects Fund

In addition, the Village reports the following fund types:

Internal Service Fund

Internal Service Fund is used to account for and report the financing of goods or services provided by one department or agency to other departments or agencies of the Village or to other governmental units, on a cost-reimbursement basis.

Vehicle Maintenance and Operations Fund

Pension Trust Fund

Pension Trust Fund is used to account for and report resources that are required to be held in trust for the members and beneficiaries of the defined benefit pension plan.

Police Pension Trust Fund

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and 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. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Sales taxes, telecommunication taxes and use taxes use a 90-day period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the Village is entitled the resources and the amounts are available. Amounts owed to the Village which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

Proprietary and Fiduciary Funds

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

The 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 proprietary funds are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary 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.

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity

Deposits and Investments

For purposes of the statement of cash flows, the Village considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Illinois Statutes authorize the Village to make deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreement to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services and the Illinois Funds Investment Pool.

Pension funds may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions and the Illinois insurance company general and separate accounts, mutual funds meeting certain requirements, equity securities and corporate bonds meeting certain requirements. Pension funds with net assets in excess of $10,000,000 and an appointed investment advisor may invest an additional portion of its assets in common and preferred stocks and mutual funds, that meet certain requirements. The Police Pension Fund's investment policy allows investments in all of the above listed accounts.

The Police Pension Fund's investment policy, in accordance with Illinois Statutes, establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Large cap U.S. equities	22.00 %	5.10 %
Mid cap U.S. equities	6.50	5.80
Small cap U.S. equities	6.50	6.00
International U.S. equities	15.00	4.40
Multi-class	15.00	3.80
Intermediate term fixed income	33.00	1.10
Cash and cash equivalents	2.00	0.00

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

The Police Pension Fund also requires investments to be made in accordance with ILCS and the Police Pension Fund's investment policy, which allows the Police Pension Fund to invest in the same securities as the Village, plus the following: certain non-U.S. obligations (corporate debt securities), Illinois municipal corporations, tax anticipation warrants, veterans' loan obligations of the State of Illinois and its political divisions, Illinois insurance company general and separate accounts, mutual funds and equity securities (not to exceed 55 percent of the total assets of the Police Pension Fund). The Police Pension Fund's investment policy prohibits short selling, securities lending, financial futures, margins, options, nonmarketable securities, commodities, speculative real estate or other specialized derivative investments.

The long-term expected rate of return on the Police Pension Fund's investments was determined using an asset allocation study conducted by the Police Pension Fund's investment management consultant in December 2021 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 long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Police Pension Fund's target asset allocation are listed in the table above.

The Village's investment policy authorizes the Village to make deposits/invest in accordance with the Illinois Compiled Statutes (ILCS): including investments in insured commercial banks, savings and loan institutions, obligations of U.S Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase the same obligations, repurchase agreements, short-term commercial paper rated within the three highest classification by at least two standard rating services and the Illinois Funds (created by Illinois State Legislature under the control of the State Comptroller that maintains $1 per share value) and the Illinois Metropolitan Investment Fund (IMET).

The Village has adopted an investment policy. It is the policy of the Village to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Village and conforming to all state and local statutes governing the investment of public funds, using the prudent person standard for managing the overall portfolio. The primary objectives of the policy are safety (preservation of capital and protection of investment principal), liquidity and yield.

Interest Rate Risk

In accordance with its investment policy, the Village limits its exposure to interest rate risk by structuring the portfolio to provide the liquidity for operating funds and maximizing yields for funds not needed within a three-year period. The investment policy matches the maturities of short-term investments the following minimum guidelines: 10 percent under 30 days, 25 percent under 90 days, 50 percent under 270 days, 90 percent under one year and 100 percent under 18 months. The long-term portfolio should be timed to meet the required future cash flow needs and should not extend beyond the term of any long-term obligations.

The Police Pension Fund limits its exposure to interest rate risk by structuring the portfolio into an equity portion and a fixed income portion to allow the Police Pension Fund to maximize current returns while allowing stability of the Police Pension Fund and providing for long-term return on investment.

Credit Risk

The Village limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by requiring annual approval of allowable investments. Additionally, the funds are primarily invested in government securities and other secure investments.

The Police Pension Fund limits its exposure to credit risk by requiring quarterly review of the returns of the equity portion of investments to address any standard deviations and by requiring 35 percent investment in secure fixed income investments, primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government.

Concentration of Credit Risk

The Village's investment policy requires diversification of the portfolio. Diversification by security is as follows: U.S. Treasury obligations - 100 percent maximum; U.S. Government agency securities and instruments of government sponsored corporations - 100 percent maximum; certificates of deposit (CDs) commercial banks - 33 percent maximum; except when the CDs are invested using the Certificate of Deposit Account Registry Service (CDARS) or similar system; Illinois Governmental Cash Investment Fund - 35 percent maximum; and IMET - 35 percent. Diversification by institution is as follows: CDs - no more than 15 percent of the total portfolio with any one institution.

The Police Pension Fund's investment policy provides diversification guidelines on the amount of the portfolio that can be invested in any one investment vehicle. Diversification by security is in accordance with the table above. Small and temporary variations from the above are allowed for by the policy.

Custodial Credit Risk, Deposits

The Village's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured with collateralization pledged by the applicable financial institution to the extent of 110 percent of the value of the deposit. The collateral must be held by the Village's agent in the Village's name.

The Police Pension Fund's investment policy does not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the Police Pension Fund's deposits with financial institutions.

Custodial Credit Risk, Investments

The Village's investment policy does not address custodial credit risk related to investments. To limit its exposure, the Village processes all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Village's agent separate from where the investment was purchased or by the trust department of the bank where purchased, in the Village's name.

The Police Pension Fund's policy requires reporting and monitoring of investment managers and custodians. To additionally limit its exposure, the Police Pension Fund prepares all transactions that are exposed to custodial credit risk to be processed on delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Police Pension Fund's agent separate from where the investment was purchased in the Police Pension Fund's name.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances.The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

Illinois Metropolitan Investment Fund (IMET) is a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and 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 IMET's share price, the price for which the investment could be sold. Investment in IMET's 1-3 year fund may be redeemed with 5 business days' notice.

See Note 2 for further information.

Receivables

Property taxes for levy year 2021 attaches as an enforceable lien on January 1, 2021, on property values assessed as of the same date. Taxes are levied by December following the lien date (by passage of a Tax Levy Ordinance). Tax bills for levy year 2021 are prepared by Lake County and issued on or about May 1, 2022 and August 1, 2022 and are payable in two installments, on or about June 1, 2022 and September 1, 2022 or within 30 days of the tax bills being issued.

The County collects such taxes and remits them periodically. The 2021 property tax levy is recognized as a receivable and deferred inflows in fiscal 2021. As the taxes become available to finance current expenditures, they are recognized as revenues. At December 31, 2021, the property taxes receivable and related deferred inflows consisted of the estimated amount collectible from the 2021 levy.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as due to and from other funds. Long-term interfund loans (noncurrent portion) are reported as advances from and to other funds. Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as internal balances.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than $10,000 for general capital assets, $100,000 for all land and improvements as well as building and improvements and $200,000 for infrastructure assets. Capital assets must have an estimated useful life in excess of 1 year. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, and overhead. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

Land Improvements	10-20	Years
Buildings and improvements	15-50	Years
Infrastructure*	20-50	Years
Machinery and equipment	5-20	Years
Buildings: business-type activities	45	Years
Underground water and sewerage system: business-type activities	10-75	Years
Furniture, machinery and equipment: business-type activities	5-15	Years

*Infrastructure includes right-of-way land (not depreciated), roads, curbs, gutters, storm sewers, recreational paths, street lights, field lights, bridges and traffic control signals.

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

Other Assets

Land held for resale is valued at the lower of cost or market. Reported land held for resale is equally offset by nonspendable fund balance, which indicates that portion of the fund balance is unavailable to the fund.

Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

Compensated Absences

In the event of termination, an employee is paid for accumulated vacations days. Employees are not reimbursed for unused sick leave and all vacation time must be used in the current year or shortly thereafter. Accrued vacation is reported in the governmental funds for the amount of vacation for employees that retired or were terminated before fiscal year end that was not paid out as of fiscal year end.

Vested or accumulated vacation and sick leave of proprietary funds and governmental activities, at the government-wide level, is recorded as an expense and liability as the benefits accrue to employees.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2021, are determined on the basis of current salary rates and include salary related payments.

Long-Term Obligations

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of bonds payable and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net assets that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

Equity Classifications

Government-Wide Statements

Equity is classified as net position and displayed in three components:

a. **Net Investment in Capital Assets** - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
b. **Restricted Net Position** - Consists of net position with constraints placed on their 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 legislation.
c. **Unrestricted Net Position** - All other net positions that do not meet the definitions of restricted or net investment in capital assets.

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Statements

Governmental fund balances are displayed as follows:

a. **Nonspendable** - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.

b. **Restricted** - Consists of fund balances with constraints placed on their 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 legislation.

c. **Committed** - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (ordinance) of the Village Board. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Village Board that originally created the commitment.

d. **Assigned** - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The authority to assign fund balance has been delegated to the Mayor by the Village Board of Trustees. Assignments may take place after the end of the reporting period.

e. **Unassigned** - Includes residual positive fund balance within the General Corporate Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

The Village's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending the Village considers committed funds to be expended first followed by assigned and then unassigned funds.

The Village has established fund balance reserve policies for its General Corporate Fund. The General Corporate Fund targets 75 percent of one year's operating expenditures. The Special Revenue, Capital Projects and Debt Service Funds do not have established fund balance limits due to the nature of the transactions accounted for in these funds.

2. Detailed Notes on All Funds

Deposits and Investments

The Village's and Police Pension Fund's deposits and investments at year end were comprised of the following:

	Village	Police Pension Fund	Total
Deposits	$ 5,321,613	$ 36,361	$ 5,357,974
Illinois Metropolitan Investment Fund (IMET), 1-3 year debt fund	4,913,994	-	4,913,994
Illinois Metropolitan Investment Fund (IMET) convenience fund	3,564,611	-	3,564,611
Money market	70,070	450,306	520,376
Repurchase agreement, Natixis	1,169,686	-	1,169,686
U.S. Treasury obligations	199,375	3,108,260	3,307,635
U.S. agencies, implicitly guaranteed	882,866	1,025,606	1,908,472
U.S. agencies, explicitly guaranteed	-	48,158	48,158
Equity mutual funds	-	14,521,457	14,521,457
Municipal bonds	665,529	-	665,529
Corporate bonds	-	5,680,542	5,680,542
Negotiable certificates of deposits	3,488,722	-	3,488,722
Equities	-	5,539,039	5,539,039
Petty cash	9,501	-	9,501
Total deposits and investments	$ 20,285,967	$ 30,409,729	$ 50,695,696

	Village	Police Pension Fund	Total
Reconciliation to financial statements			
Per statement of net position:			
Cash and cash equivalents	$ 5,331,114	$ -	$ 5,331,114
Investments	14,954,853	-	14,954,853
Per statement of net position, fiduciary funds:			
Cash and cash equivalents	-	36,361	36,361
Money markets	-	450,306	450,306
U.S. Treasury obligations	-	3,108,260	3,108,260
U.S. agencies securities	-	1,073,764	1,073,764
Equity mutual funds	-	14,521,457	14,521,457
Corporate bonds	-	5,680,542	5,680,542
Equities	-	5,539,039	5,539,039
Total deposits and investments	$ 20,285,967	$ 30,409,729	$ 50,695,696

Deposits in each local and area bank are insured by the FDIC in the amount of $250,000 for time and savings accounts (including NOW accounts) and $250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of $250,000 for the combined amount of all deposit accounts.

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

The Village and Police Pension Fund used the market valuation method for recurring fair value measurements.

Village

	December 31, 2021			
Investment Type	**Level 1**	**Level 2**	**Level 3**	**Total**
Illinois Metropolitan Investment Fund (IMET), 1-3 year debt fund	$ -	$ -	$ 4,913,994	$ 4,913,994
Illinois Metropolitan Investment Fund (IMET) convenience fund	-	3,564,611	-	3,564,611
Repurchase agreement, Natixis	-	1,169,686	-	1,169,686
U.S. Treasury obligations	199,375	-	-	199,375
U.S. agencies, implicitly guaranteed	-	882,866	-	882,866
Municipal bonds	-	665,529	-	665,529
Negotiable certificates of deposits	-	3,488,722	-	3,488,722
Total	$ 199,375	$ 9,771,414	$ 4,913,994	$ 14,884,783

Police Pension Fund

	December 31, 2021			
Investment Type	**Level 1**	**Level 2**	**Level 3**	**Total**
U.S. Treasury obligations	$ 3,108,260	$ -	$ -	$ 3,108,260
U.S. agencies, implicitly guaranteed	-	1,025,606	-	1,025,606
U.S. agencies, explicitly guaranteed	-	48,158	-	48,158
Corporate bonds	-	5,680,542	-	5,680,542
Equities	5,539,039	-	-	5,539,039
Equity mutual funds	14,521,457	-	-	14,521,457
Total	$ 23,168,756	$ 6,754,306	$ -	$ 29,923,062

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the Village's deposits may not be returned to the Village.

The Village does not have any deposits exposed to custodial credit risk.

Investments

For an investment, custodial credit risk 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 securities and the Police Pension Fund's securities subject to investment custodial credit risk are held in safekeeping at the institution where they are purchased.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

As of December 31, 2021, investments were rated as follows:

Village

Investment Type	Standard & Poors	Moody's Investors Services
Illinois Metropolitan Investment Fund (IMET), 1-3 year debt fund	n/a	Aaa-bf
Repurchase agreement, Natixis	AAA	Aaa
U.S. agencies	AA+ - NR	Aaa - NR
Municipal bonds	AAA - N/R	Aaa - NR
Negotiable certificates of deposit	NR	NR

Police Pension Fund

Investment Type	Standard & Poors	Moody's Investors Services
U.S. agencies	AA+ - NR	Aaa - NR
Corporate bonds	AAA - BBB-	Aaa - Baa3

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

At December 31, 2021, the Village's investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Portfolio
Natixis Investment	Repurchase agreement	7.82 %

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of December 31, 2021, the Village's and Police Pension Fund's investments were as follows:

Village

Investment Type	Fair Value	Maturity (In Years) Less than 1	1-5	6-10
Illinois Metropolitan Investment Fund (IMET), 1-3 year debt fund	$ 4,913,994	$ -	$ 4,913,994	$ -
Repurchase agreement, Natixis	1,169,686	-	-	1,169,686
U.S. Treasury obligations	199,375	199,375	-	-
U.S. agencies, implicitly guaranteed	882,866	140,629	742,238	-
Municipal bonds	665,529	140,423	525,105	-
Negotiable certificates of deposits	3,488,722	1,344,003	2,144,719	-
Total	$ 11,320,172	$ 1,824,430	$ 8,326,056	$ 1,169,686

Police Pension Fund

Investment Type	Fair Value	Maturity (In Years) Less than 1	1-5	6-10	More than 10
U.S. Treasury obligations	$ 3,108,260	$ -	$ 1,445,967	$ 1,662,293	$ -
U.S. agencies, explicitly guaranteed	48,158	-	26,288	-	21,870
U.S. agencies, implicitly guaranteed	1,025,606	20,013	370,165	437,098	198,330
Corporate bonds	5,680,542	249,085	3,884,313	1,409,988	137,156
Total	$ 9,862,566	$ 269,098	$ 5,726,733	$ 3,509,379	$ 357,356

Money-Weighted Rate of Return

Police Pension Fund

For the year ended December 31, 2021, the annual money-weighted rate of return on the Police Pension plan investments, net of pension plan investment expense, was 9.50 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

See Note 1 for further information on deposit and investment policies.

Receivables

Other taxes receivables as of year end for the General Corporate Fund in the aggregate are as follows:

	Amount
Other taxes:	
State income	$ 108,184
Sales	501,475
Home rule sales	450,188
Food & beverage	56,060
Utility	106,267
Telecommunications	256,387
Room & admissions	88,035
State use	88,860
Cable	43,486
Miscellaneous	1,123
Total	$ 1,700,065

All of the receivables on the balance sheet are expected to be collected within one year.

