VILLAGE OF

LINCOLNSHIRE

Annual Comprehensive Financial Report

For the Year Ended December 31, 2025

VILLAGE OF LINCOLNSHIRE, ILLINOIS

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

For the Year Ended
December 31, 2025

Prepared by Finance Department

Matt Rossi
Finance Director

VILLAGE OF LINCOLNSHIRE, ILLINOIS
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INTRODUCTORY SECTION

VILLAGE OF LINCOLNSHIRE, ILLINOIS

PRINCIPAL OFFICIALS

December 31, 2025

Mayor

Elizabeth Brandt

Village Board

Dr. Mara Grujanac
Robert Mitchell
Veronica Pantelis
Jill Raizin
Thomas Munger
Joe Kelly

Village Clerk

Barbara Mastandrea

* * * * * *

Village Manager

Bradly Burke

Finance Director/Village Treasurer

Matt Rossi

Organizational Chart

Village of Lincolnshire
Organizational Chart
Effective 1/1/2026

60 Full Time Employees
2.25 Part Time or Seasonal Employees
62.25 Full Time Equivalents

VILLAGE OF
LINCOLNSHIRE

Lincolnshire Residents

Mayor and Board of Trustees

Village Treasurer
Matthew Rossi

Village Manager
Brad Burke

Village Clerk
Barbara Mastandrea

Departments:	Administration	Community & Economic Development	Police	Finance	Public Works 205 Schelter Rd. Lincolnshire, IL 60069
Department Manager:	Village Manager Brad Burke	Asst. Village Mgr/CED Director Molly Davies	Chief of Police Joseph Leonas	Finance Director Matthew Rossi	Public Works Director Bradford Woodbury
Main Departmental Responsibilities:	Budgeting Employee Benefits Informational Technology Personnel Public Information	Building Regulations Building Permits Land Use Zoning Planning Economic Development	Community Education Crime Prevention Disaster Prep. Investigation Patrol Traffic Enforcement	Account Rec./Pay Audit Cash Management Investments Utility Billing	Bidding Building & Grounds Construction Inspection Environment & Forestry Parks Project Design & Management Streets/MFT Storm Drainage Vehicle Maintenance Water & Sewer
Departmental Staffing Levels:	Administrative Asst. 1 FT Management Analyst 1 FT	Planning & Dev. Mngr. 1 FT Building Inspector 1 FT Administrative Asst. 1 FT Code Enforcement Inspector .75 PT	Deputy Chief 1 FT Commander 1 FT Sergeants 4 FT Investigator 2 FT Police Officer 14 FT School Resource Officer 2 FT Administrative Asst. 1 FT Records Clerk 2 FT CSO 1 FT	Accounting Manager 1 FT Administrative Asst. 1 FT Finance Clerk .5 PT	Asst. PW Director/Village Engineer 1 FT Utilities Superintendent 1 FT Foreman 4 FT General Maintenance 11 FT Fleet Mechanic 1 FT Administrative Asst. 1 FT Management Analyst 1 FT Laborer 1 PT
Full Time Equivalent Employees	3.5	4.25	29	3.5	22
Department has Oversight of These Areas:	Mayor's Council Medical Insurance Communications Labor Attorney EAP Information Technology Human Resources	Architectural Review Board Zoning Board Plan Reviews Development Consultants	Emergency Response Prosecutor Crime Lab Crisis Intervention E911 Board	Audit Actuary Police/IMRF Pensions Risk Management Worker's Comp Carrier	Consulting Engineers Forestry Waste Collection Park Board & Park Maint. Mosquito Abatement Sewage Collection Snow & Ice Control Street Maintenance & Projects Water Distribution

VILLAGE OF
LINCOLNSHIRE

May 28, 2026

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, 2025.

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 the 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.

Sikich CPA LLC, Independent Certified Public Accountants, have issued an unmodified opinion on the Village's financial statements for the fiscal year ended December 31, 2025. 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 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 is also 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 submit their budget requests 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 operating and debt service costs have traditionally been funded with current revenues. Historically, capital expenses have been funded via accumulated reserves designated for such use. In May 2022, the Village issued bonds to fund a $4 million storm sewer capital project. The project was planned to commence in 2023, but due to the possibility of grant funding, the Village opted to delay the project to 2024. The Village implemented a storm sewer fee in 2022 which is included on resident and commercial utility bills. The revenue generated from this fee will be used to pay off the debt and fund other operating costs.

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

Key Village Indicators and Fiscal Trends
(dollars in millions)

Fiscal Year End	2025	2024	2023	2022	2021	2020	2019	2018	2017
EAV (million)	$743	$694	$676	$655	$657	$667	$659	$644	$625
Gen Fund Revenue	$17.5	$15.6	$14.9	$14.9	$12.6	$10.9	$14.1	$13.3	$12.2
Gen Fund Balance	75%	78%	75%	79%	75%	75%	75%	80%	74%

The three basic economic indicators listed above serve as benchmarks as to how Lincolnshire finances have been impacted over the years. The Village experienced a significant increase of 7.0% in total equalized assessed value (EAV) from 2024 to 2025. This comes after a 2.8% increase from 2023 to 2024. Since 2015, Lincolnshire's EAV has increased $179 million (32%) as a result of new residential and commercial construction and appreciation of existing properties. Lincolnshire's EAV surpassed $700 million for the first time since 2009, rebounding from its recession-driven low of $561 million in 2014.

Five types of revenue sources account for 72.2% of the total revenue for the FY2025 General Fund. These sources and their respective budget increases/ -decreases over FY2024 are as follows: Sales Tax (25%), Utility Tax (4%), Income Tax (6%) Room Tax (12%), and Property Tax (6%).

The 2026 budget reflects the property tax rate decreasing from 0.29 to 0.28. This rate decrease comes after two years of keeping the tax levy rate flat at 0.29. The new rate comprises 3% of the total property tax bill paid by residents in the community. The Village increased its combined water and sanitary sewer rates by 5% effective in FY2026. All other tax percentages are expected to remain the same in 2026 as they were in 2025. 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 FY2026 General Fund Budget anticipates a transfer of $2.2 million from the General Capital Projects Fund to the General Fund in order to maintain a 75% fund balance policy.

Long-Term Financial Planning

The Village's long-term strategy is aimed at preserving the outstanding quality of life enjoyed by its residents and 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 fund balance; as of 12/31/2025, is currently at or above 75.0% of annualized general fund operating expenditures (excluding Economic Incentive payments, Police Pension Contribution, and cash transfers to other funds). 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 $12.9 million balance reserved for capital.

To maintain a 75% general fund balance in FY2026, the General Fund budget includes a draw from the General Capital Fund reserve. 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 2025 strategic goals to promote the Village Board's vision of providing outstanding public services in a fiscally conservative manner. Village staff successfully completed the 12th annual update of Lincolnshire's 10-Year Capital Plan and 5-Year Financial Forecast. Both of these documents aid elected officials and management in budgeting and planning 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 minimally increasing the burden to the taxpayers has been achieved.

Development Initiatives

Below is an overview of Lincolnshire multi-family residential, commercial, and industrial activity as of December 2025:

- **KinderCare completed construction of a new 13,000-square-foot daycare center at 250 Marriott Drive which opened in 2025.**
- **Panattoni Development Company completed construction on two speculative warehouse buildings totaling 400,000 sq.ft. on the 26-acre former Lietzau Farm property at 612 and 625 Schelter Road. The buildings are marketed for sale/lease.**

- **M/I Homes received final approvals for a 42-unit townhome subdivision known as Townes at Barclay on a 6-acre property at the northeast corner of Aptakisic Road and Barclay Boulevard. The townhomes are under construction and are expected to be completed in 2027.**

- **Ampler Development received approvals for a 2,100-square-foot Taco Bell restaurant at 425 Milwaukee Avenue. Construction was completed and the restaurant opened in late 2025.**

- **The St. James property at 90, 98, and 100 Half Day Road is awaiting the ownership's (TSJ Lincolnshire Properties LLC) decision on how to move forward. There is no development application or property sale pending for this location.**

- **300 Tower Parkway is the subject of a 340-unit luxury rental apartment proposal by Willow Bridge on an existing 13-acre property currently improved with a vacant 175,000-square-foot office building. The developer plans to seek approvals in 2026 and begin construction in 2027. The redevelopment will eliminate a long-term vacancy, introduce much-needed new housing options, and add consumer activity that supports local businesses. The project is anticipated to activate the adjacent Stone Quarry Lake, advancing key goals of the Village's 2024 Comprehensive Plan.**

- **Park To Shop grocer purchased the former Fresh Market grocery store at 475 Milwaukee Avenue. The grocer plans to open for business in 2026 following interior building renovations. No building permits have been filed to date.**

The following 13 new businesses opened in Lincolnshire in 2025:

- **Alloy (personal fitness) - 275 Parkway Dr.**
- **Chicago Rush Soccer Club (soccer club) – 300 Knightsbridge Pkwy.**
- **Federal Life Insurance Company (insurance provider) - 1 Overlook Pt.**
- **Kavathas Law (legal services) - 1 Overlook Pt.**
- **KinderCare (childcare center) - 250 Marriott Dr.**
- **LVA Bride (bridal boutique) – 440 Milwaukee Ave.**
- **Modern Woodmen of America (financial services)- 1 Overlook Pt.**
- **New Way Barbershop (barbershop) - 275 Parkway Dr.**
- **Serenity Estates (assisted living) -150 Jamestown Ln.**
- **Taco Bell (restaurant) – 425 Milwaukee Ave.**
- **Tamgowy Health Direct Care (home/direct care provider) - 100 Village Green**
- **THG Financial (financial management services) - 100 Tri-State Intl.**
- **True Family Home Care (home care provider) - 175 Olde Half Day Rd.**

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; and Tonya Zozulya, Planning & Development Manager; 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

FINANCIAL SECTION

SIKICH®

Certified Public Accountants & Advisors
Members of American Institute of Certified Public Accountants

1415 West Diehl Road, Suite 400
Naperville, IL 60563
+1 (630) 566-8400

sikich.com

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor
Members of the Board of Trustees
Village of Lincolnshire, Illinois

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, 2025, and the related notes to 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, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village of Lincolnshire, Illinois, 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether 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 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's 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 auditor's 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 generally accepted auditing standards 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 generally accepted auditing standards, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information 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 combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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 combining and individual fund financial statements and schedules are 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 but does not include the basic financial statements and our auditor's 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.

Sikich CPA LLC

Naperville, Illinois
May 28, 2026

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS

VILLAGE OF LINCOLNSHIRE, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2025

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, 2025 (FY2025). 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 the Fiscal Year ending December 31, 2025 by $120.1 million (net position). Of this amount, $10.9 million represents the unrestricted net position, which is needed to meet the government's ongoing obligations to citizens and creditors. In prior years the unrestricted net position has held a negative balance 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 statement establishes standards for measuring and recognizing liabilities and deferred outflows and deferred inflows related to defined benefit pension plans. The balance as of 12/31/2025 is positive due to other assets outperforming the liability sustained from GASB 68 & 75.

- The Village's total net position increased by $9.6 million during the twelve months ended December 31, 2025. The net position associated with "governmental activities" increased $4.7 million. The primary factors driving the increase increased assets held as investments and an increased in deferred outflows relating to the Village's Police Pension and Illinois Municipal Retirement Fund Pension system.

  The business-type $1,501,720 "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 Net Position increase of $4,869,021 is due to a $2.7 million grant received in the storm sewer fund in addition to multiple water system capital assets being dedicated to the Village in 2025. An increase in net position of this magnitude is not expected to continue in future years. A transfer in of $440,000 from the general fund to the storm sewer fund and $750,000 transfer from the general fund to the water and sanitary sewer fund contributed to the increase in net position to the total business type activities.

- At the close of the current fiscal year, the Village's Governmental Fund's reported combined fund balances of $26.5 million, an increase of $2.9 million, or 12.2%, in comparison with the prior fiscal year. The components of the combined fund balance consist of seven different funds; three of which are considered "major" and four considered "non-major." The General Capital Fund compromises the largest share of the Village combined fund balance at 48.5%; the General Fund is second at 32.2% and Nonmajor Fund balance is the third largest fund at 11.4%. 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 nearly $8.5 million fund balance held in the General Fund, 94.7% of it is available spending at the government's discretion (classified as "unassigned"). This is a large increase from the 84.4% in 2024 due to the sale of a Village owned property that was previously classified as non-spendable.

- At the end of FY2025; the General Fund unassigned fund balance represents $8,082,070. The General Fund fund balance comprises approximately 74.0% of the General Corporate Fund FY2025 annual operating expenditures (excluding transfers to other funds and police pension contributions). The Village's policy is to maintain a minimum of 75% of equivalent operating expenditures.

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 readers in focusing on significant financial issues, (2) provide an overview of the Village's financial activity, (3) identify Village 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 iii-viii 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, reflects accounting like 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 to amortize capital expenditures (through depreciation) when benefits are realized.

The first government-wide statement is the *Statement of Net Position* presenting information about all Village assets, deferred inflows, liabilities, and deferred outflows, with the difference reported as *net position.* Over multiple years, an increase or decrease in net position can detect improvement or deterioration in the Village's financial position as a whole. For a complete picture an evaluation of non-financial factors, such as the condition of Village infrastructure, constituent satisfaction, and information beyond this report's scope to make complete assessment of whether the Village as a whole has improved would be needed.

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 purpose of this report 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 costs through user fees and charges. Governmental activities include general government, public safety, and public services. Public services encompass repair and maintenance of streets and storm drainage systems along with parks and ground care. Special Service Areas are also included in the governmental activities. Business-type activities include the water and sewer (sanitary and storm) utilities. 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 5-8 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, aggregate presentation. Individual fund data for non-major funds is provided in 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 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 amounts invested in maintaining and improving infrastructure. These two perspectives provide insight into 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 9-12 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 encompass the same functions reported as business-type activities in the government-wide statements. Enterprise fund services are 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 Village's sole 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 13-17.