Capital Assets

Capital asset activity for the year ended December 31, 2021, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated:				
Land	$ 27,533,513	$ -	$ -	$ 27,533,513
Right of way	15,175,160	-	-	15,175,160
Easements	1,073,597	-	-	1,073,597
Construction in progress	279,081	1,369,562	951,866	696,777
Total capital assets not being depreciated	44,061,351	1,369,562	951,866	44,479,047
Capital assets being depreciated:				
Land improvements	7,959,235	-	-	7,959,235
Buildings and improvements	9,498,690	43,111	-	9,541,801
Infrastructure	46,071,625	908,755	-	46,980,380
Machinery and equipment	4,354,950	397,272	197,384	4,554,838
Total capital assets being depreciated	67,884,500	1,349,138	197,384	69,036,254
Total capital assets	111,945,851	2,718,700	1,149,250	113,515,301
Less accumulated depreciation for:				
Land improvements	(5,644,572)	(338,481)	-	(5,983,053)
Buildings and improvements	(5,181,784)	(220,110)	-	(5,401,894)
Infrastructure	(30,238,904)	(845,469)	-	(31,084,373)
Machinery and equipment	(2,682,943)	(281,777)	189,063	(2,775,657)
Total accumulated depreciation	(43,748,203)	(1,685,837)	189,063	(45,244,977)
Net capital assets being depreciated	24,136,297	(336,699)	8,321	23,791,277
Total governmental activities capital assets, net of accumulated depreciation	$ 68,197,648	$ 1,032,863	$ 960,187	$ 68,270,324

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	$ 885,860
Public safety	50,921
Public works	228,432
Parks and open spaces	520,624
Total governmental activities depreciation expense	$ 1,685,837

	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities				
Capital assets not being depreciation:				
Land	$ 106,833	$ -	$ -	$ 106,833
Construction in progress	135,633	3,079,961	-	3,215,594
Total capital assets not being depreciation	242,466	3,079,961	-	3,322,427
Capital assets being depreciation:				
Buildings	2,102,570	-	-	2,102,570
Underground water and sewerage system	87,642,153	-	-	87,642,153
Furniture, machinery and equipment	1,501,212	-	-	1,501,212
Total capital assets being depreciation	91,245,935	-	-	91,245,935
Total capital assets	91,488,401	3,079,961	-	94,568,362
Less accumulated depreciation for:				
Buildings	(1,250,220)	(55,010)	-	(1,305,230)
Underground water and sewerage system	(56,734,480)	(1,521,401)	-	(58,255,881)
Furniture, machinery and equipment	(622,768)	(123,672)	-	(746,440)
Total accumulated depreciation	(58,607,468)	(1,700,083)	-	(60,307,551)
Net capital assets being depreciation	32,638,467	(1,700,083)	-	30,938,384
Business-type capital assets, net of accumulated depreciation	$ 32,880,933	$ 1,379,878	$ -	$ 34,260,811

Interfund Receivables/Payables and Transfers

Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

Receivable Fund	Payable Fund	Amount
General Corporate	Water and Sanitary Sewer	$ 46
Total		$ 46

All amounts are due within one year.

The interfund from the General Operating to the Water and Sanitary Sewer Fund - Revenue results from allocating expenditures/expense between funds. This amount will be repaid within one year.

Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
Water and Sanitary Sewer	General Corporate	$ 2,400,000	To move general operating fund reserves to the water and sanitary sewer improvement fund to cover the cost of equipment and infrastructure planned in 2021
General Capital Projects	Nonmajor Governmental Fund	326,536	Transfer is to offset the cost of various park and path projects as well as a squad vehicle paid out of the capital projects fund.
General Corporate	General Capital Projects	450,000	Transfer to maintain General Fund fund balance at 75% in accordance with Village policy
Total, fund financial statements		3,176,536	
Less government-wide eliminations		(776,536)	
Total transfers, government-wide statement of activities		$ 2,400,000	

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund and (3) use unrestricted revenues collected in the General Corporate Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2021, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and notes payable:					
Special assessment area bonds	$ 10,635,000	$ -	$ 495,000	$ 10,140,000	$ 530,000
Total bonds and notes payable	10,635,000	-	495,000	10,140,000	530,000
Other liabilities:					
Compensated absences*	259,002	80,870	64,751	275,121	275,121
Compensated absences, internal service	2,838	1,928	710	4,056	4,056
Total OPEB liability	2,432,984	105,309	216,738	2,321,555	-
Total OPEB liability, internal service	79,207	3,428	1,253	81,382	-
Net pension liability, police pension	3,815,078	816,088	2,610,420	2,020,746	-
Net pension liability, IMRF	1,912,492	1,428,826	2,516,111	825,207	-
Net pension liability, IMRF, internal service	139,545	104,254	181,118	62,681	-
Total other liabilities	8,641,146	2,540,703	5,591,101	5,590,748	279,177
Total governmental activities long-term liabilities	$ 19,276,146	$ 2,540,703	$ 6,086,101	$ 15,730,748	$ 809,177
Business-Type Activities					
Other liabilities:					
Compensated absences	$ 33,611	$ 29,433	$ 8,402	$ 54,642	$ 54,642
Total OPEB Liability	326,233	14,121	30,569	309,785	-
Net pension liability, IMRF	583,401	435,860	785,472	233,789	-
Total other liabilities	943,245	479,414	824,443	598,216	54,642
Total business-type activities long-term liabilities	$ 943,245	$ 479,414	$ 824,443	$ 598,216	$ 54,642

The Village is a home rule municipality.

Article VII, Section 6(k) of the 1970 Illinois Constitution governs computation of the legal debt margin as follows. The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem properly tax receipts, only in excess of the following percentages of the assessed value of its taxable property... (2) if its population is more than 25,000 and less than 500,000 in the aggregate of one percent: ...indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum... shall not be included in the foregoing percentage amounts. The Village voters approved referendum to become a home rule community in 1975.

To date, the General Assembly has set no limits for home rule municipalities. The Village qualifies as a Home Rule Unit under Section 6(a) of Article VII of the 1970 Constitution of Illinois and, under the powers granted by this section, can exercise any power and perform any function pertaining to its government and affairs that is not prohibited by the ILCS.

*Accrued compensated absences are historically retired by the General Corporate Fund.

The net pension liability for the Illinois Municipal Retirement Fund (IMRF), net pension liability - Police Pension and total OPEB liability are retired by the General Corporate as well as the Water and Sanitary Sewer Funds.

Special Service Area Bonds

Special service area bonds at December 31, 2021, consists of the following:

Governmental Activities Special Service Area Bonds	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2021
Special Service Area Number 1 Special Tax Bonds, Series 2004 due in annual installments ranging from $235,000 to $1,095,000	11/16/2004	3/1/2034	6.25%	$ 15,000,000	$ 10,140,000
Total governmental activities special service area bonds					$ 10,140,000

Debt service requirements to maturity are as follows:

Years	Governmental Activities Special Service Area Bonds Principal	Interest
2022	$ 530,000	$ 617,187
2023	560,000	583,125
2024	595,000	547,031
2025	635,000	508,594
2026	675,000	467,656
2027-2031	4,050,000	1,630,625
2032-2034	3,095,000	297,969
Total	$ 10,140,000	$ 4,652,187

3. Other Information

Employees' Retirement System

The Village contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent-multiple-employer public employee retirement system; and the Police Pension Plan which is a single-employer pension plan. The benefits, benefit levels, employee contributions and employer contributions for the plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. The Police Pension Plan does not issue a separate report on the pension plan. IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523. This report is also available for download at www.imrf.org.

For the year ended December 31, 2021, the Village recognized the following balances in the government-wide financial statements:

	Total Pension Liability	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
IMRF	$ 23,922,795	$ 1,121,677	$ 566,827	$ 2,211,995	$ 140,736
Police Pension Plan	32,472,154	2,020,746	711,135	2,796,410	(8,013)
Total	$ 56,394,949	$ 3,142,423	$ 1,277,962	$ 5,008,405	$ 132,723

Illinois Municipal Retirement Fund

Plan Description

All employees (other than those covered by the Police Pension plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF has a two tier plan. Members who first participated in IMRF or an Illinois Reciprocal System prior to January 1, 2011 participate in Tier 1. All other members participate in Tier 2. For Tier 1 participants, pension benefits vest after 8 years of service. Participating members who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with 8 years of service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1-2/3 percent of their final rate of earnings (average of the highest 48 consecutive months' earnings during the last 10 years) for credited service up to 15 years and 3 percent for each year thereafter.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 participants, pension benefits vest after 10 years of service. Participating members who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with 10 years of service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1-2/3 percent of their final rate of earnings for the first 15 years of service credit, plus 2 percent for each year of service after 15 years to a maximum of 75 percent 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 ever year after retirement, upon reaching age 67, by the lesser of 3 percent of the original pension amount or 1/2 of the increase in the Consumer Price Index of the original pension amount.

Plan Membership

At December 31, 2020, the measurement date, membership in the plan was as follows:

Retirees and beneficiaries	52
Inactive, nonretired members	34
Active members	36
Total	122

Contributions

As set by statute, Village employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The statute requires the Village to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's actuarially determined contribution rate for calendar year 2020 was 15.77 percent of annual covered payroll for IMRF. The Village also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability/(Asset)

The net pension liability/(asset) was measured as of December 31, 2020 and the total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date.

Summary of Significant Accounting Policies

For purposes of measuring the net pension liability/(asset), deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of IMRF and additions to/deductions from IMRF fiduciary net position have been determined on the same basis as they are reported by IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Actuarial Assumptions

The total pension liability for IMRF was determined by actuarial valuations performed as of December 31, 2020 using the following actuarial methods and assumptions:

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value
Actuarial assumptions	
Investment rate of return	7.25%
Salary increases	2.85% to 13.75%, including inflation
Price inflation	2.25%

Mortality

For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted for 106 percent) and Female (adjusted 105 percent) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

Long-Term Expected Real Rate of Return

The long-term expected rate of return on pension plan investments was determined using an asset allocation study 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 long-term expected rate of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

		Projected Returns/Risks	
Asset Class	**Target Allocation**	**One Year Arithmetic**	**Ten Year Geometric**
Equities	37.00 %	6.35 %	5.00 %
International equities	18.00	7.65	6.00
Fixed income	28.00	1.40	1.30
Real estate	9.00	7.10	6.20
Alternatives	7.00		
Private equity		10.35	6.95
Hedge funds		-	-
Commodities		3.90	2.85
Cash equivalents	1.00	0.70	0.70

Discount Rate

The discount rate from the December 31, 2020 measurement date used to measure the total pension liability for IMRF as of December 31, 2021 was 7.25 percent. The discount rate calculated using the December 31, 2019 measurement date was 7.25 percent. 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 actuarially determined contribution rate and the member rate. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefits 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 net pension liability/(asset) of the Village calculated using the discount rate of 7.25 percent as well as what the net pension liability/(asset) would be if it were to be calculated using a discount rate that is 1 percentage point lower (6.25 percent) or 1 percentage point higher (8.25 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Total pension liability	$ 26,808,276	$ 23,922,795	$ 21,654,965
Plan fiduciary net pension	22,801,118	22,801,118	22,801,118
Net pension liability/(asset)	$ 4,007,158	$ 1,121,677	$ (1,146,153)

Changes in Net Pension Liability/(Asset)

The changes in net pension liability/(asset) for the calendar year ended December 31, 2020 were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances at December 31, 2019	$ 23,283,596	$ 20,648,158	$ 2,635,438
Service cost	308,834	-	308,834
Interest on total pension liability	1,660,106	-	1,660,106
Differences between expected and actual experience of the total pension liability	(104,701)	-	(104,701)
Change of assumptions	(145,048)	-	(145,048)
Benefit payments, including refunds of employee contributions	(1,079,992)	(1,079,992)	-
Contributions, employer	-	491,825	(491,825)
Contributions, employee	-	140,344	(140,344)
Net investment income	-	2,914,641	(2,914,641)
Other (net transfer)	-	(313,858)	313,858
Balances at December 31, 2020	$ 23,922,795	$ 22,801,118	$ 1,121,677

Plan fiduciary net position as a percentage of the total pension liability 95.31 %

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

For the year ended December 31, 2021, the Village recognized pension expense of $140,736. The Village reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 39,017	$ 306,377
Assumption changes	76,535	104,523
Net difference between projected and actual earnings on pension plan investments	-	1,801,095
Contributions subsequent to the measurement date	451,275	-
Total	$ 566,827	$ 2,211,995

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liability/(asset) for the year ending December 31, 2022. The remaining amounts reported as deferred outflows and inflows of resources related to pensions ($(2,096,443)) will be recognized in pension expense as follows:

Year Ending December 31,	Village
2022	$ (675,305)
2023	(371,308)
2024	(760,778)
2025	(289,052)
Total	$ (2,096,443)

Police Pension

Plan Description

Police sworn personnel are covered by the Police Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes (Chapter 40 ILCS 5/3) and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund.

The plan is governed by a five-member Board of Trustees. Two members of the Board of Trustees are appointed by the Village Mayor, one member is elected by pension beneficiaries and two members are elected by active police employees.

As provided for in the Illinois Compiled Statutes, the Plan provides retirement benefits as well as death and disability benefits to employees grouped into two tiers. Tier 1 is for employees hired prior to January 1, 2011 and Tier 2 is for employees hired after that date. The following is a summary of the Police Pension Fund as provided for in Illinois Compiled Statutes.

Tier 1 - Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one half of the salary attached to the rank on the last day of service or for one year prior to the last day, whichever is greater. The pension 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 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension 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 paid upon reaching at least the age 55, by 3 percent of the original pension and 3 precent compounded annually thereafter.

Tier 2 - Covered employees hired on or after January 1, 2011 attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 48 consecutive months of service within the last 60 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at $130,166 for 2021, plus the amount automatically increases by the lesser of the annual change in the Consumer Price Index or 3 precent compounded. The annual benefit shall be increased by 2.50 precent of such salary for each additional year of service over 20 years up to 30 years to maximum of 75 percent of each salary. Employees with 10 or more years of creditable service may retire at or after age 50 and receive a reduced retirement benefit (i.e., 1/2 perfent for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on January 1 occurring either on or after the attainment of age 60 or the first anniversary of the pension start date, whichever is later. Each annual increase shall be calculated at 3 percent or one-half the annual unadjusted percentage increase in the CPI, whichever is less for the proceeding calendar year.

Plan Membership

At December 31, 2021, the Police Pension membership consisted of:

Retirees and beneficiaries	19
Inactive, nonretired members	6
Active members	22
Total	47

Contributions

Covered employees are required to contribute 9.91 percent 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 plans as actuarially determined by an enrolled actuary. Effective January 1, 2011 the Village's contributions must accumulate to the point where the past service cost for the Police Pension Plan is 90 percent funded by the year 2040. It is the Village's policy to fund the pension plan to achieve 100 percent funding by the same date. The Village's actuarially determined contribution rate for the fiscal year ending December 31, 2021 was 43.52 percent of annual covered payroll.

Net Pension Liability/(Asset)

The net pension liability/(asset) was measured as of December 31, 2021 and the total pension liability used to calculate the net pension liability/(asset) was determined by an annual actuarial valuation as of that date.

Summary of Significant Accounting Policies

The financial statements of the Police Pension Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which contributions are due. The Village's contributions are recognized when due and a formal commitment to provide the contributions are made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximated fair value. Investments that do not have an established market are reported at estimated fair values.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed as of December 31, 2021 using the following actuarial methods and assumptions:

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value
Actuarial assumptions	
Interest rate	6.50%
Inflation	2.50%
Projected salary increases	Age based
Cost-of-living adjustments	3.00%

Mortality rates were based on the following:

Healthy Active Lives: PubS-2010 Mortality Table for Employees. 10 percent of active deaths are assumed to be in the line of duty.

Healthy Retiree Lives: PubS-2010 Mortality Table for Healthy Retirees.

Disabled Lives: PubS-2010 Mortality Table for Disabled Retirees.

Beneficiary Lives: PubS-2010 Mortality Table for Contingent Survivors.

The mortality assumptions for all participants are sex distinct with mortality improvement projected 5 years beyond the valuation date using scale MP-2021 and a base year of 2010.

Discount Rate

The discount rate used to measure the total pension liability for the Police Pension Plan was 6.50 percent, 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 actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate of 6.50 percent as well as what the net pension liability would be if it were to be calculated using a discount rate that is 1 percentage point lower (5.50 percent) or 1 percentage point higher (7.50 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Total pension liability	$ 37,242,305	$ 32,472,154	$ 28,596,397
Plan fiduciary net position	30,451,408	30,451,408	30,451,408
Net pension liability/(asset)	$ 6,790,897	$ 2,020,746	$ (1,855,011)

Changes in Net Pension Liability/(Asset)

The Village's changes in net pension liability/(asset) for the calendar year ended December 31, 2021 was as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/Asset (a) - (b)
Balances at December 31, 2020	$ 31,656,066	$ 27,840,988	$ 3,815,078
Service cost	627,487	-	627,487
Interest on total pension liability	2,054,283	-	2,054,283
Differences between expected and actual experience of the total pension liability	(507,293)	-	(507,293)
Benefit payments, including refunds of employee contributions	(1,358,389)	(1,358,389)	-
Contributions, employer	-	1,113,260	(1,113,260)
Contributions, employee	-	243,339	(243,339)
Net investment income	-	2,641,770	(2,641,770)
Administration	-	(29,560)	29,560
Balances at December 31, 2021	$ 32,472,154	$ 30,451,408	$ 2,020,746
Plan fiduciary net position as a percentage of the total pension liability			93.78 %

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

For the year ended December 31, 2021, the Village recognized negative pension expense of $8,013. The Village reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 317,003	$ 542,805
Assumption changes	394,132	-
Net difference between projected and actual earnings on pension plan investments	-	2,253,605
Total	$ 711,135	$ 2,796,410

The amounts reported as deferred outflows and inflows of resources related to pensions ($(2,085,275)) will be recognized in pension expense as follows:

Year Ending December 31,	Amount
2022	$ (368,552)
2023	(997,624)
2024	(535,993)
2025	(140,548)
2026	(42,558)
Total	$ (2,085,275)

Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; workers compensation; and health care of its employees. The Village participates in a public entity risk pool called North Suburban Employee's Benefit Cooperative to provide coverage for losses from health care of its employees and a public entity risk pool called the Municipal Insurance Cooperative Agency to provide coverage for losses from workers' compensation claims.. However, other risks, such as (torts; theft of, damage to or destruction of assets; errors and health care of its employees) are accounted for and financed by the Village in the General Corporate Fund.

Public Entity Risk Pool

HELP

The Village participated in the High Level Excess Liability Pool (HELP). HELP was a public entity risk pool established by certain municipalities (the Members) in Illinois to provide excess liability coverage. The Village was a charter member when it commenced operations in 1985 with 15 members.

The member communities opted to close HELP down effective April 30, 2018. The Village remains responsible for its share of expenses and currently has a surplus position in the run-off of the pool. It is expected that HELP will close out all claims and return the surplus to members with the next 36 months.

North Suburban Employee's Benefit Cooperative (NSEBC)

The Village participates in the North Suburban Employee's Benefit Cooperative (NSEBC), an agency of municipalities created to finance and administer health and life insurance benefits for its members. Each municipality appoints one representative to serve on the Board of Directors. The Board of Directors determines the general government polices which include approval of the annual budget.

Municipal Insurance Cooperative Agency

The Village participates in the Municipal Insurance Cooperative Agency (MICA). MICA is a public entity risk pool whose members are Illinois municipalities. MICA manages and funds first party property losses, third party liability claims, workers' compensation claims and public officials' liability claims of its members. MICA also has a third party administrator that works on behalf of the MICA members to administer claims.

MICA provides $15,000,000 of coverage after a $5,000 deductible. MICA also provides crime and cyber coverage. The Village pays an annual contribution to MICA based upon the Village's share of liability exposure and prior experience within the pool to cover potential claims to the total loss aggregate. Amounts paid into the pool in excess of claims for any coverage year can be returned to the members in the form of a dividend in subsequent periods. The Village records such dividends as miscellaneous revenue in the General Fund in the year in which they are received.

Management consists of a Board of Directors comprised of one appointed representative from each member. The Village does not exercise any control over activities of MICA beyond its representation on the Board of Directors. MICA functions solely as an administrative agent for each member.

Other Postemployment Benefits

General Information about the OPEB Plan

Plan Description

The Village provides postemployment health insurance benefits for all eligible retirees and their spouses through the Village's benefit cooperative which covers both active and retired members. The plan allows eligible retirees to remain on the Village's health insurance plan as required by ILCS, but the retiree is responsible for the full health insurance premium. For the year ended December 31, 2021, $107,345 was contributed by plan members. Plan provisions and contribution requirements are established and may be amended by the Village through contractual agreements with employee groups, local ordinances or employee benefit policies. The plan is funded on a pay-as-you go basis and no assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided

To be eligible for benefits, an employee must qualify for retirement under one of the Village's retirement plans. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services, mental, nervous and substance abuse care; vision care; dental care; and prescriptions. Once a retiree reaches age 65 years of age, they are given the option to switch to the Benistar Post-65 plan.

Employees Covered by Benefit Terms

At December 31, 2021, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	8
Active plan members	56
Total	64

Total OPEB Liability

The Village's total OPEB liability of $2,712,722 was measured as of December 31, 2021 and was determined by an actuarial valuation as of January 1, 2021.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Salary increases	2.75%
Healthcare cost trend rates, PPO	7.70%
Healthcare cost trend rates, HDHP	7.20%
Retirees' share of benefit-related costs	100%

The discount rate was based on Bond Buyer 20-Bond G.O. Index as of December 31, 2021.

Active, Retiree and Spousal IMRF mortality rates follows PubG-2010(B) Improved Generationally using MP-2020 Improvement Rates, weighted per IMRF Experience Study dated December 14, 2020. Active Police member mortality assumptions are based on the PubS-2010(A) Study Improved to 2017 using MP-2019 Improvement Rates. Police Retiree mortality rates follows the L&A assumption study for Police 2020 which are experience weighted with the raw rates as developed in the PubS-2010(A) Study Improved to 2017 using MP-2019 Improvement Rate. The Disabled and Spousal Police mortality rates follows the Sex Distinct Raw Rates and are improved generationally using MP-2019 Improvement Rates.

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study conducted by the independent actuary.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balances at December 31, 2020	$ 2,838,424
Changes for the year:	
Service cost	63,943
Interest	58,915
Changes in assumptions or other inputs	(129,663)
Benefit payments	(118,897)
Net changes	(125,702)
Balances at December 31, 2021	$ 2,712,722

Changes of assumptions and other inputs reflect a change in the discount rate from 2.12 percent in 2020 to 2.06 percent in 2021.

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

The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.1 percent) or 1-percentage-point higher (3.1 percent) than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
Total OPEB liability	$ 3,207,391	$ 2,712,722	$ 2,327,817

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

The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.7 percent - PPO and 6.2 percent - HDHP decreasing to 4.0 percent) or 1-percentage-point higher (8.7 percent - PPO and 8.2 percent - HDHP percent decreasing to 6.0 percent) than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	$ 2,288,091	$ 2,712,722	$ 3,255,718

OPEB Expense Related to OPEB

For the year ended December 31, 2021, the Village recognized negative OPEB expense of $6,805.

Subsequent Events

On May 31, 2022 the Village issued general obligation bonds in the amount of $4,065,000 with an interest rate of 3.75 percent. This amount will be used finance the costs of certain capital projects in the Village.

Subsequent to December 31, 2021, the investment markets have experienced significant volatility. It is highly likely that the values of the Police Pension Fund's investments have changed by material amounts since year end.

Tax Abatement

Tax abatements are a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The Village is disclosing all abatement agreements individually.

The Village rebates certain taxes to recruit, retain or improve local business facilities or their supporting public infrastructure under certain circumstances. The terms of these rebate arrangements are specified within written agreements with the businesses concerned.

In November 2010, the Village entered into a ten-year sales tax rebate program with a company. The Village is required to rebate 50 percent of any home-rule sales tax revenue generated; provided annual sales exceed $100,000. At December 31, 2021, the Village has incurred an estimated rebate liability of $27,303 for amounts collected by the state through December 31, 2021. To date, the Village has rebated approximately $1,146,658 of home-rule sales tax to this company.

In 2018, the Village entered into a 10-year sales tax municipal tax rebate program with a company. The Village is required to rebate 50 percent of any municipal tax generated including applicable food & beverage and home-rule sales tax; not to exceed $100,000 per sales tax year. The agreement ends the earlier of when $250,000 is rebated or when the 10 year period has ended. At December 31, 2021, the Village has incurred an estimated rebated liability of $14,611. To date, the Village has rebated approximately $130,385 of municipal taxes to this company.

Effect of New Accounting Standards on Current-Period Financial Statements

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 87, *Leases*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 97, *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84 and a supersession of GASB Statement No. 32*
- Statement No. 99, *Omnibus 2022*
- Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*
- Statement No. 101, *Compensated Absences*

When they become effective, application of these standards may restate portions of these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Village of Lincolnshire

Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual General Corporate Fund
Year Ended December 31, 2021

	Original and Final Appropriation	Original and Final Budget	Actual
Revenues			
Property taxes	$ -	$ 1,747,330	$ 1,766,024
Other taxes	-	8,558,400	8,973,734
Licenses, permits and fees	-	704,150	596,948
Fines and forfeitures	-	216,000	267,532
Intergovernmental	-	450,000	1,060,739
Investment income (loss)	-	260,000	(27,718)
Miscellaneous	-	63,500	45,312
Total revenues	-	11,999,380	12,682,571
Expenditures			
General government	2,775,170	2,522,850	2,324,220
Public safety	5,395,140	4,904,660	4,790,158
Community and economic development	1,138,000	914,990	775,406
Public works	1,778,910	1,617,180	1,585,591
Parks and open spaces	1,505,850	1,368,950	1,302,399
Total expenditures	12,593,070	11,328,630	10,777,774
Excess (deficiency) of revenues over expenditures	(12,593,070)	670,750	1,904,797
Other Financing Sources (Uses)			
Transfers in	-	3,772,190	450,000
Transfers out	(3,085,480)	(4,079,470)	(2,400,000)
Total other financing sources (uses)	(3,085,480)	(307,280)	(1,950,000)
Net change in fund balance	$ (15,678,550)	$ 363,470	(45,203)
Fund Balance, Beginning			7,430,607
Fund Balance, Ending			$ 7,385,404

See notes to required supplementary information

Village of Lincolnshire

Illinois Municipal Retirement Fund
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios
Last Seven Fiscal Years

	2014	2015	2016
Total Pension Liability			
Service cost	$ 341,442	$ 313,571	$ 311,006
Interest	1,300,553	1,397,410	1,459,744
Differences between expected and actual experience	(159,731)	(159,981)	(214,365)
Changes of assumptions	564,270	-	(76,478)
Benefit payments, including refunds of member contributions	(691,886)	(687,105)	(743,424)
Net change in total pension liability	1,354,648	863,895	736,483
Total pension liability, beginning	17,539,083	18,893,731	19,757,626
Total pension liability, ending (a)	$ 18,893,731	$ 19,757,626	$ 20,494,109
Plan Fiduciary Net Position			
Employer contributions	$ 614,250	$ 596,673	$ 446,418
Employee contributions	145,229	137,799	126,457
Net investment income	907,263	79,064	1,114,205
Benefit payments, including refunds of member contributions	(691,886)	(687,105)	(743,424)
Other (net transfer)	(25,139)	198,897	(111,456)
Net change in plan fiduciary net position	949,717	325,328	832,200
Plan fiduciary net position, beginning	14,839,373	15,789,090	16,114,418
Plan fiduciary net position, ending (b)	$ 15,789,090	$ 16,114,418	$ 16,946,618
Employer's Net Pension Liability, Ending (a) - (b)	$ 3,104,641	$ 3,643,208	$ 3,547,491
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.57%	81.56%	82.69%
Covered Payroll	$ 2,841,986	$ 2,892,964	$ 2,810,162
Employer's Net Pension Liability as a Percentage of Covered Payroll	109.24%	125.93%	126.24%

The Village implemented GASB Statement No. 68 In fiscal year 2015. Information prior to fiscal year 2015 is not available.

See notes to required supplementary information

2017	2018	2019	2020
$ 300,876	$ 280,625	$ 295,495	$ 308,834
1,516,508	1,561,154	1,638,470	1,660,106
301,444	331,724	(546,879)	(104,701)
(596,880)	650,699	-	(145,048)
(848,869)	(984,235)	(1,110,645)	(1,079,992)
673,079	1,839,967	276,441	639,199
20,494,109	21,167,188	23,007,155	23,283,596
$ 21,167,188	$ 23,007,155	$ 23,283,596	$ 23,922,795
$ 388,559	$ 422,412	$ 406,130	$ 491,825
123,482	128,784	135,477	140,344
2,921,375	(1,013,933)	3,441,700	2,914,641
(848,869)	(984,235)	(1,110,645)	(1,079,992)
(257,087)	418,615	(470,225)	(313,858)
2,327,460	(1,028,357)	2,402,437	2,152,960
16,946,618	19,274,078	18,245,721	20,648,158
$ 19,274,078	$ 18,245,721	$ 20,648,158	$ 22,801,118
$ 1,893,110	$ 4,761,434	$ 2,635,438	$ 1,121,677
91.06%	79.30%	88.68%	95.31%
$ 2,744,060	$ 2,861,874	$ 3,010,607	$ 3,118,739
68.99%	166.37%	87.54%	35.97%

See notes to required supplementary information

Illinois Municipal Retirement Fund
Schedule of Employer Contributions
Last Seven Fiscal Years

Fiscal Year Ended December 31,	2015	2016	2017
Actuarially Determined Contribution	$ 446,674	$ 438,803	$ 388,559
Contributions in relation to the actuarially determined contribution	(446,674)	(438,803)	(388,559)
Contribution deficiency (excess)	$ -	$ -	$ -
Covered Payroll	$ 2,892,964	$ 2,810,162	$ 2,744,060
Contributions as a Percentage of Covered Payroll	15.44%	15.61%	14.16%

Notes to Schedule

The Village implemented GASB Statement No. 68 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

The Village made additional voluntary contributions of $150,000 and $10,000 for the respective fiscal years ended December 31, 2015 and December 31, 2016.

Methods and Assumptions Used to Determine Contribution Rates

Actuarial cost method	Aggregate Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	23 years
Asset valuation method	5-Year Smoothed Market, 20% corridor
Wage growth	3.25%
Inflation	2.50%
Salary increases	3.35% to 14.25%, including inflation
Investment rate of return	7.25%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2014 Employee Mortality Table, adjusted to match current IMRF experience

Other Information

There were no benefit changes during the year.

See notes to required supplementary information

2018	2019	2020	2021
$ 422,413	$ 406,131	$ 491,825	$ 451,386
(422,412)	(406,131)	(491,825)	(451,275)
$ 1	$ -	$ -	$ 111
$ 2,861,874	$ 3,010,607	$ 3,118,738	$ 3,093,801
14.76%	13.49%	15.77%	14.59%

See notes to required supplementary information

Village of Lincolnshire

Police Pension Fund
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios
Last Eight Fiscal Years

	2014	2015	2016
Total Pension Liability			
Service cost	$ 543,025	$ 535,944	$ 568,266
Interest	1,466,549	1,561,977	1,607,524
Differences between expected and actual experience	434,345	(459,019)	359,920
Changes of assumptions	-	-	-
Changes of benefit terms	-	-	-
Benefit payments, including refunds of member contributions	(977,078)	(960,345)	(980,658)
Net change in total pension liability	1,466,841	678,557	1,555,052
Total pension liability, beginning	22,507,801	23,974,642	24,653,199
Total pension liability, ending (a)	$ 23,974,642	$ 24,653,199	$ 26,208,251
Plan Fiduciary Net Position			
Employer contributions	$ 589,303	$ 618,665	$ 833,131
Employee contributions	232,179	208,270	210,892
Contributions, other	10	15	23
Net investment income	469,087	(270,351)	1,306,857
Benefit payments, including refunds of member contributions	(977,078)	(960,345)	(980,658)
Administration	(22,328)	(28,855)	(27,865)
Net change in plan fiduciary net position	291,173	(432,601)	1,342,380
Plan fiduciary net position, beginning	19,161,108	19,452,281	19,019,680
Plan fiduciary net position, ending (b)	$ 19,452,281	$ 19,019,680	$ 20,362,060
Employer's Net Pension Liability, Ending (a) - (b)	$ 4,522,361	$ 5,633,519	$ 5,846,191
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.14%	77.15%	77.69%
Covered Payroll	$ 2,082,705	$ 2,101,615	$ 2,150,195
Employer's Net Pension Liability as a Percentage of Covered Payroll	217.14%	268.06%	271.89%

Notes To Schedule

The Pension implemented GASB Statement No. 67 in fiscal year 2014. Information prior to fiscal year 2014 is not available.