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 18-19.

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 20.

Other information
In addition to the basic financial statements and accompanying notes, this report also presents 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 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 78.

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 $120.1 million at the close of fiscal year 2025.

The largest portion of the Village's net position is 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	
	2024	2025	2024	2025	2024	2025
Current and Other Assets	$28,998,290	$31,909,503	$4,143,144	$16,294,417	$33,141,434	$48,203,920
Capital Assets	$59,990,569	$60,904,337	$43,130,856	$46,415,517	$103,121,425	$107,319,854
Deferred Outflows of Resources	$3,368,687	$1,807,950	$419,931	$294,046	$3,788,618	$2,101,996
Total Assets and Deferred Outflows	$92,357,546	$94,621,790	$47,693,931	$63,003,980	$140,051,477	$157,625,770
Other Liabilities	$3,235,086	$3,021,118	$1,249,721	$951,971	$4,484,807	$3,973,089
Long-Term Liabilities	$16,473,125	$11,896,505	$3,967,448	$14,714,170	$20,440,573	$26,610,675
Deferred Inflows of Resources	$4,595,797	$6,899,814	$12,765	$4,821	$4,608,562	$6,904,635
Total Liabilities and Deferred Inflows	$24,304,008	$21,817,437	$5,229,934	$15,670,962	$29,533,942	$37,488,399
Net Position						
Net investment in Capital Assets	$59,990,569	$60,904,337	$40,196,776	$43,262,371	$100,187,345	$104,166,708
Restricted	$5,442,897	$4,984,700	-	-	$5,442,897	$4,984,700
Unrestricted	$2,620,072	$6,915,316	$2,267,221	$4,070,647	$4,887,293	$10,985,963
Total Net Position	$68,053,538	$72,804,353	$ 42,463,997	$ 47,333,018	$110,517,535	$120,137,371

For Fiscal Year 2025, 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.

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	
	2024	2025	2024	2025	2024	2025
REVENUES:						
Program Revenues:						
Charges for Services	1,961	2,345	7,497	7,960	9,458	10,305
Operate Grants & Contr	412	472	-	-	412	472
Capital Grants & Contr	-	932	-	5,753	-	6,684
General Revenue:						
Property Taxes	3,232	3,357			3,232	3,357
Other Taxes	11,165	12,360			11,165	12,360
Miscellaneous	70	153			70	153
Interest Income	778	959	271	149	1,050	1,108
Total Revenues	**17,618**	**20,578**	**7,768**	**13,862**	**25,387**	**34,440**
EXPENSES:						
General Government	2,373	2,690			2,373	2,690
Public Safety	5,685	5,752			5,685	5,752
Comm & Econ Development	1,242	1,473			1,242	1,473
Public Works	2,156	2,665			2,156	2,665
Parks & Open Spaces	1,757	2,093			1,757	2,093
Interest	546	498			546	498
Water and Sewer			7,517	8,387	7,517	8,387
Storm Sewer			654	1,262	654	1,262
Total Expense	**13,759**	**15,171**	**8,171**	**9,649**	**21,930**	**24,820**
Inc (Dec) in assets before transfers	3,859	5,407	(402)	4,213	3,457	9,620
Transfers	(440)	(656)	440	656	-	-
Inc (Dec) in Net Position	3,419	4,751	38	4,869	3,457	9,620
Net Position - Beginning	64,634	68,054	42,426	42,464	107,061	110,518
Net Position - Ending	$68,053	$72,804	$42,464	$47,333	$110,518	$120,137

Government Activities

During the current Fiscal Year, net position for governmental activities increased $4.7 million (7.0%) from the Net Position at the start of the fiscal year for an ending balance of $72,804,353. The increase in overall net position of governmental activities is reflected in the above condensed Statement of Activities.

Revenue:

Total revenues increased $2,959,300 from $17.6 million (FY2024) to $20.6 million (FY2025).

Property taxes represent approximately 17.1% 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 3.9% from $3,232,445 (FY2024) to $3,357,221 (FY2025). The Village's equalized assessed valuation increased 6.9% from $694,698,152 to $743,283,750 for Tax Year 2023 (Fiscal Year 2024) and Tax Year 2024 (Fiscal Year 2025), respectively.

The Illinois Department of Revenue reports the Village of Lincolnshire's sales tax revenue increased $1,105,667 from 2024. The largest sales tax categories include Furniture ($1,391,407), Drinking & Eating ($1,334,337), and Agriculture & All Others ($1,196,626).

Lincolnshire's other tax revenues posting 2025 gains over 2024 include: Sales Tax $605,491 (26.0%); Home Rule Sales Tax $493,423 (23.6%); Room Tax $264,961 (12.4%); Income Tax $83,560 (6.2%). Food & Beverage Tax revenue saw a slight increase compared to 2024, rising from $676,661 to $682,083, an increase of 0.8%. Numerous tax revenues posted decreases when comparing 2024 to 2025 including Telecommunication tax $200,851 (-25.6%); and Use Tax $210,928 (-71.7%). 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 FY2025, 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 FY2025 services rendered were $363,600. The service contract is based on actual officer salaries, the cost of a police vehicle, special duty details, and benefits. The Village began providing part time police traffic enforcement for the Village of Mettawa in 2023. The agreement between Lincolnshire and Mettawa calls for the Lincolnshire Police Department to provide the Village of Mettawa with approximately 10 hours of weekly traffic enforcement. Lincolnshire is reimbursed by Mettawa for these services monthly.

The "second tier" revenue sources (non-taxes) were up $547,860 (30.7%) from FY2024. This increase was led by Licenses & Permits which saw an increase of $340,094 (45.4%) from 2024. New commercial and residential construction throughout 2025 helped drive this significant increase. The Village's investment income which saw an increase of $180,810 from $778,310 in 2024 to $959,120 in Fiscal Year 2025.

As of December 2025, the U.S. Consumer Price Index (CPI) increased 2.2% compared to December 2024. This represented a notable slowdown in inflation compared to the prior two years, as CPI increased 3.9% in 2024 and 3.2% in 2023.

During 2025, the Federal Reserve reduced the federal funds target rate by a total of 0.75%, bringing the year end rate to 3.75% as of December 31, 2025. This followed a period of significant rate increases in prior years aimed at combating inflation. In 2022, the Federal Reserve implemented seven rate hikes, increasing the federal funds rate from 0.25% in January 2022 to 4.50% by year end. In 2023, four additional increases of 25 basis points each raised the rate to 5.50% as of December 31, 2023. Multiple rate reductions occurred during 2024, lowering the federal funds rate to 4.50% by December 31, 2024.

Expenses:

The Village's Governmental Activities expenses increased $1.4 million (10.3%) from the prior year; $13.8 million in FY2024 compared to $15.2 million in FY2025.

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 2025, the actuary recommended contribution was $915,451. The Village set its property tax levy in December 2024, collected it in 2025, and direct deposited into the Police Pension Fund. In 2022, the Village consolidated its police pension assets into a consolidated fund with all other Article 3 (police pension) funds in the state of Illinois. This was a part of legislation passed in 2019. The consolidation of all Article 3 assets allows for a more diversified investment portfolio and is anticipated to result in a higher return on investment and lower employer contributions in the long term.
Pension funding specifics can be found in Note 11a on pages 45-56.

Business-Type Activities

Business-type activities increased the Village's net position by $4.9 million. This large increase can mainly be attributed to the completion and dedication of multiple capital projects and a $2.75 million grant received in the storm sewer fund. The Village implemented a Storm Sewer Operating Fund and the Storm Sewer Improvement Fund in 2022. All storm sewer related activity was accounted for in governmental activities prior to 2022. Business-type activities, classified as a proprietary fund, is made up of Water & Sanitary Sewer and Storm Sewer Funds. Both are made up of an "operations" component and a "capital improvement" component. The fund's operating income before depreciation was $398,118 in 2025.

Revenues:

Operating revenues increased $295,718 (4.0%); from $7.4 million in FY2024 compared to $7.7 million in FY2025. Revenue associated with the Storm Sewer Fund accounted for $976,644 of the total business type revenue. FY2025 also saw an increase in water & sanitary sewer rates of 5%. The storm sewer fee saw no increase from the prior year.

The Village saw additional residential development in 2025 and is expected to see continued growth in 2026 with the addition of the Townes at Barclay subdivision. There was a total of 6 customer utility accounts added in 2025. There were also an additional 3 commercial accounts added in 2025 with the addition of the Panattoni buildings. The year ended with 2,689 units; with 2,428 residential and 261 commercial accounts.

Expenses:

Depreciation for the water & sewer system decreased by $185,123 (-8.9%) to $1,899,838 for 2025 as the water system began to see some assets reach end of useful life and no longer contributing to the depreciation expense.

The Village reports the Water & Sanitary Sewer, Storm Sewer, and Internal Service Fund (Governmental Activities) as proprietary funds. The Water & Sanitary Sewer Fund and Storm Sewer fund are considered a "major fund." Potable water is purchased from the City of Highland Park at a rate of $5.33 per thousand gallons. This is an increase of 3.5% from the prior year. Wastewater treatment service is provided under a contractual agreement with Lake County Public Works at a rate of $5.26 per thousand gallons of water usage, up 4.0% from 2024. The Village charges all municipal customers based on tiered structure; a higher usage will result in a higher rate. The minimum rate of $17.81 combined water & sewer rate per 1,000 gallons increases to a maximum $22.57 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 municipal waterworks and sewage system operations, 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 residents' summer sanitary sewer charge does not exceed 10% above their average non-summer period (September to May).

The proprietary funds' operating expenses increased (18.1%) from the prior year; $8,170,976 in FY2024 compared to $9,648,633 in FY2025. This large increase can be mainly attributed to interest expense from a new debt issuance, a project expense management fee to obtain a storm sewer grant, and an increased number of small scale capital projects that fell under the Village's capitalization threshold. As noted previously, 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, is presented below.

WATER & SANITARY SEWER OPERATING RESULTS FROM FY2021 TO FY2025				
	2022	2023	2024	2025
Water: Rate per 1,000 gallons	$7.53	$7.91	$9.45	$9.92
Sewer: Rate per 1,000 gallons	$7.15	$7.51	$7.51	$7.89
Operating Revenue	$5,485,500	$5,842,748	$6,479,742	$6,772,499
Operating Expenses (includes depreciation)	$6,248,224	$7,349,758	$7,516,774	$8,365,669

As part of the FY2025 budget, the Village increased its combined water and sanitary sewer fees by 5%. These rates became effective for the February 1, 2025, billing date. Rate increases from the Village's water supplier have become a regular occurrence, while large increases from the sanitary sewer provider are less frequent. To fund water & sanitary sewer capital projects, a subsidy from the General Fund is typically needed.

STORM SEWER OPERATING RESULTS FROM FY2021 TO FY2025				
	2022	2023	2024	2025
Storm Sewer Rate per REU	$6.44	$6.44	$6.44	$6.44
Operating Revenue	$960,522	$968,812	$973,683	$976,644
Operating Expenses (includes depreciation)	$569,136	$709,511	$530,120	$885,194

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. 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 a 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 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, 2025, the Village's governmental fund balance reported a combined ending fund balance of $26.5 million. This was an increase of $2.9 million (12.2%) compared to the prior fiscal year. The largest contributing factors relate to multiple revenue sources exceeding budget expectations and prior year actual amounts including Sales Tax, Home Rule Sales Tax, and Room Tax, Building Permit Fees, and Interest Income.

The General Fund's $8.1 million unassigned fund balance is the largest portion of the $8.5 million General Fund balance. FY2025 represents the twelfth year of the Village implementing the General Capital Fund. A portion of the governmental fund balance is assigned; $12.7 million or 47.8%, 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 $2.1 million restricted fund balance of the SSA Debt Service Fund makes it the third largest portion of the governmental fund balance at 8.0%. The fund balances classified as "non-spendable" and "restricted" are $453,807 and $4.9 million 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. The net change to the General Fund's fund balance was an increase of $558,776 or 7.0%, 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 FY2025, the General Fund transfer to General Capital Projects Fund was $3,200,000.

The Village calculates a fund balance ratio, considering only the current year's operating expenditures including debt service, but excluding expenditures classified as "non-operating." The 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.

A comparison of the FY2025 budget revenue reveals total General Fund revenues were 21% above FY2025 Final Budget or $2.9 million. Total actual expenditures of $12,553,308 were 3.7% below the $13,033,122 budget or $479,814.

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 2025.

The Village's General Capital Fund increased by $2.8 million, bringing the ending balance to $12.9 million. This growth is primarily driven by a transfer from the General Fund, where revenues exceeded budget expectations by $1.7 million, as well as a transfer from the Storm Sewer Improvement Fund to reimburse the General Capital Fund for storm sewer capital expenditures incurred prior to 2022. The Village budgets its general fund revenue conservatively and does not consider any revenue from developments 'expected' to be complete in the upcoming fiscal year.

The Sedgebrook SSA Fund saw total expenditures of $1,426,801 which is an increase from FY2024's total of $1,153,756. The increase is attributable to the Village making an optional redemption payment of $275,000 toward outstanding bonds, thereby reducing future interest expense obligations. This fund's ending fund balance is $2,125,048.

The total combined fund balance of the four non-major governmental funds decreased $222,986 from $3.2 million to $3.0 million. A decrease occurred in the Park Development Fund ($-777,105) as it lacks a stable revenue source. Funds were transferred to the General Capital Fund to pay for the Whytegate Park Playground Replacement and Spring Lake Park Bridge Replacement. The Motor Fuel Tax Fund saw an increase of $402,565 due to no expenditures in 2025. The Fraud Alcohol Drug Enforcement Fund saw a minor increase of $16,955. The Village reinstated its E911 Fund in 2023 which is classified as a non-major fund. The E911 Fund ended the fiscal year with a fund balance of $1,131,800 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 $877,386 (2.6%) from $33.3 million in FY2024 to $34.1 million in FY2025. The unrestricted net position decreased $303,167 (19.2 %) for FY2025. 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 is transferred to Water/ Sewer Improvement Fund for planned infrastructure projects.

The net position of the Storm Sewer Fund is $13.2 million. The unrestricted portion is $2,796,488 for FY2025.

General Fund Budgetary Highlights

On December 9, 2024, the Village Board approved the annual budget for the Village of Lincolnshire for Fiscal Year 2025. Historically, the Village operated under the appropriation ordinance to establish its legal spending limit for the fiscal year. Under Illinois law, municipalities may choose to operate using either the appropriation ordinance or the budget officer system to authorize legal expenditures. In 2023, the Village Board enacted an ordinance allowing the Village to shift its legal spending authority from the appropriation ordinance to the budget officer system. As a result, the Village's annual budget document now reflects the legal spending authority approved by the Village Board each year. The Village is no longer required to pass an appropriation ordinance annually. This change reduces duplication of effort by eliminating the need for staff and the Village Board to approve both a 'planning-only' budget and a separate appropriation ordinance for spending authority.

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

	Budget	Actual	Variance
General Fund:			
Revenues:			
Property Tax	$2,155,062	$2,193,783	$38,721
Other Taxes	$10,743,000	$12,359,812	$1,616,812
Licenses and permits	$666,750	$1,089,821	$423,071
Fines and Forfeitures	$182,500	$268,942	$86,442
Intergovernmental	$546,000	$576,168	$30,168
Investment Income	$125,000	$902,682	$777,682
Miscellaneous	$53,900	$57,489	$3,589
TOTAL REVENUES	$14,472,212	$17,448,697	$2,976,485
Expenditures:			
General Government	$2,115,117	$1,920,550	($194,567)
Public Safety	$5,903,099	$5,626,912	($276,187)
Comm & Econ Dev.	$1,361,677	$1,435,489	$73,812
Public Works	$1,950,252	$1,902,791	($47,461)
Parks & Open Spaces	$1,702,977	$1,667,566	($35,411)
TOTAL EXPENDITURES	$13,033,122	$12,553,308	($479,814)

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 $60,904,337. This is an increase of $913,768 from the prior fiscal year due to the depreciation of assets exceeding additions.

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

- Construction in Progress
  - One Police Vehicle
  - One Public Works Truck
  - Spring Lake Park Bridge Replacement

- Disposed Assets
  - Three Public Works Trucks
  - Two Administration Vehicles
  - One Police Vehicle
  - Whytegate Park Playground Equipment
  - Two Utility Terrain Vehicles
  - Turf Groomer

- Equipment/Vehicles purchased
  - Three Police Vehicles
  - One Public Works Truck
  - One Utility Terrain Vehicle
  - Police Drone

- Infrastructure
  - Schelter & Margate Road Extension
  - Briarwood Road Resurfacing

- Building and parking improvements - none

- Easements- none

- Land- none

- Land Improvements - none

- Parks-
  - Whytegate Park Playground Equipment Replacement
  - Whytegate Park Safety Surface

- Right of Way purchases or donated- none

- Street constructed or dedicated to the Village- none

- Pathways- none

- Streetlights- none

- Traffic Control Signals- none

- Pedestrian Bridge- none

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 $46,415,547.

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

- Construction in Progress
  - Lincolnshire Drive Watermain Replacement
  - Lincolnshire Drive South Drainage Project
  - Lincolnshire Drive North Drainage Project
  - Northampton Lift Station Rehab
  - 61 Lincolnshire Dr. Property Purchase

- Disposed Assets
    - Old Mill Commons Lift Station

- Vehicles/Equipment
    - Ford F550 Crane Truck

- Water Main
    - Windsor Watermain Replacement

- Sanitary Sewer
    - Old Mill Commons Lift Station Rehab

- Storm Sewer
    - Windsor Drainage Improvement
    - Bicentennial Park Drainage Improvement

Debt

The Village debt consists of one municipal bond obligation related to the Special Service Area (SSA) project and two general obligation bonds in the Storm Sewer enterprise fund. Currently, 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.

In FY2022, the Village issued $4 million in debt (series 2022) for use on a storm sewer capital project on Windsor Court. The Village completed a drainage study in 2019 and identified three necessary capital projects accounting for over $20 million to mitigate flooding issues in Lincolnshire. The Series 2022 bond proceeds will be used to complete the first capital project. The use of some form of debt may be necessary for the other capital projects. The Village is hopeful to receive grant funding to partially offset the total cost of the capital projects

In FY2025, the Village issued $11 million in debt (Series 2025) to fund a storm sewer capital improvement project on the southern portion of Lincolnshire Drive. The proceeds will fund a drainage improvement project that will include the installation of high-capacity storm sewer main and a lift station. These upgrades are intended to reduce surface water accumulation on Lincolnshire Drive during significant storm events.

OUTSTANDING DEBT AT YEAR END DECEMBER 31						
Type of Debt	Government Activities		Business Activities		Totals	
	2024	2025	2024	2025	2024	2025
Bond Issue-SSA	$8,455,000	$7,545,000	-	-	$8,455,000	$7,545,000
Business Type General Obligation	-	-	$3,240,000	$14,155,000	$3,240,000	$14,155,000
Total	$8,455,000	$7,545,000	$3,240,000	$14,155,000	$11,695,000	$21,700,000

The Village is a home rule community and is not limited by State Statute pertaining to debt limit. The Village's outstanding debt represents 2.92% of its EAV. 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 infrastructure by use of excess reserves from the General Fund and has historically sought bank loans for large projects. In May 2025, the Village sought a credit rating to complete its series 2025 debt issuance to fund storm sewer capital projects. The Village received an 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 several prominent corporate headquarters, first- class hotels, restaurants, retailers, and entertainment venues. Businesses choose to locate in Lincolnshire due, in part, to its 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 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 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 FY2025 in a more favorable financial position than it did at the start of the year. Net change to both funds combined increased $3.2 million. This increase can be attributed to General Fund revenues exceeding budget expectations along with capital projects coming in under budget.

Real estate transfer tax stamp revenue increased 38% from $274,713 in FY2024 to $378,522 in FY2025. The total number of property sales decreased from 124 in 2024 to 119 in 2025.

FY 2025	Real Estate Transfer Tax Stamps Sold	Real Estate Transfer Tax Stamp Revenue	Real Estate Sales Value
Single Family	78	$210,876	$70,592,877
Condo Units	11	$14,571	$4,856,500
Townhomes	25	$40,236	$13,410,850
Land	1	$39,000	$13,000,000
Commercial	4	$73,839	$24,613,000
TOTALS	**119**	**$378,522**	**$126,473,227**

The Lincolnshire equalized assessed valuation (EAV) increased 6.99% in tax year 2024 or $48.6 million compared to 2023. The 2024 EAV (which is used for the property tax collected in Fiscal Year 2025) is $743,283,750. The last 10 years of EAV history can be found below.

Tax Year	Collection Year	EAV
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
2022	2023	$676,002,635
2023	2024	$694,698,152
2024	2025	$743,283,750

- The unemployment rate (not seasonally adjusted) for December 2025; according to the Bureau of Labor Statistics was 5.8% in Lake County. The rate in the State of Illinois for the same time was 4.7% and the U.S. rate was 4.4%.

- According to United States Census Bureau, Lincolnshire's 2025 per capita income was $93,736; while the median household income was $185,580.

BUDGET HIGHLIGHTS FOR FISCAL YEAR 2026.

General Fund

Seven types of revenue sources account for 71.0% of the total budgeted revenues for the FY2026 General Fund. These sources and their respective budget increases/ -decreases over FY2025 are as follows: Sales Tax (12.9%), Home Rule Sales Tax (10.5%), Utility Tax (0%), Telecommunication Tax (-34.8%), Room Tax (7.9%) Admissions Tax (0%), and Property Tax (5.0%). The 2026 budget reflects an increase in the property tax budget due to an increase to the Village's EAV. Although the Village is seeing an increase in its property tax budget, Lincolnshire decreased its property tax rate in 2026 and remains one of the lowest Municipal property tax rates in Lake County of all Municipalities that levy a property tax.

Excluding transfers and debt service, the General Fund expense budget increased $776,838 (6.0%) from $13.0 million in FY2025 to $13.8 million in FY2026. Notable expenditure increases include an increase of $200,000 to Police Pension Salaries, Economic Development Initiatives $100,000, and Building/Fire Department Permit Reviews 89,000. The General Fund FY2026 budget anticipates a $2,200,000 transfer in from the General Capital Fund to maintain a 75% fund balance in the general fund, a $2,600,000 transfer out to the Water/ Sewer Improvement Fund, and a $440,000 transfer to the Storm Sewer Operating Fund.

The Fiscal Year 2026 Budget contemplates implementation of $2,303,993 in General Capital improvement projects. The Village continues its commitment to capital improvements to the Village infrastructure. General capital projects budgeted in FY2026 include:

- Street Sign Replacement
- North Park Roof Replacement
- Replacement of a Public Works Truck
- Replacement to Three Police Vehicles
- Police Department Remodel Engineering
- Police Department Security Improvements
- Public Works Chipper Machine
- Police Department Flooring & Furniture Replacement
- IT Equipment Replacement
- North Park Outfield Fencing

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.

BASIC FINANCIAL STATEMENTS

VILLAGE OF LINCOLNSHIRE, ILLINOIS

STATEMENT OF NET POSITION

December 31, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	$ 3,570,527	$ 1,307,027	$ 4,877,554
Investments	21,108,580	13,828,235	34,936,815
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	3,426,750	-	3,426,750
Other taxes	1,898,655	-	1,898,655
Grants	-	137,500	137,500
Accounts	234,678	998,580	1,233,258
Accrued interest	76,900	-	76,900
Prepaid expenses	135,606	23,075	158,681
Deposits	1,131,800	-	1,131,800
Land held for resale	326,007	-	326,007
Capital assets not being depreciated	44,375,222	1,667,559	46,042,781
Capital assets (net of accumulated depreciation)	16,529,115	44,747,958	61,277,073
Total assets	92,813,840	62,709,934	155,523,774
DEFERRED OUTFLOWS OF RESOURCES			
Pension items - IMRF	943,556	294,046	1,237,602
Pension items - Police Pension	864,394	-	864,394
Total deferred outflows of resources	1,807,950	294,046	2,101,996
Total assets and deferred outflows of resources	94,621,790	63,003,980	157,625,770
LIABILITIES			
Accounts payable	636,213	553,442	1,189,655
Accrued payroll	214,728	29,304	244,032
Deposits payable	877,886	-	877,886
Accrued interest payable	157,266	54,022	211,288
Noncurrent liabilities			
Due within one year	1,135,025	315,203	1,450,228
Due in more than one year	11,896,505	14,714,170	26,610,675
Total liabilities	14,917,623	15,666,141	30,583,764
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - property taxes	3,458,763	-	3,458,763
Pension items - IMRF	15,460	4,821	20,281
Pension items - Police Pension	3,425,591	-	3,425,591
Total deferred inflows of resources	6,899,814	4,821	6,904,635
Total liabilities and deferred inflows of resources	21,817,437	15,670,962	37,488,399

(This statement is continued on the following page.)

VILLAGE OF LINCOLNSHIRE, ILLINOIS

STATEMENT OF NET POSITION (Continued)

December 31, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
NET POSITION			
Net investment in capital assets	$ 60,904,337	$ 43,262,371	$ 104,166,708
Restricted for			
Debt service	2,125,048	-	2,125,048
Maintenance of roadways	1,262,176	-	1,262,176
Public safety	1,297,511	-	1,297,511
Park improvements	299,965	-	299,965
Unrestricted	6,915,316	4,070,647	10,985,963
TOTAL NET POSITION	$ 72,804,353	$ 47,333,018	$ 120,137,371

See accompanying notes to financial statements.

VILLAGE OF LINCOLNSHIRE, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2025

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General government	$ 2,689,798	$ 441,757	$ -	$ 931,975
Public safety	5,752,037	1,274,269	22,403	-
Community and economic development	1,473,069	521,068	-	-
Public works	2,665,330	44,270	394,781	-
Parks and open spaces	2,093,082	63,196	54,892	-
Interest	497,833	-	-	-
Total governmental activities	15,171,149	2,344,560	472,076	931,975
Business-Type Activities				
Water and sewer	8,386,623	6,983,716	-	1,498,090
Storm sewer	1,262,010	976,644	-	4,254,389
Total business-type activities	9,648,633	7,960,360	-	5,752,479
TOTAL PRIMARY GOVERNMENT	$ 24,819,782	$ 10,304,920	$ 472,076	$ 6,684,454

	Net (Expense) Revenue and Change in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	$ (1,316,066)	$ -	$ (1,316,066)
	(4,455,365)	-	(4,455,365)
	(952,001)	-	(952,001)
	(2,226,279)	-	(2,226,279)
	(1,974,994)	-	(1,974,994)
	(497,833)	-	(497,833)
	(11,422,538)	-	(11,422,538)
	-	95,183	95,183
	-	3,969,023	3,969,023
	-	4,064,206	4,064,206
	(11,422,538)	4,064,206	(7,358,332)
General Revenues			
Taxes			
Property	3,357,221	-	3,357,221
Sales	2,937,384	-	2,937,384
Local use	83,303	-	83,303
Utility	1,081,431	-	1,081,431
Telecommunications	584,365	-	584,365
Food and beverage	682,083	-	682,083
Room and admissions	2,599,759	-	2,599,759
Real estate transfer	378,522	-	378,522
Home rule sales tax	2,581,030	-	2,581,030
Income tax	1,431,934	-	1,431,934
Investment income	959,120	148,792	1,107,912
Miscellaneous	118,672	-	118,672
Gain on sale of capital assets	34,552	-	34,552
Transfers in (out)	(656,023)	656,023	-
Total	16,173,353	804,815	16,978,168
CHANGE IN NET POSITION	4,750,815	4,869,021	9,619,836
NET POSITION, JANUARY 1	68,053,538	42,463,997	110,517,535
NET POSITION, DECEMBER 31	$ 72,804,353	$ 47,333,018	$ 120,137,371

See accompanying notes to financial statements.