See notes to required supplementary information

2017	2018	2019	2020	2021
$ 575,596	$ 516,599	$ 592,873	$ 630,814	$ 627,487
1,694,486	1,767,419	1,847,798	1,954,038	2,054,283
249,838	196,223	(210,106)	293,935	(507,293)
-	-	689,733	-	-
-	-	66,512	-	-
(1,429,667)	(1,248,114)	(1,426,737)	(1,313,425)	(1,358,389)
1,090,253	1,232,127	1,560,073	1,565,362	816,088
26,208,251	27,298,504	28,530,631	30,090,704	31,656,066
$ 27,298,504	$ 28,530,631	$ 30,090,704	$ 31,656,066	$ 32,472,154
$ 803,700	$ 850,296	$ 852,925	$ 910,154	$ 1,113,260
215,212	205,423	234,115	260,748	243,339
149	-	-	-	-
2,772,144	(1,469,581)	3,824,259	3,560,995	2,641,770
(1,429,667)	(1,248,114)	(1,426,737)	(1,313,425)	(1,358,389)
(32,955)	(32,563)	(29,441)	(28,709)	(29,560)
2,328,583	(1,694,539)	3,455,121	3,389,763	2,610,420
20,362,060	22,690,643	20,996,104	24,451,225	27,840,988
$ 22,690,643	$ 20,996,104	$ 24,451,225	$ 27,840,988	$ 30,451,408
$ 4,607,861	$ 7,534,527	$ 5,639,479	$ 3,815,078	$ 2,020,746
83.12%	73.59%	81.26%	87.95%	93.78%
$ 2,028,220	$ 2,324,325	$ 2,390,785	$ 2,478,772	$ 2,455,489
227.19%	324.16%	235.88%	153.91%	82.30%

See notes to required supplementary information

Police Pension Fund
Schedule of Employer Contributions
Last Ten Fiscal Years

	2012	2013	2014	2015
Actuarially determined contribution	$ 514,585	$ 545,957	$ 527,434	$ 623,208
Contributions in relation to the actuarially determined contribution	514,585	545,957	527,434	618,665
Contribution deficiency (excess)	$ -	$ -	$ -	$ 4,543
Additional voluntary contributions	$ 446,936	$ 513,790	$ 61,869	$ -
Covered payroll	$ 1,923,608	$ 2,058,866	$ 2,082,705	$ 2,101,615
Contributions as a percentage of covered-employee payroll	26.75%	26.52%	25.32%	29.44%

Notes to Schedule:

The Plan implemented GASB Statement No. 67 in fiscal year 2014. Information prior to fiscal year 2014 is derived from actuarial valuations developed in conformity with GASB Statement No. 25 and 27.

Valuation date: Actuarially determined contributions are calculated as of December 31 of the current fiscal year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar method
Remaining amortization method	20 years
Asset valuation method	Market value
Inflation	2.50%
Salary increases	Age based from 3.62% to 7.36%
Postretirement benefit increase	Tier 1: 3.00% compounded annually; Tier 2: 1.25% compounded annually
Investment rate of return	6.50%
Mortality	**Active Lives:** PubS-2010 Employee Mortality Table. 10% of active deaths are assumed to be in the line of duty. **Inactive Lives:** PubS-2010 Healthy Retiree Mortality Table. **Disabled Lives:** PubS-2010 Disabled Mortality Table. **Beneficiary Lives:** PubS-2010 Survivor Mortality Table. The mortality assumptions for all participants include mortality improvement projected 5 years beyond the valuation date using scale MP-2020.

See notes to required supplementary information

2016	2017	2018	2019	2020	2021
$ 783,607	$ 803,666	$ 849,742	$ 832,137	$ 1,030,790	$ 1,068,536
783,607	803,666	849,742	832,137	910,154	1,113,260
$ -	$ -	$ -	$ -	$ 120,636	$ (44,724)
$ 49,524	$ 34	$ 554	$ 20,788	$ -	$ -
$ 2,150,195	$ 2,028,220	$ 2,324,325	$ 2,390,785	$ 2,478,772	$ 2,455,489
36.44%	39.62%	36.58%	35.68%	36.72%	45.34%

See notes to required supplementary information

Police Pension Fund
Schedule of Investment Returns
Last Eight Fiscal Years

	2014	2015	2016	2017
Annual money-weighted rate of return, net of investment expense	2.53%	(1.35%)	6.87%	13.75%

Notes to Schedule

The Pension implemented GASB Statement No. 67 in fiscal year 2014. Information prior to fiscal year 2014 is not available.

2018	2019	2020	2021
(6.46%)	18.40%	14.70%	9.50%

See notes to required supplementary information

Village of Lincolnshire

Postretirement Health Plan
Schedule of Changes in the Employer's Total OPEB Liability and Related Ratios
Last Four Fiscal Years

	2018	2019	2020	2021
Total OPEB Liability				
Service cost	$ 41,180	$ 38,829	$ 21,091	$ 63,943
Interest	73,742	82,459	66,059	58,915
Difference between expected and actual experience	-	-	32,931	-
Changes of assumptions	(147,537)	385,756	364,837	(129,663)
Benefit payments, including refunds of member contributions	(95,589)	(100,431)	(114,837)	(118,897)
Net change in total OPEB liability	(128,204)	406,613	370,081	(125,702)
Total OPEB liability, beginning	2,189,934	2,061,730	2,468,343	2,838,424
Total OPEB liability, ending	$ 2,061,730	$ 2,468,343	$ 2,838,424	$ 2,712,722
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%	0.00%	0.00%
Covered Payroll	$ 4,934,763	$ 5,373,016	$ 5,952,389	$ 5,864,017
Employer's Total OPEB Liability as a Percentage of Covered Payroll	41.78%	45.94%	47.69%	46.26%

Notes to Schedule

The Village implemented GASB Statement No. 75 in fiscal year 2018. Information prior to fiscal year 2018 is not available.

See notes to required supplementary information

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. The annual appropriated budget is legally enacted and provides for a legal level of control at the fund level. All annual appropriations lapse at fiscal year end.

In establishing the budget, the Village Manager submits to the Board of Trustees the proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. The Village Board of Trustees conducts several public budget review meetings to discuss the proposed budget. A public hearing is conducted to obtain taxpayer comments on the proposed fiscal year appropriation ordinance. The fiscal year appropriation, which is equal to the budgetary limits established by the Board of Trustees, is legally enacted for all applicable funds.

The appropriated budget is prepared by fund, function and department. Transfers of appropriations within a fund may only be made with the approval of the Board of Trustees. Transfers of appropriations between funds require the approval of the Board of Trustees. The legal level of budgetary control is the fund level.

SUPPLEMENTARY INFORMATION

Village of Lincolnshire

Detailed Schedule of Revenues, Budget and Actual
General Corporate Fund
Year Ended December 31, 2021

	Original and Final Budget	Actual
Property Taxes		
Police pension fund	$ 1,078,130	$ 1,113,260
Police protection	157,000	139,701
IMRF	251,200	260,468
FICA	201,000	190,238
Road and bridge	60,000	62,357
Total property taxes	1,747,330	1,766,024
Other Taxes		
State income	730,000	997,095
Sales	1,554,800	1,659,690
Home rule sales	1,386,500	1,452,943
Utility	1,300,000	1,177,706
Telecommunication	1,010,000	1,027,171
Room and admissions	981,200	978,326
Real estate transfer	320,000	452,664
Food and beverage	631,500	541,944
Cannabis	-	10,485
E911 surcharges	408,200	385,092
Miscellaneous tax	6,200	2,028
State use	230,000	288,590
Total other taxes	8,558,400	8,973,734
Licenses and Permits		
Liquor licenses	70,000	2,775
Park user fees	10,000	41,964
Amusement devices	1,400	1,300
Application fees	1,500	660
Engineering fees	15,000	16,423
Planner fees	17,000	17,168
Plan review fees	80,000	76,735
Building permit fees	220,000	191,716
Fire review and inspection fees	70,000	23,883
Elevator inspection fees	20,500	21,140
Engineering review and inspection fees	8,000	7,000
Miscellaneous licenses and fees	10,000	13,180
Cable TV franchise fees	172,000	173,926
Yardwaste refuse stickers	8,000	7,078
Waste hauler fees	750	2,000
Total licenses and permits	704,150	596,948

Village of Lincolnshire

Detailed Schedule of Revenues, Budget and Actual
General Corporate Fund
Year Ended December 31, 2021

	Original and Final Budget	Actual
Fines and Forfeitures		
Court fines	$ 200,000	$ 240,497
False alarm fines and fees	6,000	3,335
Other law and ordinance violations	10,000	23,700
Total fines and forfeitures	216,000	267,532
Intergovernmental		
Police grant	30,000	22,827
Miscellaneous revenues	420,000	476,137
Miscellaneous grants	-	561,775
Total intergovernmental	450,000	1,060,739
Investment Income (Loss)	260,000	(27,718)
Miscellaneous		
Miscellaneous income	63,500	45,312
Total miscellaneous	63,500	45,312
Total revenues	$ 11,999,380	$ 12,682,571

Detailed Schedule of Expenditures, Budget and Actual
General Corporate Fund
Year Ended December 31, 2021

	Original And Final Appropriation	Original and Final Budget	Actual
General Government			
Administration services:			
Personnel services:			
Regular salaries	$ 424,930	$ 331,200	$ 357,575
Part time wages	-	20,000	18,118
IMRF	48,020	43,650	54,450
FICA	25,180	22,890	24,049
Total personnel services	498,130	417,740	454,192
Contractual services:			
Equipment maintenance	-	200	-
Professional services	-	3,000	-
Total contractual services	-	3,200	-
Other charges:			
Memberships	-	16,500	13,954
Vehicle allowance	-	4,800	4,800
Professional development	-	3,500	3,651
Publications	-	600	612
Classified advertisements	-	1,000	1,820
Boards and commissions	-	700	731
Business expenditures	-	4,800	5,090
Total other charges	-	31,900	30,658
Total administrative services	498,130	452,840	484,850
Finance:			
Personnel services:			
Regular salaries	319,860	246,530	269,331
Part time wages	-	15,000	15,884
Overtime salaries	-	400	-
IMRF	42,040	38,220	38,786
FICA	22,040	20,040	21,961
Total personnel services	383,940	320,190	345,962

	Original And Final Appropriation	Original and Final Budget	Actual
General Government (continued)			
Finance (continued):			
Contractual services:			
Printing	$ -	$ 600	$ 373
Equipment maintenance	-	280	360
Professional services	-	22,500	22,503
Legal notices	-	1,050	997
Outside services	-	50	-
Total contractual services	-	24,480	24,233
Other charges:			
Memberships	-	720	640
Professional development	-	2,990	1,270
Minor equipment	-	250	-
Business expenditures	-	400	2,452
Total other charges	-	4,360	4,362
Total finance	383,940	349,030	374,557
Insurance and common:			
Contractual services:			
Telephone	1,893,100	20,670	17,087
Printing	-	14,920	17,375
Equipment maintenance	-	580	470
Professional services	-	97,700	60,191
Data systems	-	62,420	39,590
Postage	-	10,320	9,070
Duplicating	-	5,360	8,850
Medical insurance	-	995,200	858,799
General insurance	-	244,540	230,018
Outside services	-	230,770	210,814
Total contractual services	1,893,100	1,682,480	1,452,264
Commodities:			
Office supplies	-	10,000	4,804
Total commodities	-	10,000	4,804

	Original And Final Appropriation	Original and Final Budget	Actual
General Government (continued)			
Insurance and common (continued):			
Other charges:			
Senior citizen tax relief	$ -	$ 2,300	$ 1,233
Drone licensing	-	1,200	2,760
Bad debt provision	-	-	40
Total other charges	-	3,500	4,033
Capital outlay:			
Computer equipment	-	25,000	3,712
Total capital outlay	-	25,000	3,712
Total insurance and common	1,893,100	1,720,980	1,464,813
Total general government	2,775,170	2,522,850	2,324,220
Public Safety			
Police:			
Personnel services:			
Regular salaries	2,975,500	2,705,000	2,727,896
Part time wages	-	32,000	26,346
Overtime salaries	-	150,000	134,150
Overtime contract services	-	20,000	42,153
Retirement reserves	2,340,200	1,078,130	1,113,260
Other benefits	-	1,500	600
IMRF	23,540	21,400	26,433
FICA	55,900	50,820	50,555
Total personnel services	5,395,140	4,058,850	4,121,393
Contractual services:			
Printing	-	4,800	3,157
Equipment maintenance	-	20,240	20,836
Professional services	-	76,250	96,534
Outside services	-	214,600	22,711
Dispatch services	-	194,100	194,036
Data systems	-	42,100	38,302
Total contractual services	-	552,090	375,576
Commodities:			
Maintenance materials	-	25,250	21,208
Total commodities	-	25,250	21,208

	Original And Final Appropriation	Original and Final Budget	Actual
Public Safety (continued)			
Police (continued):			
Other charges:			
Memberships	$ -	$ 6,000	$ 5,180
Vehicle allowance	-	172,570	173,225
Professional development	-	39,200	34,388
Publications	-	600	346
Uniforms	-	29,000	23,937
Community programs	-	8,500	3,689
Officer testing	-	1,000	18,950
Equipment - furniture	-	1,000	557
Minor equipment	-	6,100	7,058
Business expenditures	-	4,500	4,651
Total other charges	-	268,470	271,981
Total public safety	5,395,140	4,904,660	4,790,158
Community and Economic Development			
Administration:			
Personnel services:			
Regular salaries	1,050,000	320,720	317,377
Part time wages	-	39,000	41,181
IMRF	57,730	52,480	51,193
FICA	30,270	27,520	27,529
Total personnel services	1,138,000	439,720	437,280
Contractual services:			
Vehicle allowance	-	4,900	4,900
Professional services	-	87,500	67,021
Legal notices	-	150	861
Outside services	-	3,500	20,810
Total contractual services	-	96,050	93,592

	Original And Final Appropriation	Original and Final Budget	Actual
Community and Economic Development (continued)			
Other charges:			
Professional development	$ -	$ 5,300	$ 4,138
Publications	-	500	-
Business expenditures	-	33,220	34,119
Economic development initiatives	-	5,000	5,522
Economic development incentives	-	335,000	200,755
Equipment and clothing	-	200	-
Total other charges	-	379,220	244,534
Total community and economic development	1,138,000	914,990	775,406
Public Works			
Administration:			
Personnel services:			
Regular salaries	240,500	178,910	181,456
Overtime salaries	-	1,000	-
IMRF	28,880	26,250	26,406
FICA	15,150	13,770	12,932
Total personnel services	284,530	219,930	220,794
Contractual services:			
Professional services	-	21,000	13,924
Legal notices	-	1,000	1,017
Outside services	-	3,600	4,800
Total contractual services	-	25,600	19,741
Other charges:			
Memberships	-	5,000	4,458
Vehicle allowance	-	1,130	1,125
Professional development	-	5,000	666
Business expenditures	-	1,000	861
Total other charges	-	12,130	7,110
Capital outlay:			
Office charges	-	1,000	470
Total capital outlay	-	1,000	470
Total administration	284,530	258,660	248,115

	Original And Final Appropriation	Original and Final Budget	Actual
Public Works (Continued)			
Streets:			
Personnel services:			
Regular salaries	$ 1,197,840	$ 411,650	$ 432,097
Overtime salaries	-	50,000	49,664
IMRF	74,100	67,360	70,657
FICA	38,850	35,320	34,074
Total personnel services	1,310,790	564,330	586,492
Contractual services:			
Equipment maintenance	-	500	411
Electric utilities	-	8,000	12,665
Pavement maintenance	-	63,000	63,418
Outside services	-	282,700	249,447
Total contractual services	-	354,200	325,941
Commodities:			
Maintenance materials	-	20,400	20,677
Repair and replacement	-	13,500	11,032
Construction materials	-	5,900	2,244
Snow and ice control	-	72,500	66,112
Total commodities	-	112,300	100,065
Other charges:			
Vehicle allowance	-	148,190	148,185
Professional development	-	1,500	834
Uniforms	-	5,500	6,837
Minor equipment	-	2,000	2,237
Recycling	-	3,100	3,364
Business expenditures	-	500	282
Total other charges	-	160,790	161,739
Total streets	1,310,790	1,191,620	1,174,237