VILLAGE OF LINCOLNSHIRE, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2025

	General Corporate	Special Service Area Debt Service	General Capital Projects	Nonmajor Governmental	Total
ASSETS					
Cash and cash equivalents	$ 706,370	$ 694,471	$ 455,709	$ 1,507,015	$ 3,363,565
Investments	6,828,233	1,430,577	12,473,967	375,803	21,108,580
Receivables (net, where applicable, of allowances for uncollectibles)					
Property taxes	2,263,000	1,163,750	-	-	3,426,750
Other taxes	1,866,510	-	-	32,145	1,898,655
Accounts	194,433	-	40,030	215	234,678
Accrued interest	76,900	-	-	-	76,900
Prepaid items	127,800	-	-	-	127,800
Deposits	-	-	-	1,131,800	1,131,800
Land held for resale	326,007	-	-	-	326,007
TOTAL ASSETS	$ 12,389,253	$ 3,288,798	$ 12,969,706	$ 3,046,978	$ 31,694,735
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 501,652	$ -	$ 102,634	$ 524	$ 604,810
Accrued payroll	210,838	-	-	-	210,838
Deposits payable	877,886	-	-	-	877,886
Total liabilities	1,590,376	-	102,634	524	1,693,534
DEFERRED INFLOWS OF RESOURCES					
Unavailable tax revenue	2,263,000	1,163,750	-	32,013	3,458,763
Total deferred inflows of resources	2,263,000	1,163,750	-	32,013	3,458,763
Total liabilities and deferred inflows of resources	3,853,376	1,163,750	102,634	32,537	5,152,297
FUND BALANCES					
Nonspendable in form - prepaid items	127,800	-	-	-	127,800
Nonspendable in form - land held for resale	326,007	-	-	-	326,007
Restricted for debt service	-	2,125,048	-	-	2,125,048
Restricted for maintenance of roadways	-	-	-	1,262,176	1,262,176
Restricted for public safety	-	-	-	1,297,511	1,297,511
Restricted for park improvements	-	-	-	299,965	299,965
Assigned					
For capital projects	-	-	12,867,072	154,789	13,021,861
Unassigned	8,082,070	-	-	-	8,082,070
Total fund balances	8,535,877	2,125,048	12,867,072	3,014,441	26,542,438
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 12,389,253	$ 3,288,798	$ 12,969,706	$ 3,046,978	$ 31,694,735

See accompanying notes to financial statements.

VILLAGE OF LINCOLNSHIRE, ILLINOIS

RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE GOVERNMENTAL ACTIVITIES IN THE
STATEMENT OF NET POSITION

December 31, 2025

FUND BALANCES OF GOVERNMENTAL FUNDS	$ 26,542,438
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	60,904,337
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
SSA bonds payable	(7,545,000)
Compensated absences	(425,087)
Accrued interest on long-term liabilities is shown as a liability on the statement of net position	(157,266)
The net pension liability of the Police Pension Fund are included in the governmental activities in the statement of net position	(1,575,430)
Net pension liability for the Illinois Municipal Retirement Fund is shown as a liability on the statement of net position	(1,750,441)
The total OPEB liability is shown as a liability on the statement of net position	(1,641,906)
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings are recognized as deferred outflows and inflows of resources in the statement of net position	
IMRF	892,137
Police Pension	(2,561,197)
The net position of the internal service fund is included in the governmental activities in the statement of net position	121,768
NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 72,804,353

See accompanying notes to financial statements.

VILLAGE OF LINCOLNSHIRE, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended December 31, 2025

	General Corporate	Special Service Area Debt Service	General Capital Projects	Nonmajor Governmental	Total
REVENUES					
Property taxes	$ 2,193,783	$ 1,163,438	$ -	$ -	$ 3,357,221
Other taxes	12,359,812	-	-	-	12,359,812
Licenses, permits and fees	1,089,821	-	-	-	1,089,821
Fines and forfeitures	268,942	-	-	16,955	285,897
Intergovernmental	576,168	-	-	809,857	1,386,025
Investment income	902,682	30,249	-	26,189	959,120
Donations	-	-	-	54,892	54,892
Miscellaneous	57,489	-	61,183	-	118,672
Total revenues	17,448,697	1,193,687	61,183	907,893	19,611,460
EXPENDITURES					
Current					
General government	1,920,550	-	-	-	1,920,550
Public safety	5,626,912	-	-	296,785	5,923,697
Community development	1,435,489	-	-	-	1,435,489
Public works	1,902,791	-	-	-	1,902,791
Parks and recreation	1,667,566	-	-	-	1,667,566
Capital outlay	-	-	1,836,707	-	1,836,707
Debt service					
Principal retirement	-	910,000	-	-	910,000
Interest and fiscal charges	-	516,801	-	-	516,801
Total expenditures	12,553,308	1,426,801	1,836,707	296,785	16,113,601
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,895,389	(233,114)	(1,775,524)	611,108	3,497,859
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	4,568,071	-	4,568,071
Transfers (out)	(4,390,000)	-	-	(834,094)	(5,224,094)
Sale of assets	53,387	-	-	-	53,387
Total other financing sources (uses)	(4,336,613)	-	4,568,071	(834,094)	(602,636)
NET CHANGE IN FUND BALANCES	558,776	(233,114)	2,792,547	(222,986)	2,895,223
FUND BALANCES, JANUARY 1	7,977,101	2,358,162	10,074,525	3,237,427	23,647,215
FUND BALANCES, DECEMBER 31	$ 8,535,877	$ 2,125,048	$ 12,867,072	$ 3,014,441	$ 26,542,438

See accompanying notes to financial statements.

VILLAGE OF LINCOLNSHIRE, ILLINOIS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2025

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$	2,895,223
Amounts reported for governmental activities in the statement of activities are different because:		
Sales and disposals of capital assets are reported as proceeds from the sale of capital assets in governmental funds but as a gain or (loss) from sale or disposal on the statement of activities		(18,835)
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities		
Capital assets purchased		1,036,275
Capital contributions are not reported in governmental funds		931,975
The repayment of the principal portion of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities		
SSA bonds		910,000
The change in interest payable is reported as an expense on the statement of activities		18,968
Some expenses in the statement of activities (e.g., depreciation) does not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds		(1,035,647)
The change in net position of internal service fund is reported as an increase of expense on the statement of activities		15,644
The change in total OPEB liability are reported only on the statement of activities		(18,517)
The change in net penison liability, deferred inflows and outflows or resources is reported only in the statement of activities for		
Illinois Municipal Retirement Fund		(279,681)
Police Pension		232,843
The change in certain long-term assets and liabilities does not require the use of current financial resources but is reported as expenses on the statement of activities		
Compensated absences		62,567
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$	4,750,815

See accompanying notes to financial statements.

VILLAGE OF LINCOLNSHIRE, ILLINOIS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

December 31, 2025

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water and Sanitary Sewer	Storm Sewer	Total	Internal Service
CURRENT ASSETS				
Cash and cash equivalents	$ 860,777	$ 446,250	$ 1,307,027	$ 206,962
Investments	502,458	13,325,777	13,828,235	-
Receivables				
Accounts - grant	-	137,500	137,500	-
Accounts - billed	484,579	99,869	584,448	-
Accounts - unbilled	414,132	-	414,132	-
Prepaid expenses	23,075	-	23,075	7,806
Total current assets	2,285,021	14,009,396	16,294,417	214,768
CAPITAL ASSETS				
Nondepreciable	227,565	1,439,994	1,667,559	-
Depreciable (net of accumulated depreciation)	32,724,036	12,023,922	44,747,958	-
Net capital assets	32,951,601	13,463,916	46,415,517	-
Total assets	35,236,622	27,473,312	62,709,934	214,768
DEFERRED OUTFLOWS OF RESOURCES				
Pension items - IMRF	260,604	33,442	294,046	36,560
Total deferred outflows of resources	260,604	33,442	294,046	36,560
CURRENT LIABILITIES				
Accounts payable	531,475	21,967	553,442	31,403
Accrued payroll	25,796	3,508	29,304	3,890
Accrued interest	-	54,022	54,022	-
General obligation bonds payable	-	240,000	240,000	-
Compensated absences payable	60,985	5,708	66,693	1,982
OPEB liability	7,856	654	8,510	655
Total current liabilities	626,112	325,859	951,971	37,930
LONG-TERM LIABILITIES				
General obligation bonds payable	-	13,915,000	13,915,000	-
Net pension liability - IMRF	508,618	64,718	573,336	64,172
OPEB liability	201,354	24,480	225,834	26,857
Total long-term liabilities	709,972	14,004,198	14,714,170	91,029
Total liabilities	1,336,084	14,330,057	15,666,141	128,959

(This statement is continued on the following page.)

VILLAGE OF LINCOLNSHIRE, ILLINOIS

STATEMENT OF NET POSITION (Continued)
PROPRIETARY FUNDS

December 31, 2025

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water and Sanitary Sewer	Storm Sewer	Total	Internal Service
DEFERRED INFLOWS OF RESOURCES				
Pension items - IMRF	$ 4,276	$ 545	$ 4,821	$ 601
Total deferred inflows of resources	4,276	545	4,821	601
NET POSITION				
Net investment in capital assets	32,882,707	10,379,664	43,262,371	-
Unrestricted	1,274,159	2,796,488	4,070,647	121,768
TOTAL NET POSITION	$ 34,156,866	$ 13,176,152	$ 47,333,018	$ 121,768

See accompanying notes to financial statements.

VILLAGE OF LINCOLNSHIRE, ILLINOIS

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

For the Year Ended December 31, 2025

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water and Sanitary Sewer	Storm Sewer	Total	Internal Service
OPERATING REVENUES				
Charges for services	$ 6,748,101	$ 976,644	$ 7,724,745	$ 440,676
Miscellaneous	24,398	-	24,398	-
Total operating revenues	6,772,499	976,644	7,749,143	440,676
OPERATING EXPENSES				
Administration	569,543	232,015	801,558	-
Operations	5,166,992	-	5,166,992	-
Repairs and maintenance	1,025,489	356,986	1,382,475	425,032
Total operating expenses	6,762,024	589,001	7,351,025	425,032
OPERATING INCOME BEFORE DEPRECIATION	10,475	387,643	398,118	15,644
Depreciation	1,603,645	296,193	1,899,838	-
OPERATING INCOME (LOSS)	(1,593,170)	91,450	(1,501,720)	15,644
NON-OPERATING REVENUES (EXPENSES)				
Investment income	32,203	116,589	148,792	-
Interest expense and fiscal charges	-	(376,816)	(376,816)	-
Connection fees	211,217	-	211,217	-
Loss on disposal of capital assets	(20,954)	-	(20,954)	-
Total non-operating revenues (expenses)	222,466	(260,227)	(37,761)	-
NET INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	(1,370,704)	(168,777)	(1,539,481)	15,644
TRANSFERS				
Transfers in	750,000	440,000	1,190,000	-
Transfers (out)	-	(533,977)	(533,977)	-
Total transfers	750,000	(93,977)	656,023	-
CONTRIBUTIONS				
Capital grants and contributions	1,498,090	4,254,389	5,752,479	-
Total contributions	1,498,090	4,254,389	5,752,479	-
CHANGE IN NET POSITION	877,386	3,991,635	4,869,021	15,644
NET POSITION, JANUARY 1	33,279,480	9,184,517	42,463,997	106,124
NET POSITION, DECEMBER 31	$ 34,156,866	$ 13,176,152	$ 47,333,018	$ 121,768

See accompanying notes to financial statements.

VILLAGE OF LINCOLNSHIRE, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended December 31, 2025

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water and Sanitary Sewer	Storm Sewer	Total	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	$ 6,771,172	$ 827,399	$ 7,598,571	$ -
Receipts from interfund services	-	-	-	440,676
Payments to suppliers	(5,853,986)	(469,418)	(6,323,404)	(316,947)
Payments to employees	(891,772)	(106,700)	(998,472)	(98,591)
Payments to other funds	(44,068)	-	(44,068)	-
Other income	24,398	-	24,398	-
Net cash from operating activities	5,744	251,281	257,025	25,138
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers	750,000	(93,977)	656,023	-
Connection fees	211,217	-	211,217	-
Net cash from noncapital financing activities	961,217	(93,977)	867,240	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital assets purchased	(1,307,062)	(1,263,998)	(2,571,060)	-
Capital grant receipts	-	2,750,000	2,750,000	-
Bond proceeds	-	10,990,000	10,990,000	-
Principal payments	-	(75,000)	(75,000)	-
Interest payments	-	(332,780)	(332,780)	-
Net cash from capital and related financing activities	(1,307,062)	12,068,222	10,761,160	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Sale (purchase) of investments	(25,085)	(12,563,971)	(12,589,056)	-
Interest received	32,203	116,589	148,792	-
Net cash from investing activities	7,118	(12,447,382)	(12,440,264)	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(332,983)	(221,856)	(554,839)	25,138
CASH AND CASH EQUIVALENTS, JANUARY 1	1,193,760	668,106	1,861,866	181,824
CASH AND CASH EQUIVALENTS, DECEMBER 31	$ 860,777	$ 446,250	$ 1,307,027	$ 206,962

(This statement is continued on the following page.)