	Original And Final Appropriation	Original and Final Budget	Actual
Public Works (Continued)			
Building and grounds:			
Contractual services:			
Equipment maintenance	$ 183,590	$ 500	$ -
Outside services	-	139,500	137,793
Total contractual services	183,590	140,000	137,793
Commodities:			
Maintenance materials	-	15,000	13,416
Repair and replacement	-	1,000	1,029
Construction materials	-	3,000	4,171
Total commodities	-	19,000	18,616
Other charges:			
Minor equipment	-	2,000	1,340
Vehicle allowance	-	4,900	4,900
Business expenditures	-	1,000	590
Total other charges	-	7,900	6,830
Total building and grounds	183,590	166,900	163,239
Total public works	1,778,910	1,617,180	1,585,591
Parks and Open Spaces			
Parks and grounds:			
Personnel services:			
Regular salaries	1,395,900	411,650	432,098
Part time wages		8,000	3,996
Overtime salaries	-	35,000	7,951
IMRF	71,690	65,170	64,074
FICA	38,260	34,780	34,420
Total personnel services	1,505,850	554,600	542,539

	Original And Final Appropriation	Original and Final Budget	Actual
Parks and Open Spaces (Continued)			
Parks and grounds (continued):			
Contractual services:			
Equipment maintenance	$ -	$ 500	$ -
Professional services	-	77,380	74,926
Gas utilities	-	2,500	1,841
Electric utilities	-	26,000	20,990
Outside services	-	86,500	101,541
Lighting maintenance	-	8,500	5,674
Landscape maintenance	-	310,500	331,228
Wildlife maintenance	-	1,000	-
Special events	-	130,000	67,437
Total contractual services	-	642,880	603,637
Commodities:			
Maintenance materials	-	36,000	28,091
Repair and replacement	-	4,000	2,005
Construction materials	-	5,000	(2,730)
Total commodities	-	45,000	27,366
Other charges:			
Memberships	-	1,000	560
Vehicle allowance	-	113,870	113,865
Professional development	-	1,500	-
Publications	-	100	-
Uniforms	-	7,000	5,810
Minor equipment	-	2,500	8,296
Business expenditures	-	500	326
Total other charges	-	126,470	128,857
Total parks and open spaces	1,505,850	1,368,950	1,302,399
Total expenditures	$ 12,593,070	$ 11,328,630	$ 10,777,774

Village of Lincolnshire

Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual
Special Service Area Debt Service Fund
Year Ended December 31, 2021

	Original and Final Appropriation	Original and Final Budget	Actual
Revenues			
Property taxes		$ 1,163,750	$ 1,167,772
Investment income		18,000	17,870
Total revenues		1,181,750	1,185,642
Expenditures			
General government:			
Contractual services	$ 19,800	$ 18,000	$ 6,692
Debt service:			
Principal retirement	1,280,130	1,163,750	495,000
Interest and fiscal charges	-	-	649,219
Total expenditures	$ 1,299,930	1,181,750	1,150,911
Net change in fund balance		$ -	34,731
Fund Balance, Beginning			2,212,913
Fund Balance, Ending			$ 2,247,644

Village of Lincolnshire

Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual
General Capital Projects Fund
Year Ended December 31, 2021

	Original and Final Appropriation	Original and Final Budget	Actual
Revenues			
Intergovernmental:			
Miscellaneous grants	$ -	$ 37,900	$ -
Miscellaneous:			
Other income	-	967,740	58,750
Total revenue	-	1,005,640	58,750
Expenditures			
General government:			
Contractual services	-	62,500	38,997
Capital outlay	3,429,000	-	-
Equip- In-Car Camera	-	15,000	-
Equip- AED	-	-	2,500
Equip- Body Camera System	-	46,000	-
Capital Assets- Vehicles	-	300,000	292,786
Equip- Servers/Computers/Printers	-	113,000	51,353
Phone System- VH	-	12,500	-
Phone System- PWF	-	12,500	-
Equip- Trailer #261	-	8,000	-
Veh- One Ton Dump (#232)	-	115,000	108,415
Storm Sewer Capacity Study	-	-	(2,400)
Infra- Storm Sewer Lining	-	20,000	-
Detention Basin Construction	-	180,000	1,440
Storm Line Replacement	-	60,000	-
Ditchline/Detention Phase 1&2	-	40,000	34,515
Ditchline/Detention Construction	-	150,000	155,391
Ditchline/Detention Phase 3	-	20,000	17,523
Lincolnshire Dr South- Phase 1 & 2	-	250,000	119,244
Lincolnshire Dr North- Phase 1 & 2	-	150,000	71,627
Southeast Windsor Dr- Ph 1 & 2	-	270,000	163,109
Detention Basin Eng Study	-	20,000	19,313
Infra- Road Resurfacing	-	865,500	481,653
Engineering- Road Resurfacing 1 2 3	-	195,000	172,901
North Park Athletic Court	-	125,000	90,128
Whytegate Park Parking Lot Const	-	30,000	-
Misc Parks Lighting Upgrade	-	-	3,901
Infr Cor Enhance Prog- Riverwoods Road	-	100,000	104,825
Infr Cor Enhanc Prog- Westminster Way	-	34,000	34,591
Natural Area Boardwalk Replacements	-	35,000	-
North Park Picnic Area Tent Replace	-	15,000	-
Rivershire Park- Bridge Refurbishing	-	30,000	3,820
Parks Entrance Sign Replace	-	75,000	-
Park Sign/Post Replacements	-	15,000	273
Prof Svc- Park Entry Sign Design	-	-	12,873
Security Gate- 45 Londonderry	-	25,000	-
Drink Fountain,Faucet & Flush Valves-VH	-	20,000	13,486
Drink Fountain,Faucet & Flush Valves-PWF	-	20,000	4,057
Microlink Connection VH	-	-	68,867
Total expenditures	$ 3,429,000	$ 3,429,000	$ 2,065,188
Excess (deficiency) of revenues over (under) expenditures	$ 3,429,000	$ (2,423,360)	$ (2,006,438)

Village of Lincolnshire

Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual
General Capital Projects Fund
Year Ended December 31, 2021

	Original and Final Appropriation	Original and Final Budget	Actual
Other Financing Sources (Uses)			
Transfers in	$ -	$ 569,000	$ 326,536
Transfers out	-	(3,772,190)	(450,000)
Total other financing sources (uses)	-	(3,203,190)	(123,464)
Net change in fund balance	$ 3,429,000	$ (5,626,550)	(2,129,902)
Fund Balance, Beginning			8,102,759
Fund Balance, Ending			$ 5,972,857

Nonmajor Governmental Funds

Special Revenue Funds

Motor fuel tax fund - to account for the receipt and use of the Village's share of state gasoline taxes. State law restricts these gasoline taxes to be used to maintain streets, traffic signals, etc.

Fraud, alcohol and drug fund - to account for the receipt and tracking of seized assets related to the police operations of the Village.

Capital Projects Fund

Park development capital projects fund - to account for the receipt of park donations from developers. The Village Code requires that all developers make a donation of park land to accommodate the residents of a new development. The Village Code allows the Village to accept cash in lieu of land when the amount of land required from the developer is too small for a meaningful park, there are adequate park facilities in the area, or for other reasons the Village Board of Trustees may find appropriate.

Village of Lincolnshire

Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2021

	Special Revenue Funds			Park Development Capital Projects Fund	Total Nonmajor Governmental Funds
	Motor Fuel Tax Fund	Fraud, Alcohol and Drug Fund	Total Special Revenue Funds		
Assets					
Cash and cash equivalents	$ 446,042	$ 248,080	$ 694,122	$ 894,774	$ 1,588,896
Investments	-	-	-	1,016,876	1,016,876
Receivables:					
Other taxes	27,053	-	27,053	-	27,053
Total assets	$ 473,095	$ 248,080	$ 721,175	$ 1,911,650	$ 2,632,825
Liabilities and Fund Balance					
Liabilities					
Accounts payable	$ -	$ 230,252	$ 230,252	$ -	$ 230,252
Total liabilities	-	230,252	230,252	-	230,252
Fund Balances					
Restricted for maintenance of roadways	473,095	-	473,095	-	473,095
Restricted for public safety	-	17,828	17,828	-	17,828
Restricted for park improvements	-	-	-	1,768,918	1,768,918
Assigned for capital projects	-	-	-	142,732	142,732
Total fund balances	473,095	17,828	490,923	1,911,650	2,402,573
Total liabilities and fund balance	$ 473,095	$ 248,080	$ 721,175	$ 1,911,650	$ 2,632,825

Village of Lincolnshire

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2021

	Special Revenue Funds				
	Motor Fuel Tax Fund	Fraud, Alcohol and Drug Fund	Total Special Revenue Funds	Park Development Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues					
Fines and forfeitures	$ -	$ 853	$ 853	$ -	$ 853
Intergovernmental	457,536	-	457,536	-	457,536
Investment income	669	-	669	862	1,531
Miscellaneous	-	-	-	400	400
Donations	-	-	-	145,186	145,186
Total revenue	458,205	853	459,058	146,448	605,506
Expenditures					
Current:					
Public safety	-	(551)	(551)	-	(551)
Capital outlay	599,726	-	599,726	-	599,726
			-		
Total expenditures	599,726	(551)	599,175	-	599,175
Excess (deficiency) of revenues over expenditures	(141,521)	1,404	(140,117)	146,448	6,331
Other Financing Sources (Uses)					
Transfers out	-	(50,000)	(50,000)	(276,536)	(326,536)
Total other financing sources (uses)	-	(50,000)	(50,000)	(276,536)	(320,205)
Net change in fund balance	(141,521)	(48,596)	(190,117)	(130,088)	(320,205)
Fund Balance, Beginning	614,616	66,424	681,040	2,041,738	2,722,778
Fund Balance, Ending	$ 473,095	$ 17,828	$ 490,923	$ 1,911,650	$ 2,402,573

Village of Lincolnshire

Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual
Motor Fuel Tax Fund
Year Ended December 31, 2021

	Original and Final Appropriation	Original and Final Budget	Actual
Revenues			
Intergovernmental:			
Allotments earned		$ 275,000	$ 297,719
Miscellaneous grants		159,820	159,817
Investment income		700	669
Total revenues		435,520	458,205
Expenditures			
Capital outlay	$ 660,000	600,000	599,726
Total expenditure	$ 660,000	600,000	599,726
Net change in fund balance		$ (164,480)	(141,521)
Fund Balance, Beginning			614,616
Fund Balance, Ending			$ 473,095

Village of Lincolnshire

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Fraud, Alcohol and Drug Fund
Year Ended December 31, 2021

	Original and Final Appropriation	Original and Final Budget	Actual
Revenues			
Fines and forfeitures	$ -	$ 115,000	$ 853
Total revenues	-	115,000	853
Expenditures			
Public safety	76,050	19,140	(551)
Total expenditures	76,050	19,140	(551)
Excess (deficiency) of revenues over (under) expenditures	(76,050)	95,860	1,404
Other Financing Sources (Uses)			
Transfers out	-	(50,000)	(50,000)
Total other financing sources (uses)	-	(50,000)	(50,000)
Net change in fund balance	$ (76,050)	$ 45,860	(48,596)
Fund Balance, Beginning			66,424
Fund Balance, Ending			$ 17,828

Village of Lincolnshire

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Park Development Capital Projects Fund
Year Ended December 31, 2021

	Original and Final Appropriation	Original and Final Budget	Actual
Revenues			
Investment income	$ -	$ 1,200	$ 862
Miscellaneous		-	400
Park donations	-	160,900	145,186
Total revenues	-	162,100	146,448
Expenditures			
Capital outlay	570,000	-	-
Total expenditures	570,000	-	-
Excess (deficiency) of revenues over (under) expenditures	(570,000)	-	146,448
Other Financing Sources (Uses)			
Transfers out	-	(519,000)	(276,536)
Total other financing sources (uses)	-	(519,000)	(276,536)
Net change in fund balance	$ (570,000)	$ (356,900)	(130,088)
Fund Balance, Beginning			2,041,738
Fund Balance, Ending			$ 1,911,650

Enterprise Fund

Water and sanitary sewer fund - to account for the provision of water and sewer 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, maintenance, capital improvements, financing and related debt service and billing and collections. These activities are accounted for in the revenue and improvement subfunds.

Village of Lincolnshire

Combining Schedule of Net Position
Water and Sanitary Sewer Fund
December 31, 2021

	Revenue Account	Improvement Account	Total
Current Assets			
Cash and cash equivalents	$ 763,397	$ 1,424,851	$ 2,188,248
Investments	207,551	220,141	427,692
Receivables:			
Accounts, billed	373,899	-	373,899
Accounts, unbilled	315,659	-	315,659
Prepaid items	22,999	-	22,999
Total current assets	1,683,505	1,644,992	3,328,497
Capital Assets			
Nondepreciable	3,322,427	-	3,322,427
Depreciable (net of accumulated depreciation)	30,938,384	-	30,938,384
Net capital assets	34,260,811	-	34,260,811
Total assets	35,944,316	1,644,992	37,589,308
Deferred Outflows of Resources			
Pension items - IMRF	118,141	-	118,141
Total deferred outflows of resources	118,141	-	118,141
Current Liabilities			
Accounts payable	382,023	1,095,234	1,477,257
Accrued payroll	12,539	-	12,539
Due to other funds	46	-	46
Compensated absences	54,642	-	54,642
Total current liabilities	449,250	1,095,234	1,544,484
Long-Term Liabilities			
Total OPEB liability	309,785	-	309,785
Net pension liability	233,789	-	233,789
Total long-term liabilities	543,574	-	543,574
Total liabilities	992,824	1,095,234	2,088,058
Deferred Inflows Of Resources			
Pension items - IMRF	461,041	-	461,041
Total deferred inflows of resources	461,041	-	461,041
Net Position			
Net investment in capital assets	34,260,811	-	34,260,811
Unrestricted	347,781	549,758	897,539
Total net position	$ 34,608,592	$ 549,758	$ 35,158,350

Village of Lincolnshire

Combining Schedule of Revenues, Expenses and Changes in Net Position
Water and Sanitary Sewer Fund
Year Ended December 31, 2021

	Revenue Account	Improvement Account	Eliminations	Total
Operating Revenues				
Charges for services	$ 5,383,517	$ -	$ -	$ 5,383,517
Miscellaneous	7,155	-	-	7,155
Total operating revenues	5,390,672	-	-	5,390,672
Operating Expenses				
Administration	388,370	-	-	388,370
Operations	4,098,483	15,794	-	4,114,277
Repairs and maintenance	-	339,411	-	339,411
Depreciation	1,700,083	-	-	1,700,083
Total operating expenses	6,186,936	355,205	-	6,542,141
Operating income (loss)	(796,264)	(355,205)	-	(1,151,469)
Nonoperating Revenues (expenses)				
Investment income	578	863	-	1,441
Connection fees	-	112,970	-	112,970
Total nonoperating revenues (expenses)	578	113,833	-	114,411
Net income (loss) before contributions and transfers	(795,686)	(241,372)	-	(1,037,058)
Contributions				
Contributions of capital assets	3,079,961	-	(3,079,961)	-
Total contributions	3,079,961	-	(3,079,961)	-
Transfers				
Transfers in	-	3,314,750	(914,750)	2,400,000
Transfers out	(914,750)	(3,079,961)	3,994,711	-
Total transfers	(914,750)	234,789	3,079,961	2,400,000
Change in net position	1,369,525	(6,583)	-	1,362,942
Net Position, Beginning	33,239,067	556,341	-	33,795,408
Net Position, Ending	$ 34,608,592	$ 549,758	$ -	$ 35,158,350

Village of Lincolnshire

Schedule of Revenues, Expenses and Changes in Net Position, Budget and Actual
Water and Sanitary Sewer Fund, Revenue Account
Year Ended December 31, 2021

	Original and Final Appropriation	Original and Final Budget	Actual
Operating Revenues			
Charges for services:			
Water and sanitary sewer fees		$ 5,096,210	$ 5,383,517
Miscellaneous:			
Other income		9,000	7,155
Total operating revenue		5,105,210	5,390,672
Operating Expenses			
Administration	$ -	541,510	388,370
Operations	6,035,880	4,030,900	4,098,483
Total operating expense excluding depreciation	$ 6,035,880	4,572,410	4,486,853
Operating income (loss) before depreciation		532,800	903,819
Depreciation		-	1,700,083
Operating income (loss)		532,800	(796,264)
Nonoperating Revenues (Expenses)			
Investment income		1,600	578
Total nonoperating revenues (expenses)		1,600	578
Net income (loss) before contributions and transfers		534,400	(795,686)
Contributions			
Contributions of capital assets		-	3,079,961
Total contributions		-	3,079,961
Transfers			
Transfers out		(914,750)	(914,750)
Total transfers		(914,750)	(914,750)
Change in net position		$ (380,350)	1,369,525
Net Position, Beginning			33,239,067
Net Position, Ending			$ 34,608,592

Village of Lincolnshire

Schedule of Revenues, Expenses and Changes in Net Position, Budget and Actual
Water and Sanitary Sewer Fund, Improvement Account
Year Ended December 31, 2021

	Original and Final Appropriation	Original and Final budget	Actual
Operating Expenses			
Operations	$ -	$ 20,000	$ 15,794
Capital outlay	4,571,000	4,551,000	339,411
Total operating expense	$ 4,571,000	4,571,000	355,205
Operating income (loss)		(4,571,000)	(355,205)
Nonoperating Revenues (Expenses)			
Investment income		1,900	863
Connection fees		50,000	112,970
Total nonoperating revenues (expenses)		51,900	113,833
Net income (loss) before transfers		(4,519,100)	(241,372)
Transfers			
Transfers in		4,994,220	3,314,750
Transfers (out)		-	(3,079,961)
Total transfers		4,994,220	234,789
Change in net position		$ 475,120	$ (6,583)
Net Position, Beginning			556,341
Net Position, Ending			$ 549,758

Village of Lincolnshire

Schedule of Operating Expenses, Budget and Actual
Water and Sanitary Sewer Fund, Revenue Account
Year Ended December 31, 2021

	Original and Final Appropriation	Original and Final Budget	Actual
Administration			
Personnel services:			
Regular salaries	$ -	$ 205,590	$ 199,122
Part time wages	-	15,000	15,398
IMRF	-	32,190	30,747
FICA	-	16,880	15,033
Pension expense	-	-	(104,546)
OPEB expense	-	-	(16,448)
Total personnel services	-	269,660	139,306
Contractual services:			
Telephone	-	25,190	28,975
Printing	-	11,660	12,278
Professional services	-	28,370	22,314
Data processing	-	6,940	4,400
Postage	-	10,320	10,174
Duplicating	-	600	993
Medical insurance	-	101,470	88,518
General insurance	-	56,690	53,652
Outside services	-	26,990	24,810
Total contractual services	-	268,230	246,114
Commodities:			
Office supplies	-	1,300	625
Total commodities	-	1,300	625
Other charges:			
Vehicle allowance	-	2,320	2,325
Total other charges	-	2,320	2,325
Total administration	-	541,510	388,370

Village of Lincolnshire

Schedule of Operating Expenses, Budget and Actual
Water and Sanitary Sewer Fund, Revenue Account
Year Ended December 31, 2021

	Original and Final Appropriation	Original and Final Budget	Actual
Operations			
Personnel services:			
Regular salaries	$ 6,035,880	$ 400,400	$ 430,135
Overtime salaries	-	20,000	19,049
IMRF	-	61,340	63,310
FICA	-	32,160	33,636
Total personnel services	6,035,880	513,900	546,130
Contractual services:			
Equipment maintenance	-	42,500	46,275
Professional services	-	18,000	18,164
Gas utilities	-	4,000	4,557
Electric utilities	-	80,000	82,370
Outside services	-	84,600	128,791
System maintenance	-	155,030	66,931
Water purchases	-	1,515,000	1,575,468
Sanitary sewer charges	-	1,468,000	1,437,269
Sanitary sewer transmission fees	-	26,370	21,707
Total contractual services	-	3,393,500	3,381,532
Commodities:			
Maintenance materials	-	19,450	30,396
Water meters	-	10,000	10,420
Total commodities	-	29,450	40,816
Other charges:			
Memberships	-	1,330	1,131
Professional development	-	2,000	1,130
Uniforms	-	4,000	4,550
Vehicle allowance	-	49,020	53,105
Minor equipment	-	6,700	10,373
Business expense	-	1,000	359
Hydrant replacement	-	30,000	59,357
Total other charges	-	94,050	130,005
Total operations	6,035,880	4,030,900	4,098,483
Total operating expenses	$ 6,035,880	$ 4,572,410	$ 4,486,853

Village of Lincolnshire

Schedule of Operating Expenses, Budget and Actual
Water and Sanitary Sewer Fund, Improvement Account
Year Ended December 31, 2021

	Original And Final Appropriation	Original And Final Budget	Actual
Operations			
Other charges:			
Professional services	$ 4,571,000	$ -	$ -
System maintenance	-	20,000	15,794
Total personnel services	4,571,000	20,000	15,794
Capital Outlay			
Riverwoods watermain replacement	-	4,095,000	204,143
Miscellaneous repairs	-	150,000	17,834
Variable speed motor drive replacement	-	26,000	18,190
Northampton watermain replacement	-	70,000	-
Sanitary sewer engineering services	-	105,000	99,244
Sanitary sewer lining repairs	-	105,000	-
Total capital outlay	-	4,551,000	339,411
Total operating expenses	$ 4,571,000	$ 4,571,000	$ 355,205

Internal Service Fund

Vehicle maintenance and operations fund - to account for the costs of operating and maintaining vehicles used by various Village departments, with the costs for these functions allocated to the appropriate department.

Village of Lincolnshire

Schedule of Revenues, Expenses and Changes in Net Position, Budget and Actual
Vehicle Maintenance and Operations Fund
Year Ended December 31, 2021

	Original and Final Appropriation	Original and Final Budget	Actual
Operating Revenues			
Interfund services:			
General fund	$ -	$ 441,170	$ 441,170
Water and sanitary sewer fund	-	49,020	53,105
Total operating revenue	-	490,190	494,275
Operating Expenses			
Personnel services:			
Regular salaries	539,210	155,000	168,625
Overtime salaries	-	10,000	5,733
IMRF	-	25,530	25,218
FICA	-	13,390	13,962
Pension expense	-	-	(8,330)
OPEB expense	-	-	2,175
Total personnel services	539,210	203,920	207,383
Professional services:			
Equipment maintenance	-	3,000	3,612
Medical insurance	-	51,500	44,791
General insurance	-	19,220	17,473
Outside services	-	88,500	76,984
Total professional services	-	162,220	142,860
Commodities:			
Maintenance materials	-	10,300	7,202
Fuel expenditures	-	55,000	78,732
Oil and antifreeze	-	3,000	4,323
Vehicle tires	-	10,000	11,317
Vehicle maintenance parts	-	36,500	45,357
Total commodities	-	114,800	146,931

Village of Lincolnshire

Schedule of Revenues, Expenses and Changes in Net Position, Budget and Actual
Vehicle Maintenance and Operations Fund
Year Ended December 31, 2021

	Original and Final Appropriation	Original and Final Budget	Actual
Other charges:			
Memberships	$ -	$ 250	$ 210
Professional development	-	4,000	635
Publications	-	2,500	2,521
Uniforms	-	2,500	2,860
Total other charges	-	9,250	6,226
Total operating expenses	$ 539,210	490,190	503,400
Change in net position		$ -	(9,125)
Net Position (Deficit), Beginning			(141,236)
Net Position (Deficit), Ending			$ (150,361)

Fiduciary Fund

Village of Lincolnshire

Schedule of Changes in Fiduciary Net Position Budget and Actual
Police Pension Fund
Year Ended December 31, 2021

	Original and Final Appropriation	Original and Final Budget	Actual
Additions			
Employer		$ 1,078,130	$ 1,113,260
Employee contributions		280,000	243,339
Total contributions		1,358,130	1,356,599
Investment income:			
Interest earned on investments		1,045,410	857,456
Net appreciation in fair value of investments		-	1,871,773
Total investment income		1,045,410	2,729,229
Less investment expense		(77,000)	(87,459)
Net investment income		968,410	2,641,770
Total additions		2,326,540	3,998,369
Deductions			
Administrative	$ 2,643,890	32,900	29,560
Benefits	-	2,143,640	1,358,389
Refunds of contributions	-	150,000	-
Total deductions	$ 2,643,890	2,326,540	1,387,949
Change in fiduciary net position		$ -	2,610,420
Net Position, Beginning			27,840,988
Net Position, Ending			$ 30,451,408

Statistical Section

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

Contents **Page**

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. 119

Revenue Capacity

These schedules contain information to help the reader assess the Village's most significant local revenue source, the sales tax. 124

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. 127

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within the Village's financial activities take place. 131

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the Village's financial report relates to the services the Village provides and the activities it performs. 134

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Village of Lincolnshire

Net Position by Component
Last Ten Fiscal Years

	2012	2013	2014	2015*	2016	2017	2018**	2019	2020	2021
Governmental Activities										
Net investment in capital assets	$ 70,013,193	$ 69,304,209	$ 69,798,415	$ 69,382,066	$ 69,513,712	$ 70,092,708	$ 69,597,751	$ 68,438,606	$ 68,197,648	$ 68,270,324
Restricted	9,168,024	2,465,578	2,647,313	2,725,241	2,820,674	3,886,431	4,579,166	5,280,725	4,999,882	4,881,965
Unrestricted	(566,152)	3,318,734	4,589,920	(5,885,183)	(5,329,015)	(5,139,310)	(5,598,995)	(4,527,338)	(5,681,104)	(6,113,440)
Total governmental activities	$ 78,615,065	$ 75,088,521	$ 77,035,648	$ 66,222,124	$ 67,005,371	$ 68,839,829	$ 68,577,922	$ 69,191,993	$ 67,516,426	$ 67,038,849
Business-type activities										
Net investment in capital assets	$ 37,256,118	$ 35,948,245	$ 35,045,804	$ 34,970,306	$ 33,849,040	$ 34,152,185	$ 34,238,784	$ 34,191,527	$ 32,880,933	$ 34,260,811
Unrestricted	1,704,160	2,261,714	2,239,565	763,102	991,465	1,910,776	961,613	983,522	914,475	897,539
Total business-type activities	$ 38,960,278	$ 38,209,959	$ 37,285,369	$ 35,733,408	$ 34,840,505	$ 36,062,961	$ 35,200,397	$ 35,175,049	$ 33,795,408	$ 35,158,350
Primary Government										
Net investment in capital assets	$ 107,269,311	$ 105,252,454	$ 104,844,219	$ 104,352,372	$ 103,362,752	$ 104,244,893	$ 103,836,535	$ 102,630,133	$ 101,078,581	$ 102,531,135
Restricted	9,168,024	2,465,578	2,647,313	2,725,241	2,820,674	3,886,431	4,579,166	5,280,725	4,999,882	4,881,965
Unrestricted	1,138,008	5,580,448	6,829,485	(5,122,081)	(4,337,550)	(3,228,534)	(4,637,382)	(3,543,816)	(4,766,629)	(5,215,901)
Total primary government	$ 117,575,343	$ 113,298,480	$ 114,321,017	$ 101,955,532	$ 101,845,876	$ 104,902,790	$ 103,778,319	$ 104,367,042	$ 101,311,834	$ 102,197,199

Data Source

Audited financial statements

*The Village implemented GASB 68 for the fiscal year ended December 31, 2015.

**The Village implemented GASB 75 for the fiscal year ended December 31, 2018.

Village of Lincolnshire

Change in Net Position
Last Ten Fiscal Years

	2012	2013	2014	2015*	2016	2017	2018**	2019	2020	2021
Expenses										
Governmental activities:										
General government	$ 2,055,391	$ 2,037,465	$ 3,204,077	$ 3,261,101	$ 3,070,618	$ 2,821,648	$ 3,012,238	$3,355,419	$ 2,701,606	$ 3,543,226
Public safety	3,852,925	4,244,795	3,921,903	4,224,091	4,592,881	4,553,263	4,969,667	5,325,833	4,162,254	3,611,574
Community and economic development	449,878	82,073	562,297	846,364	843,023	1,109,782	1,119,296	972,349	944,145	746,138
Public works	3,115,710	4,551,630	1,912,541	2,525,799	2,684,373	2,580,095	2,398,725	2,800,379	3,598,874	2,479,941
Parks and open spaces	1,234,268	1,496,702	2,000,840	1,594,035	1,850,099	1,866,928	1,853,000	2,040,594	2,270,981	2,088,589
Interest	983,387	973,071	890,093	844,605	764,597	762,720	726,110	698,646	669,583	639,013
Total governmental activities expenses	11,691,559	13,385,736	12,491,751	13,295,995	13,805,591	13,694,436	14,079,036	15,193,220	14,347,443	13,108,481
Business-type activities:										
Water and sewer	5,534,271	5,729,624	5,501,426	5,561,073	5,917,486	6,129,605	5,924,162	5,914,640	6,798,795	6,542,141
Total business-type activities expenses	5,534,271	5,729,624	5,501,426	5,561,073	5,917,486	6,129,605	5,924,162	5,914,640	6,798,795	6,542,141
Total primary government expenses	$ 17,225,830	$ 19,115,360	$ 17,993,177	$ 18,857,068	$ 19,723,077	$ 19,824,041	$ 20,003,198	$21,107,860	$ 21,146,238	$ 19,650,622
Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ 232,775	$ 239,339	$ 328,654	$ 316,593	$ 360,272	$ 423,853	$ 345,387	$308,809	$ 293,305	$ 233,324
Public safety	1,109,826	981,973	866,101	841,785	739,850	779,896	868,497	1,038,868	932,651	1,141,494
Community development	271,050	199,557	364,734	364,724	320,000	637,123	355,501	377,226	289,008	286,279
Public works	11,885	12,500	17,370	16,489	35,999	32,995	36,976	25,436	19,200	33,901
Parks and recreation	53,421	58,098	38,082	39,668	40,212	27,670	20,346	36,525	30,403	41,964
Operating grants and contributions	241,520	257,382	362,589	246,279	230,860	1,735,927	1,411,362	1,060,899	1,062,328	1,187,324
Capital grants and contributions	-	-	67,904	57,602	179,635	1,080,392	17,023	233,098	-	498,435
Total governmental activities program revenues	1,920,477	1,748,849	2,045,434	1,883,140	1,906,828	4,717,856	3,055,092	3,080,861	2,626,895	3,422,721
Business-type activities:										
Charges for services:										
Water and sewer	4,111,584	3,882,816	4,001,441	3,840,582	4,983,740	6,000,952	4,707,901	5,127,653	5,144,814	5,503,642
Capital grants and contributions	36,145	-	473,595	-	-	309,320	-	-	-	-
Total business-type activities program revenues	4,147,729	3,882,816	4,475,036	3,840,582	4,983,740	6,310,272	4,707,901	5,127,653	5,144,814	5,503,642
Total primary government program revenues	$ 6,068,206	$ 5,631,665	$ 6,520,470	$ 5,723,722	$ 6,890,568	$ 11,028,128	$ 7,762,993	$ 8,208,514	$ 7,771,709	$ 8,926,363
Net Revenue (Expense)										
Governmental activities	$ (9,771,082)	$ (11,636,887)	$ (10,446,317)	$ (11,412,855)	$ (11,898,763)	$ (8,976,580)	$ (11,023,944)	$ (12,112,359)	$ (11,720,548)	$ (9,685,760)
Business-type activities	(1,386,542)	(1,846,808)	(1,026,390)	(1,720,491)	(933,746)	180,667	(1,216,261)	(786,987)	(1,653,981)	(1,038,499)
Total primary government net revenue (expense)	$ (11,157,624)	$ (13,483,695)	$ (11,472,707)	$ (13,133,346)	$ (12,832,509)	$ (8,795,913)	$ (12,240,205)	$ (12,899,346)	$ (13,374,529)	$ (10,724,259)

Village of Lincolnshire

Change in Net Position
Last Ten Fiscal Years

	2012	2013	2014	2015*	2016	2017	2018**	2019	2020	2021
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property	$ 4,380,298	$ 4,355,002	$ 2,589,086	$ 2,583,554	$ 2,649,278	$ 2,745,211	$ 2,784,047	$ 2,816,049	$ 2,734,390	$ 2,933,796
Home rule sales tax	1,184,487	1,256,668	1,231,097	1,409,339	1,147,067	1,182,998	1,672,796	1,688,409	1,089,131	1,452,943
Utility	1,203,500	1,318,577	1,427,191	1,304,252	1,238,194	1,245,328	1,281,254	1,271,929	1,150,147	1,177,706
Telecommunications	1,336,167	1,219,285	1,041,159	1,172,430	1,215,516	1,190,635	1,060,063	1,037,637	953,406	1,027,171
Food and beverage	-	-	-	-	-	47,403	801,681	741,918	388,915	541,944
Room and admissions	1,709,251	1,733,789	1,831,416	1,931,739	1,873,847	1,699,538	2,016,916	2,076,917	581,881	978,326
Real estate transfer	921,597	330,958	364,410	491,669	465,951	732,675	540,178	340,446	502,844	452,664
Intergovernmental	3,247,452	3,204,481	3,458,440	3,996,442	3,344,977	2,627,040	2,836,458	2,913,425	2,368,238	2,945,375
Investment income	45,339	46,530	(38,994)	55,477	76,024	85,826	164,322	329,259	347,192	83,344
Miscellaneous	13,074	84,015	51,699	84,252	180,018	281,384	137,929	260,441	199,739	14,914
Gain (loss) on sale of capital assets	16,313	47,679	19,665	10,235	14,959	-	-	-	-	-
Transfers in (out)	(700,000)	(1,090,400)	(96,297)	(906,519)	94,417	(1,027,000)	(600,000)	(750,000)	(270,902)	(2,400,000)
Special item, loss on sale of land	-	(4,396,241)	-	-	-	-	-	-	-	-
Total governmental activities	13,357,478	8,110,343	11,878,872	12,132,870	12,300,248	10,811,038	12,695,644	12,726,430	10,044,981	9,208,183
Business-Type activities:										
Investment income	4,404	4,089	5,503	3,683	4,339	6,714	10,024	11,639	3,438	1,441
Gain (loss) on sale of capital assets	(13,350)	2,000	-	3,442	10,365	8,075	-	-	-	-
Transfers in	700,000	1,090,400	96,297	906,519	(94,417)	1,027,000	600,000	750,000	270,902	2,400,000
Total business-type activities	691,054	1,096,489	101,800	913,644	(79,713)	1,041,789	610,024	761,639	274,340	2,401,441
Total primary government	14,048,532	9,206,832	11,980,672	13,046,514	12,220,535	11,852,827	13,305,668	13,488,069	10,319,321	11,609,624
Change In Net Position										
Governmental activities	3,586,396	(3,526,544)	1,432,555	720,015	401,485	1,834,458	1,671,700	614,071	(1,675,567)	(477,577)
Business-Type activities	(695,488)	(750,319)	(924,590)	(806,847)	(1,013,459)	1,222,456	(606,237)	(25,348)	(1,379,641)	1,362,942
Total primary government change in net position	$ 2,890,908	$ (4,276,863)	$ 507,965	$ (86,832)	$ (611,974)	$ 3,056,914	$ 1,065,463	$ 588,723	$ (3,055,208)	$ 885,365

Data Source

Audited financial statements

*The Village implemented GASB No. 68 for the fiscal year ended December 31, 2015.