VILLAGE OF LINCOLNSHIRE, ILLINOIS

STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS

For the Year Ended December 31, 2025

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water and Sanitary Sewer	Storm Sewer	Total	Internal Service
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	$ (1,593,170)	$ 91,450	$ (1,501,720)	$ 15,644
Adjustments to reconcile operating income (loss) to net cash from operating activities				
Depreciation	1,603,645	296,193	1,899,838	-
(Increase) decrease in				
Receivables	23,071	(149,245)	(126,174)	-
Prepaid expense	9,118	-	9,118	1,813
Increase (decrease) in				
Accounts payable	(149,473)	536	(148,937)	19,322
Accrued payroll	5,556	1,200	6,756	816
Deposits payable	(2,200)	-	(2,200)	-
Compensated absences payable	11,278	819	12,097	(6,804)
Pension items	89,974	10,630	100,604	450
OPEB items	7,945	(302)	7,643	(6,103)
NET CASH FROM OPERATING ACTIVITIES	$ 5,744	$ 251,281	$ 257,025	$ 25,138
NONCASH TRANSACTIONS				
Capital assets financed by accounts payable	$ 68,894	$ 18,906	$ 87,800	$ -
Contribution of capital assets	1,498,000	1,504,389	3,002,389	-
Total noncash transactions	$ 1,566,894	$ 1,523,295	$ 3,090,189	$ -

See accompanying notes to financial statements.

VILLAGE OF LINCOLNSHIRE, ILLINOIS

STATEMENT OF FIDUCIARY NET POSITION

December 31, 2025

ASSETS		
Cash and cash equivalents	$	18,387
Investments		
Held in the Illinois Police Officers' Pension Investment Fund		36,060,014
Prepaid expense		6,216
Total assets		36,084,617
LIABILITIES		
Accounts payable		235
Total liabilities		235
NET POSITION RESTRICTED FOR PENSIONS	$	36,084,382

See accompanying notes to financial statements.

VILLAGE OF LINCOLNSHIRE, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the Year Ended December 31, 2025

ADDITIONS	
Contributions - employer	$ 906,889
Contributions - employee	280,288
Total contributions	1,187,177
Investment income	
Net appreciation in fair value of investments	5,329,848
Interest earned on investments	177,902
Total investment income	5,507,750
Less investment expense	(29,096)
Net investment income	5,478,654
Total additions	6,665,831
DEDUCTIONS	
Administrative	29,011
Benefits and refunds	1,667,649
Total deductions	1,696,660
NET INCREASE	4,969,171
NET POSITION RESTRICTED FOR PENSIONS	
January 1	31,115,211
December 31	$ 36,084,382

See accompanying notes to financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of Lincolnshire, Illinois (the Village) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Village's accounting policies are described below.

a. Reporting Entity

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. As required by GAAP, these financial statements present the Village (the primary government) and its component units, entities for which the government is considered to be financially accountable.

The Village's financial statements include one fiduciary component unit.

Police Pension Employees Retirement System

The Village's police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's Mayor, one elected pension beneficiary and two elected police employees constitute the pension board. The Village and PPERS participants are obligated to fund all PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it possesses many of the characteristics of a legally separate government, PPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the Village's police employees and because of the fiduciary nature of such activities. PPERS is reported as a pension trust fund. Separate financial statements are not issued by the Police Pension Board.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting

The Village uses funds to report on its financial position, changes in its financial position and cash flows. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. A minimum number of funds are maintained consistent with legal and managerial requirements. Funds are classified into the following categories: governmental, proprietary and fiduciary.

Governmental funds are used to account for all or most of the Village's general activities, including the accounting for revenue sources that are legally restricted or committed for specific purposes (special revenue funds), accounting for funds that are restricted, committed or assigned to the acquisition of capital assets or construction of major capital projects not financed by another fund (capital projects funds) and accounting for the servicing of bonded general long-term debt using funds restricted, committed or assigned for debt service (debt service funds). The General Fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the Village (internal service funds).

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments. When these assets are held under the terms of a formal trust agreement, a pension trust fund may be used. The Village has a Police Pension Fund.

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Village. The effect of material interfund activity (except for activities reported in internal service funds) has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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 standard revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. 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:

The General Corporate Fund is the Village's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

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

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

The Village reports the following major proprietary funds, which are the Village's only enterprise funds:

Water and Sanitary Sewer Fund is comprised of the water and sanitary sewer revenue account and the water and sewer improvement account.

Storm Sewer Fund is comprised of the storm sewer revenue account and the storm sewer improvement account.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements (Continued)

Additionally, the Village reports the following proprietary fund:

Internal Service Fund

The Vehicle Maintenance Fund accounts for maintenance of vehicles and equipment and is funded by various departments according to services rendered.

This fund is reported as governmental activities on the government-wide financial statements.

The Village reports a pension trust fund as a fiduciary component unit to account for the Police Pension Fund.

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues/expenses include all revenues/expenses directly related to providing the day-to-day enterprise fund services. Incidental revenues/expenses, such as property taxes and investment income, are reported as non-operating.

Governmental fund financial statements are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period. The Village recognizes property taxes when they become both measurable and available in the period intended to finance, generally within 60 days of year end. Sales taxes, telecommunications taxes and use taxes use a 90-day period. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Those revenues susceptible to accrual are property taxes, income taxes, franchise taxes, licenses, interest revenue and charges for services. Sales tax, telecommunication tax, local use tax and motor fuel tax and fines owed to/collected by the state at year end on behalf of the Village are also recognized as revenue. Permit revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The Village reports unavailable/deferred revenue and unearned revenue on its financial statements. Unavailable/deferred revenues arise when a potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Unearned revenues arise when resources are received by the Village before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Village has a legal claim to the resources, the deferred inflow for unavailable/deferred revenue or the liability for unearned revenue is removed from the financial statements and revenue is recognized.

e. Cash and Investments

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Village's proprietary funds consider all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

f. Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased and all investments of the pension trust funds are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

g. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans, if any, are classified as "interfund receivables/payables."

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Advances to Other Funds

Noncurrent portions of long-term interfund loan receivables are reported as advances between funds in the fund financial statements. The advances are offset equally by a nonspendable fund balance account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

i. Prepaid Items/Expenses

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items/expenses on the consumption method.

j. Land Held for Resale

Land held for resale is valued at fair value. Fair value of land held for resale is determined by an independent appraisal of the parcel (Level 3 input). Reported land held for resale is equally offset by a nonspendable fund balance, which indicates that portion of the fund balance is unavailable to the fund.

k. Capital Assets

Capital assets, which include property, plant, equipment, water and sewer system, intangible assets and infrastructure assets (e.g., roads, bridges and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village 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 one year.

All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Capital Assets (Continued)

Governmental activities capital assets are depreciated using the straight-line method over the following useful lives:

	Years
Land improvements	10-20
Buildings and improvements	15-50
Infrastructure*	20-50
Machinery and equipment	5-20

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

Business-type activities capital assets are depreciated using the straight-line method over the following useful lives:

	Years
Buildings	45
Underground water and sewerage system	10-75
Furniture, machinery and equipment	5-15
Storm sewer system	50

l. Compensated Absences

The District implemented GASB Statement 101, *Compensated Absences*, in 2024. In the event of termination, an employee is paid for accumulated vacation 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. The entire balance of vacation leave is recognized as a liability at year end. A liability is recognized for the portion of accumulating sick leave benefits that is estimated to be more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Long-Term Obligations

In the government-wide financial statements and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund financial statements. Bond premiums and discounts, as well as gains/losses on refundings, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. The gain/loss on refunding is reported as a deferred inflow/outflow of resources. Bond issuance costs are expensed in the year of issuance.

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

n. Fund Equity/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not spendable in form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose or externally imposed by outside entities. None of the restricted fund balance result from enabling legislation adopted by the Village. Committed fund balance is constrained by formal actions of the Village's Board of Trustees, which is considered the Village's highest level of decision-making authority. Formal actions are ordinances approved by the Board of Trustees. Assigned fund balance represents amounts constrained by the Village's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the Mayor by the Village Board of Trustees. Any residual fund balance in the General Fund and deficit fund balances are reported as unassigned.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. Fund Equity/Net Position (Continued)

The Village has established fund balance reserve policies for its General Fund. The General Fund targets 75% 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.

In the government-wide financial statements, restricted net position are legally restricted by outside parties for a specific purpose. Net position has not been restricted by enabling legislation adopted by the Village. Net investment in capital assets represents the book value of capital assets less any outstanding long-term debt to acquire or construct the capital assets as well as any other non-debt capital related liabilities.

o. Interfund Transactions

Interfund services are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except interfund services and reimbursements, are reported as transfers.

p. Accounting Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities 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.

q. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

q. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has two types of this item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, deferred/unavailable revenue, is reported only in the governmental funds balance sheet/statement of net position. The governmental funds report deferred/unavailable revenues from one source: property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second relates to the pension plans of the Village, which have both deferred outflows and inflows of resources.

2. DEPOSITS AND INVESTMENTS

The Village and pension funds categorizes the fair value measurements within the fair value hierarchy established by GAAP. 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; and Level 3 inputs are significant unobservable inputs.

a. Village

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

Permitted Deposits and Investments - The Village's investment policy authorizes the Village to make deposits/invest in accordance with Illinois Compiled Statutes (ILCS); including 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 Government or agreements 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 (created by the Illinois State Legislature under the control of the State Comptroller that maintains a $1 per share value) and the Illinois Metropolitan Investment Fund (IMET).

2. DEPOSITS AND INVESTMENTS (Continued)

a. Village (Continued)

IMET is a local government investment pool. Created in 1996 as a not-for-profit trust formed under the Intergovernmental Cooperation Act and the Illinois Municipal Code. IMET was formed to provide Illinois government agencies with safe, liquid, attractive alternatives for investing and is managed by a Board of Trustees elected from the participating members. IMET offers participants two separate vehicles to meet their investment needs.

The IMET Core Fund is designed for public funds that may be invested for longer than one year. The Core Fund carries the highest rating available (AAAf/bf) from Moody's for such funds. Member withdrawals can be made from the core fund with a five day notice. The IMET Convenience Fund (CVF) is designed to accommodate funds requiring high liquidity, including short term cash management programs and temporary investment of bond proceeds. It is comprised of collateralized and FHLB LoC backed bank deposits, FDIC insured certificates of deposit and U.S. Government securities. Member withdrawals are generally on the same day as requested. Investments in IMET are valued at IMET's share price, which is the price the investment could be sold.

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.

b. Village Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Village's deposits may not be returned to it. The Village's investment policy requires pledging of collateral with a fair value of 110% of all bank balances in excess of federal depository insurance with the collateral held by the Village's agent in the Village's name.

2. DEPOSITS AND INVESTMENTS (Continued)

c. Village Investments

The following table presents the investments and maturities of the Village's investments as of December 31, 2025:

		Investment Maturities (in Years)			
	Fair Value	Less than 1	1-5	6-10	Greater than 10
IMET 1-3 Year Fund	$ 8,393,094	$ -	$ 8,393,094	$ -	$ -
U.S. Treasuries	8,029,007	5,690,204	2,338,803	-	-
U.S. agencies	1,865,069	673,570	1,191,499	-	-
Repurchase agreement	1,169,680	-	1,169,680	-	-
Negotiable certificates of deposits	2,756,256	1,481,836	1,274,420	-	-
TOTAL	$ 22,213,106	$ 7,845,610	$ 14,367,496	$ -	$ -

In accordance with its investment policy, the Village limits its exposure to interest rate risk by structuring the portfolio to provide 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 with the following minimum guidelines: 10% under 30 days, 25% under 90 days, 50% under 270 days, 90% under one year and 100% 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 Village has the following recurring fair value measurements as of December 31, 2025: the U.S. Treasury obligations are valued using quoted prices in active markets for identical assets (Level 1 inputs); the certificate of deposits, U.S. agency obligations, and repurchase agreement are valued using quoted matrix pricing models (Level 2 inputs); the IMET 1 to 3 Year Fund, a mutual fund, is measured based on the net asset value of the shares in IMET, which is based on the fair value of the underlying investments in the mutual fund (Level 3 input).

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. Investments in U.S. agencies are rated Aaa to AA+. The investment in the repurchase agreement is rated AAA. Investments in IMET are rated AAA. The negotiable certificates of deposits are not rated.

2. DEPOSITS AND INVESTMENTS (Continued)

c. Village Investments (Continued)

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Village will not be able to recover the value of its investments that are in possession of an outside party. 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.

Concentration of credit risk - The Village's investment policy requires diversification of the portfolio. Diversification by security instrument is as follows: U.S. Treasury obligations - 100% maximum; U.S. Government agency securities and instruments of government sponsored corporations - 100% maximum; certificates of deposit (CDs) commercial banks - 33% 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% maximum; and IMET - 35%. Diversification by institution is as follows: CDs - no more than 15% of the total portfolio with any one institution.

As of December 31, 2025, the Villages Natixis repurchase agreement investment consisted of 4.07% of the investment portfolio.

The Village's investment policy does not specifically prohibit the use of or the investment in derivatives.

3. RECEIVABLES - TAXES

Property taxes for 2025 attach as an enforceable lien on January 1, 2025 on property values assessed as of the same date. Taxes are levied by December of the fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about May 1, 2026 and August 1, 2026 and are payable in two installments, on or about June 1, 2026 and September 1, 2026. The County collects such taxes and remits them periodically. As the 2025 tax levy is intended to fund expenditures for the 2026 fiscal year, these taxes are deferred as of December 31, 2025.