**The Village implemented GASB No. 75 for the fiscal year ended December 31, 2018.

Village of Lincolnshire

Fund Balances of Governmental Funds
Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	$ 65,294	$ 9,461	$ 775	$ 1,334,089	$ 1,334,267	$ 1,085,980	$ 1,105,615	$ 1,118,152	$ 1,147,215	$ 1,159,950
Restricted	-	-	-	-	232,737	-	-	188,046	205,661	374,480
Unassigned	11,612,467	12,103,725	10,612,821	9,748,038	5,341,222	5,958,900	5,946,536	6,439,359	6,077,731	5,850,974
Total general fund	$ 11,677,761	$ 12,113,186	$ 10,613,596	$ 11,082,127	$ 6,908,226	$ 7,044,880	$ 7,052,151	$ 7,745,557	$ 7,430,607	$ 7,385,404
All Other Governmental Funds										
Nonspendable	$ 1,903	$ -	$ -	$ 95,235	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	7,138,131	2,465,578	2,647,313	2,725,241	2,587,937	3,886,431	4,579,166	5,092,679	4,794,221	4,507,485
Assigned, reported in capital projects funds	33,815	60,676	2,890,228	2,863,321	7,321,790	6,945,065	8,638,655	9,445,929	8,244,229	6,115,589
Total all other governmental funds	$ 7,173,849	$ 2,526,254	$ 5,537,541	$ 5,683,797	$ 9,909,727	$ 10,831,496	$ 13,217,821	$ 14,538,608	$ 13,038,450	$ 10,623,074

Data Source
Audited financial statements

Village of Lincolnshire

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Property taxes	$ 4,308,071	$ 4,282,221	$ 2,589,086	$ 2,583,554	$ 2,649,279	$ 2,745,210	$ 2,784,047	$ 2,816,049	$ 2,734,390	$ 2,933,796
Other taxes	9,674,681	9,136,539	9,353,713	10,305,871	9,285,552	8,725,617	10,209,346	10,070,681	7,034,562	8,973,734
Licenses and permits	569,132	509,493	748,840	737,474	756,480	1,121,642	758,710	747,996	630,646	596,948
Fines and penalties	492,401	385,465	333,321	250,543	259,083	247,652	201,801	274,271	235,999	268,385
Charges for services	111,791	93,395	21,714	12,220	8,286	18,345	-	-	-	-
Intergovernmental	747,153	760,494	853,432	804,611	882,978	956,892	912,229	1,048,699	1,527,098	1,518,275
Investment income	45,339	46,530	(38,994)	55,477	76,024	85,826	164,322	462,206	411,223	(8,317)
Donations	-	-	20,000	16,520	-	1,514,978	1,168,032	776,797	224,727	145,186
Miscellaneous	13,074	84,015	119,826	146,024	180,018	281,384	135,585	127,494	144,133	104,462
Total revenues	15,961,642	15,298,152	14,000,938	14,912,294	14,097,700	15,697,546	16,334,072	16,324,193	12,942,778	14,532,469
Expenditures										
General government	2,034,704	2,073,589	2,522,842	2,628,626	2,508,311	2,039,025	2,082,316	2,385,912	2,317,682	2,369,909
Public safety	4,251,691	4,635,965	3,799,528	3,991,885	4,304,427	4,515,505	4,333,803	4,725,305	4,443,593	4,789,607
Community and economic development	450,213	495,107	486,420	974,500	835,438	1,048,711	1,117,437	953,511	849,983	775,406
Public works	2,124,293	2,561,912	1,306,404	1,318,348	1,455,855	1,509,507	1,556,583	1,678,488	1,655,982	1,585,591
Parks and open spaces	815,041	1,101,484	1,244,687	1,289,239	1,338,020	1,362,750	1,340,583	1,348,021	1,256,355	1,302,399
Capital outlay	2,142,960	1,623,311	1,944,395	1,603,970	1,867,559	1,511,922	1,761,842	1,320,950	2,814,014	2,625,917
Debt service:										
Principal	1,210,446	2,602,195	756,009	787,446	1,052,236	853,858	415,000	440,000	470,000	495,000
Interest	1,005,030	1,007,690	878,273	844,605	818,642	770,845	734,756	707,813	679,375	649,219
Total expenditures	14,034,378	16,101,253	12,938,558	13,438,619	14,180,488	13,612,123	13,342,320	13,560,000	14,486,984	14,593,048
Excess (deficiency) of revenues over expenditures	1,927,264	(803,101)	1,062,380	1,473,675	(82,788)	2,085,423	2,991,752	2,764,193	(1,544,206)	(60,579)
Other Financing Sources (uses)										
Transfers in	2,082,482	929,253	4,580,612	1,435,360	6,345,955	599,101	2,800,000	2,021,935	1,566,409	776,536
Transfers (out)	(2,782,482)	(2,019,653)	(4,652,715)	(2,317,300)	(6,232,737)	(1,626,101)	(3,400,000)	(2,771,935)	(1,837,311)	(3,176,536)
Proceeds from sale of capital assets	16,313	(4,348,562)	19,665	10,235	21,599	-	1,844	-	-	-
Total other financing sources (uses)	(683,687)	(5,438,962)	(52,438)	(871,705)	134,817	(1,027,000)	(598,156)	(750,000)	(270,902)	(2,400,000)
Net change in fund balances	$ 1,243,577	$ (6,242,063)	$ 1,009,942	$ 601,970	$ 52,029	$ 1,058,423	$ 2,393,596	$ 2,014,193	$ (1,815,108)	$ (2,460,579)
Debt Service as a Percentage of Noncapital Expenditures	16.27%	24.03%	14.56%	12.88%	14.37%	12.81%	9.41%	8.63%	9.85%	8.59%

Data Source
Audited financial statements

Village of Lincolnshire

Principal Property Taxpayers
Current Year and Nine Years Ago

	2021			2012		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation
ARC ACLSHIL001 LLC	$ 19,113,646	1	2.92%	$ 15,958,643	1	2.84%
Sedgebrook Propco SL VII LLC	16,509,033	2	2.52%			
IHP Tri-State Asset, LLC	15,868,659	3	2.42%			
SR DE I LLC	8,068,501	4	1.23%			
RYAN LLC	6,829,344	5	1.04%			
LA-RFMBG LINCOLNSHIRE, LLC	6,768,634	6	1.03%			
GRIFFIN LINCOLNSHIRE ESSENTIAL	6,715,280	7	1.03%			
Lincolnshire Propco LLC	6,198,402	8	0.95%			
TSJ Linconshire Property LLC	5,258,733	9	0.80%			
VAN VLISSINGEN & CO	5,019,124	10	0.77%	15,624,606	2	2.78%
CRP- 2 Holdings Tri State LLC				14,465,062	4	2.57%
Inland Western Half Day Rd LLC				6,934,457	7	1.23%
Milbrook, Inc.				6,005,349	8	
Property Tax Unit-N16WC				12,480,152	5	2.22%
Lincolnshire Senior Care LLC				14,916,589	3	2.65%
Strategic Hotel Cap, Inc.				8,355,760	6	1.49%
ECD Company				5,830,979	9	1.04%
GGP- Lincolnshire LLC				5,615,033	10	1.00%
Total	$ 96,349,356		14.71%	$ 106,186,630		17.82%

Note: Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers contain multiple parcels, and it is possible that some parcels and their valuations have been overlooked.

Data Source
Lake County Assessor's Office

Village of Lincolnshire

Sales Tax By Category
(in Thousands of Dollars)
Last Ten Calendar Years

Calendar Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Food	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2
General merchandise	18	59	92	203	194	242	269	213	115	125
Drinking and eating places	956	974	986	1,029	1,013	1,073	1,334	1,332	734	1,008
Apparel	177	159	143	141	133	143	152	131	50	87
Furniture	745	754	623	715	637	739	944	827	551	472
Lumber, building hardware	66	38	41	42	63	76	52	54	58	36
Automobile and filling stations	86	100	80	76	64	78	184	87	69	106
Drugs and miscellaneous retail	431	399	408	122	222	250	249	450	524	846
Agriculture and all others	1,818	1,684	1,865	2,075	1,265	364	412	482	269	426
Manufacturers	47	36	17	10	24	11	24	21	16	26
Total	$ 4,344	$ 4,203	$ 4,255	$ 4,413	$ 3,615	$ 2,976	$ 3,620	$ 3,597	$ 2,347	$ 3,134
Village direct sales tax rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Village home rule rate	0.50%	0.50%	0.50%	0.50%	0.50%	1.00%	1.00%	1.00%	1.00%	1.00%

Data Source
Illinois Department of Revenue

Village of Lincolnshire

Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years

Calendar Year	Lake County Rate	RTA Lake County Rate	Village Direct Rate	State Rate	Village Home Rule Sales Tax[1]	Food and Beverage Tax[2]
2012	0.50%	0.50%	1.00%	5.00%	0.50%	0.00%
2013	0.50%	0.50%	1.00%	5.00%	0.50%	0.00%
2014	0.50%	0.50%	1.00%	5.00%	0.50%	0.00%
2015	0.50%	0.50%	1.00%	5.00%	0.50%	0.00%
2016	0.50%	0.50%	1.00%	5.00%	0.50%	0.00%
2017	0.50%	0.50%	1.00%	5.00%	1.00%	1.00%
2018	0.50%	0.50%	1.00%	5.00%	1.00%	1.00%
2019	0.50%	0.50%	1.00%	5.00%	1.00%	1.00%
2020	0.50%	0.50%	1.00%	5.00%	1.00%	1.00%
2021	0.50%	0.50%	1.00%	5.00%	1.00%	1.00%

Notes

[1] Effective 01/1/2011, implemented .50% HRS Tax (ordinance # 10-3164-41)

[1] Effective 07/1/2017, increase HRS Tax to 1.0% (ordinance # 17-3437-165)

[2] Effective 11/1/2017, implemented 1.0% F&BT (ordinance # 17-3752-180)

Data Source

Village and County Records

Village of Lincolnshire

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities			Business-Type Activities	Total Primary Government	Percentage of Personal Income[1]	Per Capita[1]
	Special Service Area Bonds	Consolidated North park/ Schelter road Loan	Tax Increment Financing	Utility Line Loan			
2012	$ 13,690,000	$ 2,444,415	$ 1,906,965	$ 951,600	$ 18,991,980	4.22%	$ 2,611
2013	13,385,000	2,024,000	-	787,000	16,196,000	3.60%	2,226
2014	13,060,000	1,593,539	-	619,711	15,273,250	3.90%	2,099
2015	12,715,000	1,151,094	-	447,649	14,313,743	3.18%	1,968
2016	12,350,000	696,976	-	271,047	13,318,023	2.60%	1,831
2017	11,960,000	-	-	-	11,960,000	2.41%	1,644
2018	11,545,000	-	-	-	11,545,000	2.26%	1,587
2019	11,105,000	-	-	-	11,105,000	2.12%	1,526
2020	10,635,000	-	-	-	10,635,000	2.03%	1,462
2021	10,140,000	-	-	-	10,140,000	1.56%	1,277

[1] See the Schedule of Demographic and Economic Statistics on page 128 for personal income and population data.

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

Data Source
Audited financial statements

Village of Lincolnshire

Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	(1) Special Service Area Bonds	Percentage of Estimated Actual taxable Value of Property	Per Capita
2012	13,690,000	0.81%	1,922
2013	13,385,000	0.79%	1,840
2014	13,060,000	0.77%	1,795
2015	12,715,000	0.72%	1,748
2016	12,350,000	0.66%	1,698
2017	11,960,000	0.62%	1,644
2018	11,545,000	0.59%	1,587
2019	11,105,000	0.55%	1,526
2020	10,635,000	0.54%	1,462
2021	10,140,000	0.52%	1,277

Data Source

(1) Audited financial statements

Village of Lincolnshire

Direct and Overlapping Bonded Debt - Governmental Activities
December 31, 2020

Governmental Unit	Gross General Obligation Debt	Percentage of Debt Applicable to Government	Village's Share of debt
Overlapping Debt			
Debt Repaid With Property Taxes			
College of Lake County No. 532	$ 90,210,000	2.5%	$ 2,253,590
Elementary School District No. 102	16,705,000	10.0%	1,674,381
Elementary School District No. 103	6,595,000	53.8%	3,548,766
Elementary School District No. 106	-	1.2%	-
Deerfield/ Bannockburn Fire District	-	0.2%	-
Long Grove Fire Protection District	-	2.1%	-
Lincolnshire/ Riverwoods Fire Protection District	-	48.0%	-
High School District No. 113	74,325,000	0.1%	43,577
High School District No. 125	47,840,000	17.9%	8,542,409
Vernon Area Public Library	-	24.9%	-
Buffallo Grove Park District	10,499,000	0.2%	16,106
Township of Vernon	-	16.5%	-
Township of West Deerfield	-	0.1%	-
Lake County	137,310,000	2.4%	3,268,080
Lake County Forest Preserve	181,865,000	2.4%	4,328,522
Total overlapping debt	565,349,000		23,675,431
Direct Debt			
Village of Lincolnshire	-	100.0%	-
Total direct and overlapping debt	$ 565,349,000		$ 23,675,431

Data Sources
Lake County Extension Office

Village of Lincolnshire

Legal Debt Margin Information
December 31, 2021

The Village is a home rule municipality.

Article VII, section 6(k) of the 1970 Illinois Constitution governs computation of the legal debt margin:

The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property...(2) if its population is more than 25,000 and less than 500,000 an aggregate of one per cent: ...indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum...shall not be included in the foregoing percentage.

The Village's voters approved a referendum to become a home rule community in 1975.

To date, the General Assembly has set no limits for home rule municipalities.