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2025 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
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	258,001	481,788	146,837	592,952
Total capital assets not being depreciated	44,040,271	481,788	146,837	44,375,222
Capital assets being depreciated				
Land improvements	8,085,595	-	-	8,085,595
Buildings and improvements	10,053,385	-	-	10,053,385
Infrastructure	28,999,430	931,975	-	29,931,405
Machinery and equipment	5,008,208	701,324	222,158	5,487,374
Total capital assets being depreciated	52,146,618	1,633,299	222,158	53,557,759
Less accumulated depreciation for				
Land improvements	6,273,438	74,322	-	6,347,760
Buildings and improvements	5,999,575	218,535	-	6,218,110
Infrastructure	20,323,543	439,273	-	20,762,816
Machinery and equipment	3,599,764	303,517	203,323	3,699,958
Total accumulated depreciation	36,196,320	1,035,647	203,323	37,028,644
Total capital assets being depreciated, net	15,950,298	597,652	18,835	16,529,115
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	$ 59,990,569	$ 1,079,440	$ 165,672	$ 60,904,337

Depreciation expense was charged to functions/programs of the primary government as follows:

GOVERNMENTAL ACTIVITIES	
General government	$ 511,844
Public safety	95,563
Public works	211,485
Parks and recreation	216,755
DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	$ 1,035,647

4. CAPITAL ASSETS (Continued)

	Beginning Balances	Increases	Decreases	Ending Balances
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	$ 106,833	$ -	$ -	$ 106,833
Construction in progress	5,906,286	619,317	4,964,877	1,560,726
Total capital assets not being depreciated	6,013,119	619,317	4,964,877	1,667,559
Capital assets being depreciated				
Buildings	2,102,570	-	-	2,102,570
Underground water and sewerage system	92,870,128	3,158,343	68,059	95,960,412
Furniture, machinery and equipment	1,512,059	225,591	-	1,737,650
Storm sewer system	19,376,398	6,167,079	-	25,543,477
Total capital assets being depreciated	115,861,155	9,551,013	68,059	125,344,109
Less accumulated depreciation for				
Buildings	1,455,279	46,190	-	1,501,469
Underground water and sewerage system	62,977,813	1,477,599	47,105	64,408,307
Furniture, machinery and equipment	1,086,964	79,856	-	1,166,820
Storm sewer system	13,223,362	296,193	-	13,519,555
Total accumulated depreciation	78,743,418	1,899,838	47,105	80,596,151
Total capital assets being depreciated, net	37,117,737	7,651,175	20,954	44,747,958
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	$ 43,130,856	$ 8,270,492	$ 4,985,831	$ 46,415,517

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

BUSINESS-TYPE ACTIVITIES	
Water/sanitary sewer	$ 1,603,645
Storm sewer	296,193
DEPRECIATION EXPENSE - BUSINESS-TYPE ACTIVITIES	$ 1,899,838

5. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; illnesses of employees; and natural disasters. Insurance other than employee health and workers compensation, is purchased.

5. RISK MANAGEMENT (Continued)

High-Level Excess Liability Pool

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 and voted in April 2023 to distribute the final net assets of the pool. The Village remains responsible to make supplementary payment to the High Level Excess Liability Pool in the event that claims which fall within the scope of coverage of the agency need to be paid as subsequent times.

North Suburban Employee's Benefit Cooperative

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 policies 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.

6. LONG-TERM DEBT

a. Changes in Long-Term Liabilities

During the fiscal year, the following changes occurred in governmental activities long-term liabilities:

	Balances January 1,	Additions	Reductions	Balances December 31	Current Portion
GOVERNMENTAL ACTIVITIES					
Special service area bonds	$ 8,455,000	$ -	$ 910,000	$ 7,545,000	$ 651,000
Net pension liability, IMRF	1,862,539	-	112,098	1,750,441	-
Net pension liability, IMRF - internal service	89,357	-	25,185	64,172	-
Net pension liability - Police Pension	5,135,910	-	3,560,480	1,575,430	-
Total OPEB Liability	1,623,389	18,517	-	1,641,906	56,301
Total OPEB Liability - internal service	33,615	-	6,103	27,512	655
Compensated absences*	487,654	-	62,567	425,087	425,087
Compensated absences - internal service*	8,786	-	6,804	1,982	1,982
TOTAL GOVERNMENTAL ACTIVITIES	$ 17,696,250	$ 18,517	$ 4,683,237	$ 13,031,530	$ 1,135,025

The net pension liabilities and OPEB liability are historically retired by the General Fund.

*The amount displayed as additions or reductions represents the net change in the liability

During the fiscal year, the following changes occurred in business-type activities long-term liabilities:

	Balances January 1	Additions	Reductions	Balances December 31	Current Portion
BUSINESS-TYPE ACTIVITIES					
General obligation bonds	$ 3,240,000	$ 10,990,000	$ 75,000	$ 14,155,000	$ 240,000
Net pension liability - IMRF	590,673	-	17,337	573,336	-
Total OPEB liability	226,701	7,643	-	234,344	8,510
Compensated absences**	54,596	12,097	-	66,693	66,693
TOTAL BUSINESS-TYPE ACTIVITIES	$ 4,111,970	$ 11,009,740	$ 92,337	$ 15,029,373	$ 315,203

The net pension liability and OPEB liability are historically retired by the Water and Sanitary Sewer Fund and the Storm Sewer Fund.

**The amount displayed as additions or reductions represents the net change in the liability.

6. LONG-TERM DEBT (Continued)

b. General Obligation Bonds

Issue	Fund Debt Retired By	Balances January 1	Additions	Reductions	Balances December 31	Current Portion
BUSINESS-TYPE ACTIVITIES						
General Obligation Bonds Series 2022 ($4,065,000 dated May 31, 2022; maturing December 1, 2050; payable in annual installments from $75,000 to $750,000; interest rate 3.75%).	Water and Sewer Fund	$ 3,240,000	$ -	$ 75,000	$ 3,165,000	$ 75,000
General Obligation Bonds Series 2025 ($10,990,000 dated June 30, 2025; maturing December 1, 2054; payable in annual installments from $165,000 to $855,000; interest rate 4.75% - 5.00%).	Water and Sewer Fund	-	10,990,000	-	10,990,000	165,000
TOTAL BUSINESS-TYPE ACTIVITIES		$ 3,240,000	$10,990,000	$ 75,000	$ 14,155,000	$ 240,000

Annual debt service requirements to maturity for the General Obligation Bonds are as follows:

Year Ending December 31,	Business-type activities Principal	Interest	Total
2026	$ 240,000	$ 657,275	$ 897,275
2027	250,000	646,213	896,213
2028	265,000	634,650	899,650
2029	275,000	622,338	897,338
2030	290,000	609,525	899,525
2031-2035	1,660,000	2,830,688	4,490,688
2036-2040	2,100,000	2,397,625	4,497,625
2041-2045	2,615,000	1,873,313	4,488,313
2046-2050	3,275,000	1,221,125	4,496,125
2051-2054	3,185,000	407,750	3,592,750
TOTAL	$ 14,155,000	$ 11,900,502	$ 26,055,502

6. LONG-TERM DEBT (Continued)

c. Special Service Area Bonds

Issue	Fund Debt Retired By	Balances January 1	Additions	Reductions	Balances December 31	Current Portion
GOVERNMENTAL ACTIVITIES						
Special Service Area Number 1 Special Tax Bonds, Series 2004 ($15,000,000 dated November 16, 2004; maturing March 1, 2034; payable in annual installments ranging from $235,000 to $1,095,000).	SSA Debt Service	$ 8,455,000	$ -	$ 910,000	$ 7,545,000	$ 651,000
TOTAL GOVERNMENTAL ACTIVITIES		$ 8,455,000	$ -	$ 910,000	$ 7,545,000	$ 651,000

Annual debt service requirements to maturity for the Special Service Area Bonds are as follows:

Year Ending December 31,	Governmental Activities Principal	Interest	Total
2026	$ 651,000	$ 451,219	$ 1,102,219
2027	690,000	409,313	1,099,313
2028	733,000	364,844	1,097,844
2029	777,000	317,656	1,094,656
2030	830,000	267,438	1,097,438
2031-2034	3,864,000	501,500	4,365,500
TOTAL	$ 7,545,000	$ 2,311,970	$ 9,856,970

d. Legal Debt Margin

The Village is a home rule municipality.

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

6. LONG-TERM DEBT (Continued)

d. Legal Debt Margin (Continued)

"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 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'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.

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.

7. INTERFUND ACTIVITY

a. Transfers In/Out

Interfund transfers during the year ended December 31, 2025 consisted of the following:

Fund	Transfers In	Transfers Out
Major Governmental		
General Corporate	$ -	$ 4,390,000
General Capital Projects	4,568,071	-
Total Major Governmental	4,568,071	4,390,000
Nonmajor Governmental		
Park Development	-	834,094
Total Nonmajor Governmental	-	834,094
Enterprise		
Water and Sewer Fund	750,000	-
Storm Sewer Fund	440,000	533,977
Total Enterprise	1,190,000	533,977
TOTAL	$ 5,758,071	$ 5,758,071

7. INTERFUND ACTIVITY (Continued)

a. Transfers In/Out (Continued)

The purpose of significant transfers is as follows:

- $440,000 transferred from the General Corporate Fund to the Storm Sewer Fund to fund capital improvements. This amount will not be repaid.
- $750,000 transferred from the General Corporate Fund to the Water and Sewer Fund to fund capital improvements. This amount will not be repaid.
- $3,200,000 transferred from the General Corporate Fund to the General Capital Projects Fund to fund capital improvements and to comply with the Village fund balance policy. This amount will not be repaid.
- $834,094 transferred from the Park Development Fund to the General Capital Projects Fund to fund capital improvements. This amount will not be repaid.
- $533,977 transferred from the Storm Sewer Fund to the General Capital Projects Fund to fund capital improvements. This amount will not be repaid.

8. CONTINGENT LIABILITIES

a. Litigation

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

b. Grants

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

c. High-Level Excess Liability Pool

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

9. TAX ABATEMENTS

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 as follows:

In May 2003, the Village entered into a ten-year sales tax rebate program with a company. This agreement has been amended four times since its initial implementation, with the most recent amendment in 2022 extending the term through 2032. The Village is required to rebate 50% of all Municipal Sales Tax and Home Rule Sales Tax; provided annual sales exceed $100,000. At December 31, 2025, the Village had no estimated rebate liability. Since the 2022 amendment, the Village has rebated $1,750,213 to this company.

In 2018, the Village entered into a ten-year sales tax rebate program with a company. The Village is required to rebate 50% of any municipal tax generated including applicable food and 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 ten-year period has ended. At December 31, 2025, the Village had no estimated rebate liability. To date, the Village has rebated $250,000 of applicable taxes to this company, thereby satisfying the maximum obligation under the agreement and concluding its terms.

10. OTHER POSTEMPLOYMENT BENEFITS

a. 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. 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.

b. 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. For certain disabled employees who qualify for health insurance benefits under the Public Safety Employee Benefits Act (PSEBA), the Village is required to pay 100% of the cost of basic health insurance for the employee and their dependents until Medicare age is reached.

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

c. Membership

At December 31, 2024 (most recent data available), membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	3
Inactive employees entitled to but not yet receiving benefits	-
Active plan members	56
TOTAL	59
Participating employers	1

d. Total OPEB Liability

The Village's total OPEB liability of $1,903,762 was measured as of December 31, 2025 and determined by an actuarial valuation as of January 1, 2025.

e. Actuarial Assumptions and Other Inputs

The total OPEB liability was measured at December 31, 2025, as determined by an actuarial valuation as of January 1, 2025, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified. The total OPEB liability was rolled forward by the actuary using updated procedures to December 31, 2025, including updating the discount rate, as noted below.

Actuarial cost method	Entry-age normal
Actuarial value of assets	Fair value
Salary increases	3.00%
Discount rate	4.83%
Healthcare cost trend rates	7.90% to 8.30% Initial 5.00% Ultimate

The discount rate was based on The Bond Buyer 20-Bond GO Index, which is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

f. Changes in the Total OPEB Liability

	Total OPEB Liability
BALANCES AT JANUARY 1, 2025	$ 1,883,705
Changes for the period	
Service cost	187,426
Interest	75,520
Differences between expected and actual experience	-
Assumption changes*	(177,423)
Benefit payments	(65,466)
Net changes	20,057
BALANCES AT DECEMBER 31, 2025	$ 1,903,762

*There were changes in assumptions related to the discount rate.

g. Rate Sensitivity

The following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the Village calculated using the discount rate of 4.83% as well as what the Village total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.83%) or 1 percentage point higher (5.83%) than the current rate:

	1% Decrease (3.83%)	Current Discount Rate (4.83%)	1% Increase (5.83%)
Total OPEB liability	$ 2,145,201	$ 1,903,762	$ 1,697,325

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

g. Rate Sensitivity (Continued)

The table below presents the total OPEB liability of the Village calculated using the healthcare rate of 7.90%-8.30% to 5.00% as well as what the Village's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (6.90%-7.30% to 4.00%) or 1 percentage point higher (8.90%-9.30% to 6.00%) than the current rate:

	1% Decrease (6.90%-7.30% to 4.00%)	Current Healthcare Rate (7.90%-8.30% to 5.00%)	1% Increase (8.90%-9.30% to 6.00%)
Total OPEB liability	$ 1,618,353	$ 1,903,762	$ 2,261,949

h. Changes in the Total OPEB Liability

For the year ended December 31, 2025, the Village recognized OPEB expense of $85,523. Per GASB Statement No. 75, *under the Alternative Measurement Method*, changes in Total OPEB Liability are immediately recognized as expense, resulting in no deferred outflows of resources or deferred inflows of resources related to OPEB.

11. EMPLOYEE RETIREMENT SYSTEMS

The Village contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system; the Police Pension Plan, which is a single-employer pension plan. The benefits, benefit levels, employee contributions, and employer contributions for both plans are governed by ILCS and can only be amended by the Illinois General Assembly. IMRF issues 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 or at www.imrf.org. The Police Pension Plans do not issue separate reports.

The table below is a summary for all pension plans as of and for the year ended December 31, 2025:

	IMRF	Police Pension	Total
Net pension liability	$ 2,387,949	$ 1,575,430	$ 3,963,379
Deferred outflows of resources	1,237,602	864,394	2,101,996
Deferred inflows of resources	20,281	3,425,591	3,445,872
Pension expense (income)	751,301	674,046	1,425,347

11. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions

Illinois Municipal Retirement Fund

Plan Administration

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Plan Membership

At December 31, 2024, (most recent available) IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	65
Inactive employees entitled to but not yet receiving benefits	43
Active employees	36
TOTAL	144

Benefits Provided

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011 are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. Employees hired on or after January 1, 2011 are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

11. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Contributions

Participating members are required to contribute 4.50% of their annual covered salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rate for the fiscal year ended December 31, 2025 was 10.60% of covered payroll.

Actuarial Assumptions

The Village's net pension liability was measured as of December 31, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2024
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.25%
Salary increases	2.85% to 13.75%
Interest Rate	7.25%
Cost of living adjustments	3.00%
Asset valuation method	Fair value

For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108.00%) and Female (adjusted 106.40%) tables and future mortality improvements projected using scale MP-2021. 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-2021. 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-2021.

11. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate

The discount rate used to measure the total pension liability at December 31, 2024 was 7.25%. 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 the 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 IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Change in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2024	$ 26,599,767	$ 24,057,198	$ 2,542,569
Changes for the period			
Service cost	276,897	-	276,897
Interest	1,886,019	-	1,886,019
Difference between expected and actual experience	264,897	-	264,897
Changes in assumptions	-	-	-
Employer contributions	-	336,888	(336,888)
Employee contributions	-	148,554	(148,554)
Net investment income	-	2,390,791	(2,390,791)
Benefit payments and refunds	(1,448,326)	(1,448,326)	-
Other (net transfer)	-	(293,800)	293,800
Net changes	979,487	1,134,107	(154,620)
BALANCES AT DECEMBER 31, 2024	$ 27,579,254	$ 25,191,305	$ 2,387,949

11. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended December 31, 2025, the Village recognized pension expense of $751,301

At December 31, 2025, the Village reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 299,380	$ 14,526
Changes in assumption	-	5,755
Net difference between projected and actual earnings on pension plan investments	567,656	-
Contributions subsequent to the measurement date	370,566	-
TOTAL	$ 1,237,602	$ 20,281

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

$370,566 reported as deferred outflows of resources related to pensions resulting from the Village contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

Year Ending December 31,	
2026	$ 439,677
2027	847,995
2028	(302,478)
2029	(138,439)
TOTAL	$ 846,755

11. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

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 net pension liability of the Village calculated using the discount rate of 7.25% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability	$ 5,398,783	$ 2,387,949	$ 30,934

Long-Term Expected Rate of Return

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

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic equity	33.50%	4.35%
International equity	18.00%	5.40%
Fixed income	24.50%	5.20%
Real estate	10.50%	6.40%
Alternative investments	12.50%	4.85 to 6.25%
Cash equivalents	1.00%	3.60%
TOTAL	100.00%	

11. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan

Plan Administration

Police sworn personnel are covered by the Police Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The Village accounts for the 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.

Plan Membership

At December 31, 2025, the Police Pension Plan membership consisted of:

Inactive plan members currently receiving benefits	21
Inactive plan members entitled to benefits but not yet receiving them	6
Active plan members	23
TOTAL	50

Benefits Provided

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive 2.50% of salary for each year of service. The monthly benefit shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension, and 3% compounded annually thereafter.

11. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Benefits Provided (Continued)

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the greater of the average monthly salary obtaining by dividing the total salary during the 48 consecutive months of service within the last of 60 months in which the total salary was the highest by the number of months in that period; or the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at $106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the preceding calendar year.

Contributions

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. The Village has chosen a policy to fund 100% of the past service costs by 2040. For the year ended December 31, 2025, the Village's contribution was 32.06% of covered payroll.

11. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Illinois Police Officers' Pension Investment Fund

The Illinois Police Officers' Pension Investment Fund (IPOPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate police pension funds. IPOPIF was created by Public Act 101-0610 and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds as defined in 40 ILCS 5/22B-105. Participation in IPOPIF by Illinois suburban and downstate police pension funds is mandatory.

Deposits with Financial Institutions

The plan retains all of its available cash with one financial institution. Available cash is determined to be that amount which is required for the current expenditures of the plan. The excess of available cash is required to be transferred to IPOPIF for purposes of the long-term investment for the plan.

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the plan's deposits may not be returned to it. The plan's investment policy does not specifically address custodial credit risk.

Investments

Investments of the plan are combined in a commingled external investment pool and held by IPOPIF. A schedule of investment expenses is included in IPOPIF's annual comprehensive financial report. For additional information on IPOPIF's investments, please refer to their annual comprehensive financial report. A copy of that report can be obtained from IPOPIF at 456 Fulton Street, Suite 402, Peoria, IL 61602 or at www.ipopif.org.

Fair Value Measurement

The plan categorizes fair value measurements within the fair value hierarchy established by GAAP. 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; and Level 3 inputs are significant unobservable inputs. The fund does not hold any investments requiring fair value measurement.

11. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Net Asset Value

The Net Asset Value (NAV) of the plan's pooled investment in IPOPIF was $36,060,014 at December 31, 2025. Investments in IPOPIF are valued at IPOPIF's share price, which is the price the investment could be sold. There are no unfunded commitments at December 31, 2025. The plan may redeem shares with a seven calendar day notice. IPOPIF may, at its sole discretion and based on circumstances, process redemption requests with fewer than a seven calendar day notice. Regular redemptions of the same amount on a particular day of the month may be arranged with IPOPIF.

Investment Rate of Return

For the year ended December 31, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 17.79%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Custodial Credit Risk

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.

11. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2025 using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2025
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	Aged-based
Interest rate	6.80%
Cost of living adjustments	3.00%
Asset valuation method	Fair value

Mortality rates were based on the generational improvements type and the improvement scale MP-2021.

Discount Rate

The discount rate used to measure the total pension liability at December 31, 2025 was 6.80%. The projection of cash flows used to determine the Discount Rate assumed that current plan member contributions will be made at the current contribution rate and that sponsor 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's investments (6.80%) was applied to all periods of projected benefit payments to determine the total pension liability.

11. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability (asset) to changes in the discount rate. The table below presents the pension liability (asset) of the Village calculated using the discount rate of 6.80% as well as what the Village's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (5.80%) or 1 percentage point higher (7.80%) than the current rate:

	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
Net pension liability (asset)	$ 6,880,919	$ 1,575,430	$ (2,745,445)

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2025	$ 36,251,121	$ 31,115,211	$ 5,135,910
Changes for the period			
Service cost	602,048	-	602,048
Interest	2,449,315	-	2,449,315
Difference between expected and actual experience	24,977	-	24,977
Employer contributions	-	906,889	(906,889)
Employee contributions	-	280,288	(280,288)
Net investment income	-	5,478,654	(5,478,654)
Benefit payments and refunds	(1,667,649)	(1,667,649)	-
Administrative expense	-	(29,011)	29,011
Net changes	1,408,691	4,969,171	(3,560,480)
BALANCES AT DECEMBER 31, 2025	$ 37,659,812	$ 36,084,382	$ 1,575,430

As of December 31, 2025, the plan is 95.82% funded.

11. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended December 31, 2025, the Village recognized pension expense of $674,046. At December 31, 2025, the Village reported deferred outflows of resources and deferred inflows of resources related to the Police Pension Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 864,394	$ 273,839
Changes in assumption	-	591,228
Net difference between projected and actual earnings on pension plan investments	-	2,560,524
TOTAL	$ 864,394	$ 3,425,591

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Police Pension Plan will be recognized in pension expense as follows:

Year Ending December 31,	
2026	$ 70,463
2027	(1,188,989)
2028	(850,813)
2029	(561,136)
2030	(34,290)
Thereafter	3,568
TOTAL	$ (2,561,197)

12. EMPLOYEE BENEFIT PLAN

The Village provides a 457 plan (the plan) to the Village Manager and Finance Director, which is a single employer defined contribution plan. The contribution made by the Village for the year ended December 31, 2025 was $30,000 under the terms of the employment agreement.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF LINCOLNSHIRE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL CORPORATE FUND

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual
REVENUES			
Property taxes	$ 2,155,062	$ 2,155,062	$ 2,193,783
Other taxes	10,743,000	10,743,000	12,359,812
Licenses, permits and fees	666,750	666,750	1,089,821
Fines and forfeitures	182,500	182,500	268,942
Intergovernmental	546,000	546,000	576,168
Investment income	125,000	125,000	902,682
Miscellaneous	53,900	53,900	57,489
Total revenues	14,472,212	14,472,212	17,448,697
EXPENDITURES			
Current			
General government	2,115,117	2,115,117	1,920,550
Public safety	5,903,099	5,903,099	5,626,912
Community and economic development	1,361,677	1,361,677	1,435,489
Public works	1,950,252	1,950,252	1,902,791
Parks and open spaces	1,702,977	1,702,977	1,667,566
Total expenditures	13,033,122	13,033,122	12,553,308
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,439,090	1,439,090	4,895,389
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(890,000)	(890,000)	(4,390,000)
Proceeds from sale of capital assets	10,000	10,000	53,387
Total other financing sources (uses)	(880,000)	(880,000)	(4,336,613)
NET CHANGE IN FUND BALANCE	$ 559,090	$ 559,090	558,776
FUND BALANCE, JANUARY 1			7,977,101
FUND BALANCE, DECEMBER 31			$ 8,535,877

(See independent auditor's report.)

VILLAGE OF LINCOLNSHIRE, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Ten Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Actuarially determined contribution	$ 438,803	$ 388,559	$ 422,413	$ 406,131	$ 491,825	$ 451,386	$ 396,113	$ 337,094	$ 327,880	$ 370,566
Contributions in relation to the actuarially determined contribution	438,803	388,559	422,413	406,131	491,825	451,386	396,113	337,094	327,880	370,566
CONTRIBUTION DEFICIENCY (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 2,810,162	$ 2,744,060	$ 2,861,874	$ 3,010,607	$ 3,118,739	$ 3,093,802	$ 3,082,591	$ 3,272,757	$ 3,392,627	$ 3,495,906
Contributions as a percentage of covered payroll	15.61%	14.16%	14.76%	13.49%	15.77%	14.59%	12.85%	10.30%	9.66%	10.60%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 19 years; the asset valuation method was five-year smoothed fair value; and the significant actuarial assumptions were an investment rate of return at 7.25% annually, projected salary increases assumption of 2.75% to 13.75% compounded annually and postretirement benefit increases of 3.00% compounded annually.

(See independent auditor's report.)

VILLAGE OF LINCOLNSHIRE, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIRMENT FUND

Last Ten Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
TOTAL PENSION LIABILITY										
Service cost	$ 313,571	$ 311,006	$ 300,876	$ 280,625	$ 295,495	$ 308,834	$ 290,510	$ 278,597	$ 292,315	$ 276,897
Interest	1,397,410	1,459,744	1,516,508	1,561,154	1,638,470	1,660,106	1,703,996	1,770,969	1,816,985	1,886,019
Differences between expected and actual experience	(159,981)	(214,365)	301,444	331,724	(546,879)	(104,701)	101,849	(106,041)	302,522	264,897
Changes of assumptions	-	(76,478)	(596,880)	650,699	-	(145,048)	-	-	(14,057)	-
Benefit payments, including refunds of member contributions	(687,105)	(743,424)	(848,869)	(984,235)	(1,110,645)	(1,079,992)	(1,129,308)	(1,203,965)	(1,427,400)	(1,448,326)
Net change in total pension liability	863,895	736,483	673,079	1,839,967	276,441	639,199	967,047	739,560	970,365	979,487
Total pension liability - beginning	18,893,731	19,757,626	20,494,109	21,167,188	23,007,155	23,283,596	23,922,795	24,889,842	25,629,402	26,599,767
TOTAL PENSION LIABILITY - ENDING	$ 19,757,626	$ 20,494,109	$ 21,167,188	$ 23,007,155	$ 23,283,596	$ 23,922,795	$ 24,889,842	$ 25,629,402	$ 26,599,767	$ 27,579,254
PLAN FIDUCIARY NET POSITION										
Contributions - employer	$ 596,673	$ 446,418	$ 388,559	$ 422,412	$ 406,130	$ 491,825	$ 451,386	$ 396,113	$ 337,094	$ 336,888
Contributions - member	137,799	126,457	123,482	128,784	135,477	140,344	169,124	168,980	160,075	148,554
Net investment income	79,064	1,114,205	2,921,375	(1,013,933)	3,441,700	2,914,641	3,880,008	(3,293,891)	2,401,185	2,390,791
Benefit payments, including refunds of member contributions	(687,105)	(743,424)	(848,869)	(984,235)	(1,110,645)	(1,079,992)	(1,129,308)	(1,203,965)	(1,427,400)	(1,448,326)
Administrative expense	198,897	(111,456)	(257,087)	418,615	(470,225)	(313,858)	(27,609)	(254,202)	628,490	(293,800)
Net change in plan fiduciary net position	325,328	832,200	2,327,460	(1,028,357)	2,402,437	2,152,960	3,343,601	(4,186,965)	2,099,444	1,134,107
Plan fiduciary net position - beginning	15,789,090	16,114,418	16,946,618	19,274,078	18,245,721	20,648,158	22,801,118	26,144,719	21,957,754	24,057,198
PLAN FIDUCIARY NET POSITION - ENDING	$ 16,114,418	$ 16,946,618	$ 19,274,078	$ 18,245,721	$ 20,648,158	$ 22,801,118	$ 26,144,719	$ 21,957,754	$ 24,057,198	$ 25,191,305
EMPLOYER'S NET PENSION LIABILITY	$ 3,643,208	$ 3,547,491	$ 1,893,110	$ 4,761,434	$ 2,635,438	$ 1,121,677	$ (1,254,877)	$ 3,671,648	$ 2,542,569	$ 2,387,949

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Plan fiduciary net position as a percentage of total pension liability	81.56%	82.69%	91.06%	79.30%	88.68%	95.31%	105.04%	85.67%	90.44%	91.34%
Covered payroll	$ 2,892,964	$ 2,810,162	$ 2,744,060	$ 2,861,874	$ 3,010,607	$ 3,118,739	$ 3,093,802	$ 3,082,591	$ 3,272,757	$ 3,392,627
Employer's net pension liability as a percentage of covered payroll	125.93%	126.24%	68.99%	166.37%	87.54%	35.97%	(40.56%)	119.11%	77.69%	70.39%

2015 - changes in assumptions relate to investment rate of return, retirement age and mortality rates
2016 - changes in assumptions relate to retirement age and mortality rates
2017 - changes in assumptions related to inflation rates, salary rates and mortality rates
2018 - changes in assumptions relate to the investment rate of return
2020 - changes in assumptions relate to the inflation rates, salary rates, mortality rates and investment rate of return
2023 - changes in assumptions relate to mortality rates and other demographics

(See independent auditor's report.)