Illustrative Computation of Debt Margin if Government Were Not a Home Rule Municipality

The Village is a home rule municipality and, as such, has no debt limitations. If, however, the Village were a nonhome rule municipality, its available debt limit would be as follows:

Equalized Assessed Valuation - 2020*	$ 655,076,868
Non-Home Rule Legal Debt Limit - 8.625%	$ 56,500,380
Amount of debt applicable to limit	-
Legal Debt Margin	$ 56,500,380

* Most Recent EAV Available

Village of Lincolnshire

Demographic and Economic Information
Last Ten Fiscal Years

Fiscal Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Unemployment Rate
2012	7,275	$ 450,403	$ 61,911	8.2%
2013	7,275	450,403	61,911	7.4%
2014	7,275	450,403	61,911	5.6%
2015	7,275	450,403	61,911	5.5%
2016	7,275	512,356	70,427	5.1%
2017	7,275	496,802	68,289	4.2%
2018	7,275	510,887	70,225	5.0%
2019	7,275	523,072	71,900	4.0%
2020	7,275	548,324	75,371	7.9%
2021	7,940	651,778	82,088	5.1%

Data Sources

Illinois Department Of Employment Security (ides) Unemployment Rate By Bureau Of Labor Statisticscity-data.com.

Village of Lincolnshire

Principal Employers
Current Year and Nine Years Ago

	2021			2012		
Employer	**Employees**	**Rank**	**% of Total Village Population**	**Employees**	**Rank**	**% of Total Village Population**
Aon-ALight	3,005	1	15.0%	5,244	1	21.0%
CDW	1,211	2	6.1%			
Zebra Technologies	984	3	4.9%			
Hydraforce, Inc.	765	4	3.8%	600	3	2.4%
Adlai E. Stevenson High School	580	5	2.9%	600	4	2.4%
Quill Corporation	400	6	2.0%	478	7	1.9%
Sedgebrook	396	7	2.0%	450	8	
Lincolnshire- Prairie View School D103	349	8	1.7%			
Sysmex	302	9	1.5%			0.0%
LTD Commodites	249	10	1.2%			
Marriott Resort				380	9	1.5%
Walgreens				660	2	2.6%
W.W. Grainger				498	5	2.0%
Securitas				480	6	1.9%
Total	8,241		41.1%	9,390		35.70%
Corporate Day Time Population (est.)			20,000			17,200

Data Source

Village of Lincolnshire Community & Economic Development Department (2022)
Village of Lincolnshire- 2011 ACFR
Village of Lincolnshire Community & Economic Development- Corporate day time population estimate

Village of Lincolnshire

Full-Time Equivalent Employees
Last Ten Fiscal Years

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government										
Administration	3.50	3.20	3.25	3.25	2.35	2.10	1.60	2.10	3.10	3.10
Finance	2.40	2.40	3.50	3.50	2.90	2.90	2.90	2.90	2.90	2.65
Public Safety										
Police	28.80	28.00	29.00	29.00	28.00	28.00	28.00	29.00	27.50	27.00
E911	4.20	4.20	-	-	-	-	-	-	-	-
Community and Economic Development										
Development	5.75	5.75	5.75	5.75	4.00	4.00	4.50	4.50	4.00	4.00
Public Works										
Administration	1.75	2.00	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Streets	4.25	4.25	4.50	4.50	4.25	4.75	4.75	4.75	5.50	5.50
Buildings and grounds	0.50	0.50	-	-	-	-	-	-	-	-
Water	7.75	7.75	6.00	6.00	7.45	7.25	7.25	7.25	7.50	7.25
Vehicle maintenance	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25
Forestry	2.87	-	-	-	-	-	-	-	-	-
Parks and Open Spaces										
Parks	8	8	11	11	11	10	10	10	6	7
Total	72.15	68.43	66.75	66.75	63.58	63.13	63.13	64.30	60.50	60.00

Data Source

Operating Budget-Personnel Summary By Department-FTE

Village of Lincolnshire

Operating Indicators
Last Ten Fiscal Years

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government										
Village Board meetings	48	50	48	49	51	47	47	50	47	75
Ordinances prepared	42	33	41	42	40	32	35	36	49	40
Resolutions prepared	10	8	10	11	8	8	19	17	15	11
Newsletter/resident mailings	5	4	4	5	4	4	4	4	3	4
E-News messages sent	15	64	77	98	70	75	82	86	119	93
E-News subscribers	582	1,043	1,212	1,793	1,550	1,633	1,490	1,517	1,622	3,206
Facebook likes	-	166	222	497	655	1,129	1,345	1,808	1,994	2,700
Twitter followers	-	-	-	400	455	819	924	1,071	1,200	1,281
Finance										
Accounts payable checks	1,745	1,768	1,994	1,939	2,000	2,155	1,874	1,823	1,663	1,685
Accounts payable direct deposits	-	-	11	200	260	331	382	381	386	475
Payroll checks	212	208	237	149	136	99	78	63	44	88
Payroll direct deposits	1,911	1,870	1,939	1,976	1,679	1,956	1,946	2,003	2,014	1,860
% utility auto withdrawal	0%	0%	22%	23%	29%	35%	37%	39%	41%	43%
Utility payments by credit card	-	-	-	-	-	-	1,196	1,794	2,301	2,972
Utility payments by text	-	-	-	-	-	-	76	163	175	198
% utility e-bills	0%	0%	0%	0%	0%	4%	8%	10%	12%	18%
Police										
Calls for service	26,797	19,743	14,219	14,023	24,781	26,314	25,276	35,157	32,771	26,624
Total reports	1,843	1,950	1,500	959	839	875	963	1,694	1,347	1,092
Arrests (includes traffic)	472	429	231	188	304	300	346	503	548	470
DUI arrests	94	85	45	34	26	48	37	33	44	34
DUI conviction rate	0%	0%	0%	0%	0%	95%	95%	48%	32%	62%
FBI Part I crimes	-	-	-	-	-	77	79	115	97	73
FBI Part I crimes cleared	0%	0%	0%	0%	0%	11%	12%	2%	13%	5%

Village of Lincolnshire

Operating Indicators
Last Ten Fiscal Years

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Community Development										
Plan reviews:										
Building consultant	-	-	-	-	94	54	35	9	5	6
Building official	-	-	-	-	219	326	288	278	280	292
Code enforcement	-	-	-	-	37	85	84	86	64	71
Elevators	-	-	-	-	14	6	13	3	7	2
Village engineer	-	-	-	-	318	293	186	258	244	265
Fire reviews	-	-	-	-	139	126	129	106	95	78
Forestry	-	-	-	-	320	2	3	-	1	1
Life safety	-	-	-	-	-	-	1	15	11	10
Planning	-	-	-	-	122	73	66	82	66	88
Public works	-	-	-	-	19	-	13	-	-	-
Tree removals	-	-	-	-	-	267	229	228	285	250
Total	-	-	-	-	1,282	1,232	1,047	1,065	1,058	1,063
Zoning Board development reviews	13	8	13	10	8	6	3	6	9	9
Architectural Review Board reviews	8	7	11	10	21	16	10	22	12	19
Building permits issued	360	369	359	368	926	672	617	635	580	663
Taxable property transfers	157	179	145	161	147	193	150	171	177	243
No. of Inspections*	903	847	885	944	1,480	1,967	1,303	1,885	1,188	1,303
Valuation (thousands)*	35,912	20,712	45,137	41,173	25,992	68,060	31,051	26,744	24,300	27,783
New com/office/warehse bldgs.	1	2	1	2	-	4	1	1	1	-
New housing units	4	9	14	6	45	31	14	28	19	17
Sq. ft. new com. bldgs. (thousands)	-	-	-	-	-	-	-	-	5	-
Sq. ft. new off/warehse. bldgs. (thousands)	-	-	-	-	-	-	186,616	-	-	69,149
Insurance/Common Expense										
Property/liability claims processed	6	3	3	3	5	-	1	2	2	2
Auto liability processed	-	3	5	4	-	1	4	4	1	-
Workers compensation claims processed	8	10	11	5	8	8	1	12	2	1
Public Works-Administration										
Capital project management:										
% capital expend./capital dollars allocated	0%	0%	0%	0%	88%	86%	87%	80%	57%	58%
Sitework permit reviews:										
Average length to review site-work permits (days)	-	-	-	7.8	9.0	8.9	7.9	8.0	8.0	11.5

Village of Lincolnshire

Operating Indicators
Last Ten Fiscal Years

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Works-Streets										
Project inspections	244	251	172	140	229	184	122	163	197	143
Maintain street posts and signs:										
Village signs, repaired	-	-	-	-	-	-	100	100	100	77
Maintain Village streets:										
Street resurfaced (miles)	1	1	1	1	1	1	1	1	2	2
Tons of asphalt patching	-	-	-	-	-	-	27	12	14	7
Pothole repairs by staff	-	-	-	-	12	16	82	110	92	73
Street cleaned (miles)	363	372	357	267	360	360	360	360	360	287
Flood prevention:										
Staff hrs spent on flood prevention	-	-	-	-	-	-	556	500	491	252
Hours of pump usage	-	-	-	-	-	-	960	1,000	1,152	-
Times pumps deployed	-	-	-	-	-	-	5	6	6	1
Sewer maintenance:										
% of catch basin system cleaned	0%	0%	0%	0%	0%	0%	10%	10%	10%	4%
Linear feet of storm sewer lined	-	-	-	-	-	-	530	550	-	-
% storm sewer system inspected	0%	0%	0%	0%	0%	0%	10%	12%	12%	0%
Catch basins repaired	-	-	-	-	-	-	34	30	19	30
Right-of-way leaf collection:										
Cubic yards of leaves collected	6,495	7,100	6,942	7,064	6,495	5,100	5,100	5,920	5,760	5,520
Cost per cubic yard for collection/removal	-	-	-	-	-	-	30	40	24	8
Annual leaf collection expense	-	-	-	-	-	N/A	154,000	145,000	134,000	43,987
Snow and ice control:										
Snow events	-	-	-	-	-	12	19	24	14	22
Staff hrs spent on snow/ice control	-	-	-	1,039	693	559	1,284	1,575	735	1,144
Salt used (tons)	-	-	-	-	272.5	-	586.2	872.2	414.3	678.0
Customer service:										
Avg days to complete street service request							6.8	7.2	7.1	8.8

Village of Lincolnshire

Operating Indicators
Last Ten Fiscal Years

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Works-Parks										
Trees planted	165	205	138	181	97	110	190	190	190	16
Playground inspection (hours)	180	137	65	84	108	24	80	25	36	72
Special event (hours)	849	1,052	854	1,184	1,375	593	660	616	21	220
Review and issue tree removal permits:										
Avg days to review permit	$ -	$ -	$ -	$ -	$ 25	$ 25	$ 6	$ 10	10	3
Natural areas maintained										
Acres of invasive species mgmt	-	-	-	600	610	620	612	600	600	-
Avg cost per acre of maintenance	$ -	$ -	$ -	$ 54	$ 55	$ 56	$ 57	$ 58	$ 58	$ -
Maintain Village parkways:										
Trees planted	-	-	-	-	100	110	159	140	144	64
Trees removed- contractual	-	-	-	-	268	240	375	344	117	150
Trees removed- by staff	-	-	-	-	22	21	22	25	79	64
% Trees pruned per 8 year cycle	0%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Operate Spring Lake Beach:										
Beach days	-	-	-	-	-	-	74	76	-	-
Avg beach patrons per swim day	-	-	-	-	-	-	23	22	-	-
Beach revenue	$ -	$ -	$ -	$ -	$ -	$ -	$ 7,250	$ 7,460	$ -	$ -
Beach expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ 26,970	$ 26,752	$ -	$ -
Net annual cost of operation	$ -	$ -	$ -	$ -	$ -	$ -	$ 19,720	$ 19,292	$ -	$ -
Net avg cost per swim day	$ -	$ -	$ -	$ -	$ -	$ -	$ 266	$ 254	$ -	$ -
`	$ -	$ -	$ -	$ -	$ -	$ -	$ 12	$ 12	$ -	$ -
Customer service:										
Avg days to complete forestry/parks svc req	-	-	-	-	-	-	10	10	10	10
Public Works-Buildings										
Maintain Village Hall building:										
HVAC service calls, emergency	-	-	-	-	2	3	5	5	3	7
HVAC service calls, budgeted	-	-	-	-	4	4	4	4	4	1
Maintain Public Works building:										
HVAC service calls, emergency	-	-	-	-	1	2	2	2	3	2
HVAC service calls, budgeted	-	-	-	-	4	4	4	4	4	4

Village of Lincolnshire

Operating Indicators
Last Ten Fiscal Years

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Works-Water and Sewer										
Avg daily pumpage metered:										
(millions of gallons)	1	1	1	1	1	1	1	1	1	1
JULIE utility locates	2,086	2,237	2,302	2,991	3,017	3,460	3,400	3,271	2,702	2,781
Accounts Serviced	-	-	-	-	-	2,546	2,452	2,605	2,566	2,665
Utility Permits	-	-	-	-	-	91	56	90	172	53
Maintain valves:										
% of water valves exercised	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Utility concerns:										
Appointments	-	-	-	-	219	311	337	316	349	865
Maintain fire hydrants:										
Fire hydrants repaired or replaced	-	-	-	-	12	21	25	25	25	6
Maintain sanitary sewer system:										
% cleaned/televised (10yr cycle)	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Sanitary sewer lining installed (feet)						3,780	3,935	3,900	3,990	3,000
Maintain water delivery:										
Water main breaks	-	-	-	-	-	-	11	9	13	12
Equivalent Dwelling Unit (EDU)										
Connections	-	-	-	5	105	350	330	49	22	31
Public Works-Vehicle Maintenance										
Maintain fleet vehicles:										
% of vehicles maintained per	0%	0%	0%	0%	100%	100%	100%	100%	100%	100%
Village preventative maintenance schedule:										
Fleet work orders	-	-	-	-	216	315	337	214	231	278
Cost per police squad	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,093	$ 812	$ 1,235	$ 633

Village of Lincolnshire

Operating Indicators
Last Ten Fiscal Years

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police Pension										
Unfunded Liability EAN**	2,447,293	2,040,149	2,568,985	4,837,151	4,797,235	5,248,868	5,335,420	6,843,600	6,749,000	6,324,000
Funded %- EAN**	87%	90%	88%	80%	81%	80%	81%	77%	78%	80%
Funded %- PUC**	89%	89%	91%	91%	90%	90%	85%	81%	81%	84%
(Actuarial asset) 12/31	8%	13%	7%	5%	5%	7%	3%	6%	9%	10%
(Market value) 12/31	9%	13%	3%	-1%	-7%	14%	-7%	18%	15%	10%
Max % equity investments	55%	65%	65%	65%	65%	65%	65%	65%	65%	65%
EAN= Entry Age Normal PUC= Projected Unit Credit										
**Source: Actuarial Valuation Report prepared June for year beginning January 1										
Effective 2014 & 2019 reported figures based on new assumptions										
Participants actual:										
Active members	23	24	23	23	23	22	21	24	24	25
Normal retirees	10	10	10	11	11	12	14	15	15	15
Beneficiaries	1	1	1	1	1	1	1	1	1	1
Disabled retirees	3	3	2	3	3	3	3	2	2	2
Terminated/separated	-	-	3	2	2	2	3	4	3	4
Total	37	38	39	40	40	40	42	46	45	47
Participants:										
Police tier 1 participants	21	22	20	19	19	19	15	16	15	15
Police tier 2 participants	2	2	3	4	4	3	6	8	9	10
Total	23	24	23	23	23	22	21	24	24	25

Data Source

Village of Lincolnshire 2021 Budget

*Police: Total Reports - 2014 and prior includes case and incident reports;
2015 and after includes case reports only

Village of Lincolnshire

Capital Asset Statistics
Last Ten Fiscal Years

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police										
Patrol units	14	15	15	14	16	15	15	14	15	15
Stations	1	1	1	1	1	1	1	1	1	1
Public Works										
Streets (miles)	40	40	35	35	41	41	41	41	41	41
Building facilities maintained	6	6	6	6	6	6	5	5	5	5
Parks and Recreation										
Acreage	311.0	311.0	311.0	311.0	311.0	181.0	182.0	182.0	182.0	182.0
Parks	9	9	9	9	9	9	11	11	11	11
Baseball/softball diamonds	6	6	6	6	6	7	7	7	7	7
Water, Sanitary Sewer										
Fire hydrants	856	854	859	859	869	877	877	898	898	902
Storage capacity:										
(Millions of gallons)	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6
Water mains (miles)	67.0	62.2	61.0	61.0	64.4	67.0	67.0	67.0	67.0	72.0
Sanitary sewers (miles)	50.0	50.0	45.0	45.0	47.5	47.6	47.6	47.6	47.6	56.0
Storm sewers (miles)	105.0	105.0	101.0	101.0	101.0	101.2	101.2	101.2	101.2	101.2

Data Source

Various village departments