VILLAGE OF LINCOLNSHIRE, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND

Last Ten Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially determined contribution	$ 783,607	$ 803,666	$ 849,742	$ 832,137	$ 1,030,790	$ 1,068,536	$ 1,033,370	$ 865,903	$ 829,320	$ 915,451
Contribution in relation to the actuarially determined contribution	783,607	803,666	849,742	832,137	910,154	1,068,536	1,002,258	865,903	821,648	906,889
CONTRIBUTION DEFICIENCY (Excess)	$ -	$ -	$ -	$ -	$ 120,636	$ -	$ 31,112	$ -	$ 7,672	$ 8,562
Additional voluntary contributions	$ 49,524	$ 34	$ 554	$ 20,788	$ -	$ 44,724	$ -	$ 233,883	$ -	$ -
Covered payroll	2,150,195	2,028,220	2,324,325	2,390,785	2,478,772	2,455,489	2,451,382	2,687,830	2,657,013	2,828,335
Contributions as a percentage of Covered payroll	38.75%	39.63%	36.58%	35.68%	36.72%	45.34%	40.89%	40.92%	30.92%	32.06%

The information presented was determined as part of the actuarial valuations as of January 1. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 15 years; the asset valuation method was fair value; and the significant actuarial assumptions were an investment rate of return at 6.80% annually, projected salary increases assumption was aged based of 3.62% to 7.36% compounded annually and postretirement benefit increases of 3.00% compounded annually.

(See independent auditor's report.)

VILLAGE OF LINCOLNSHIRE, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
POLICE PENSION FUND

Last Ten Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
TOTAL PENSION LIABILITY										
Service cost	$ 568,266	$ 575,596	$ 516,599	$ 592,873	$ 630,814	$ 627,487	$ 578,822	$ 582,202	$ 628,037	$ 602,048
Interest	1,607,524	1,694,486	1,767,419	1,847,798	1,954,038	2,054,283	2,097,797	2,209,335	2,374,678	2,449,315
Differences between expected and actual experience	359,920	249,838	196,223	(210,106)	293,935	(507,293)	476,621	1,044,271	(265,004)	24,977
Changes of assumptions	-	-	-	689,733	-	-	(1,379,530)	-	-	-
Changes of benefit terms	-	-	-	66,512	-	-	-	-	-	-
Contributions - buy back	-	-	-	-	-	-	-	113,642	-	-
Benefit payments, including refunds of member contributions	(980,658)	(1,429,667)	(1,248,114)	(1,426,737)	(1,313,425)	(1,358,389)	(1,554,362)	(1,566,978)	(1,560,564)	(1,667,649)
Net change in total pension liability	1,555,052	1,090,253	1,232,127	1,560,073	1,565,362	816,088	219,348	2,382,472	1,177,147	1,408,691
Total pension liability - beginning	24,653,199	26,208,251	27,298,504	28,530,631	30,090,704	31,656,066	32,472,154	32,691,502	35,073,974	36,251,121
TOTAL PENSION LIABILITY - ENDING	$ 26,208,251	$ 27,298,504	$ 28,530,631	$ 30,090,704	$ 31,656,066	$ 32,472,154	$ 32,691,502	$ 35,073,974	$ 36,251,121	$ 37,659,812
PLAN FIDUCIARY NET POSITION										
Contributions - employer	$ 833,131	$ 803,700	$ 850,296	$ 852,925	$ 910,154	$ 1,113,260	$ 1,002,258	$ 1,099,786	$ 821,648	$ 906,889
Contributions - member	210,892	215,212	205,423	234,115	260,748	243,339	242,932	266,364	263,310	280,288
Contributions - buy back	-	-	-	-	-	-	-	113,642	-	-
Contributions - other	23	149	-	-	-	-	-	-	-	-
Net investment income	1,306,857	2,772,144	(1,469,581)	3,824,259	3,560,995	2,641,770	(4,542,079)	3,425,047	2,749,475	5,478,654
Benefit payments, including refunds of member contributions	(980,658)	(1,429,667)	(1,248,114)	(1,426,737)	(1,313,425)	(1,358,389)	(1,554,362)	(1,566,978)	(1,560,564)	(1,667,649)
Administrative expense	(27,865)	(32,955)	(32,563)	(29,441)	(28,709)	(29,560)	(40,627)	(27,029)	(29,020)	(29,011)
Net change in plan fiduciary net position	1,342,380	2,328,583	(1,694,539)	3,455,121	3,389,763	2,610,420	(4,891,878)	3,310,832	2,244,849	4,969,171
Plan fiduciary net position - beginning	19,019,680	20,362,060	22,690,643	20,996,104	24,451,225	27,840,988	30,451,408	25,559,530	28,870,362	31,115,211
PLAN FIDUCIARY NET POSITION - ENDING	$ 20,362,060	$ 22,690,643	$ 20,996,104	$ 24,451,225	$ 27,840,988	$ 30,451,408	$ 25,559,530	$ 28,870,362	$ 31,115,211	$ 36,084,382
EMPLOYER'S NET PENSION LIABILITY	$ 5,846,191	$ 4,607,861	$ 7,534,527	$ 5,639,479	$ 3,815,078	$ 2,020,746	$ 7,131,972	$ 6,203,612	$ 5,135,910	$ 1,575,430

MEASUREMENT DATE DECEMBER 31,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Plan fiduciary net position as a percentage of the total pension liability	77.69%	83.12%	73.59%	81.26%	87.95%	93.78%	78.18%	82.31%	85.83%	95.82%
Covered payroll	$ 2,150,195	$ 2,028,220	$ 2,324,325	$ 2,390,785	$ 2,478,772	$ 2,455,489	$ 2,451,382	$ 2,687,830	$ 2,657,013	$ 2,828,335
Employer's net pension liability as a percentage of covered payroll	271.89%	227.19%	324.16%	235.88%	153.91%	82.30%	290.94%	230.80%	193.30%	55.70%

(See independent auditor's report.)

VILLAGE OF LINCOLNSHIRE, ILLINOIS

SCHEDULE OF INVESTMENT RETURNS
POLICE PENSION FUND

Last Ten Fiscal Years

FISCAL YEAR ENDED, DECEMBER 31	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Annual money-weighted rate of return, net of investment expense	6.87%	13.75%	(6.46%)	18.40%	14.70%	9.50%	(16.25%)	13.66%	9.59%	17.79%

(See independent auditor's report.)

VILLAGE OF LINCOLNSHIRE, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFIT PLAN

Last Eight Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2018	2019	2020	2021	2022	2023	2024	2025
TOTAL OPEB LIABILITY								
Service cost	$ 41,180	$ 38,829	$ 21,091	$ 63,943	$ 69,111	$ 145,387	$ 163,955	$ 187,426
Interest	73,742	82,459	66,059	58,915	54,762	71,939	69,997	75,520
Changes of benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	-	-	32,931	-	(421,678)	-	(439,432)	-
Changes of assumptions	(147,537)	385,756	364,837	(129,663)	(318,010)	103,539	(4,663)	(177,423)
Benefit payments	(95,589)	(100,431)	(114,837)	(118,897)	(108,778)	(108,535)	(106,611)	(65,466)
Net change in total OPEB liability	(128,204)	406,613	370,081	(125,702)	(724,593)	212,330	(316,754)	20,057
Total OPEB liability - beginning	2,189,934	2,061,730	2,468,343	2,838,424	2,712,722	1,988,129	2,200,459	1,883,705
TOTAL OPEB LIABILITY - ENDING	$ 2,061,730	$ 2,468,343	$ 2,838,424	$ 2,712,722	$ 1,988,129	$ 2,200,459	$ 1,883,705	$ 1,903,762
Covered-employee payroll	$ 4,934,763	$ 5,373,016	$ 5,952,389	$ 5,864,017	$ 5,892,981	$ 6,351,450	$ 6,115,754	$ 6,513,203
Employer's total OPEB liability as a percentage of covered-employee payroll	41.78%	45.94%	47.69%	46.26%	33.74%	34.64%	30.80%	29.23%

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

In 2024, there were changes in assumptions related to the discount rate, inflation rate, retirement rates, termination rates, disability rates, mortality rates and mortality improvement rates.

In 2025, 2023, 2022, 2021 and 2019, there were changes in assumptions related to the discount rate.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

BUDGETS

The Village prepares its budget ordinance in conformity with practices prescribed or permitted by the applicable statutes of the State of Illinois. The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

a. The Village Administrator submits to the Board of Trustees a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures/expenses and the means of financing them. The proposed budget is used to prepare the tentative budget ordinance.

b. The Annual Budget Ordinance is made available for public inspection for 30 days, after which a public hearing is conducted to obtain taxpayer comments.

c. Before December 31, the Annual Budget Ordinance is adopted. During the year, there were two budget amendments.

d. The legal spending limit is established at the fund level.

e. The budget is the legal spending limit. The budget columns are the working budget on which staff relies during the year and are presented for information purposes.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

MAJOR GOVERNMENTAL FUNDS

VILLAGE OF LINCOLNSHIRE, ILLINOIS

SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL CORPORATE FUND

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual
PROPERTY TAXES			
Police pension fund	$ 915,451	$ 915,451	$ 906,889
Police protection	684,611	684,611	733,186
IMRF	275,000	275,000	272,431
FICA	225,000	225,000	222,901
Road and bridge	55,000	55,000	58,376
Total property taxes	2,155,062	2,155,062	2,193,783
OTHER TAXES			
State income	1,350,000	1,350,000	1,431,934
Sales	2,125,000	2,125,000	2,937,385
Home rule sales	1,900,000	1,900,000	2,581,030
Utility	1,000,000	1,000,000	1,081,431
Telecommunication	805,000	805,000	584,365
Room and admissions	2,400,000	2,400,000	2,599,759
Real estate transfer	300,000	300,000	378,522
Food and beverage	650,000	650,000	682,083
Cannabis	13,000	13,000	12,072
State use	200,000	200,000	71,231
Total other taxes	10,743,000	10,743,000	12,359,812
LICENSES AND PERMITS			
Liquor licenses	65,000	65,000	71,950
Park user fees	25,000	25,000	63,196
Amusement devices	-	-	450
Application fees	1,000	1,000	410
Engineering fees	14,000	14,000	36,467
Planner fees	11,500	11,500	6,039
Plan review fees	86,000	86,000	118,468
Building permit fees	210,000	210,000	396,151
Fire review and inspection fees	48,000	48,000	145,762
Elevator inspection fees	23,000	23,000	23,435
Engineering review and inspection fees	15,000	15,000	15,875
Acerage impact fees	-	-	36,384
Miscellaneous licenses and fees	5,250	5,250	20,405
Cable TV franchise fees	155,000	155,000	147,026
Yardwaste refuse stickers	8,000	8,000	7,803
Total licenses and permits	666,750	666,750	1,089,821

(This schedule is continued on the following page.)

VILLAGE OF LINCOLNSHIRE, ILLINOIS

SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)
GENERAL CORPORATE FUND

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual
FINES AND FORFEITURES			
Court fines	$ 160,000	$ 160,000	$ 229,788
False alarm fines and fees	2,500	2,500	4,654
Administrative tow fees	20,000	20,000	34,500
Total fines and forfeitures	182,500	182,500	268,942
INTERGOVERNMENTAL			
Police grants	-	-	4,898
Police training reimbursements	25,000	25,000	15,005
School resource officer and intergovernmental agreement	520,000	520,000	553,765
Miscellaneous grants	1,000	1,000	2,500
Total intergovernmental	546,000	546,000	576,168
INVESTMENT INCOME	125,000	125,000	902,682
MISCELLANEOUS			
Miscellaneous income	53,900	53,900	57,490
Total miscellaneous	53,900	53,900	57,490
TOTAL REVENUES	$ 14,472,212	$ 14,472,212	$ 17,448,698

(See independent auditor's report.)

VILLAGE OF LINCOLNSHIRE, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL CORPORATE FUND

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT			
Administration services			
Personnel services			
Regular salaries	$ 465,000	$ 465,000	$ 431,961
IMRF	50,000	50,000	45,851
FICA	35,000	35,000	27,016
Total personnel services	550,000	550,000	504,828
Contractual services			
Equipment maintenance	200	200	-
Professional services	62,200	62,200	47,355
Total contractual services	62,400	62,400	47,355
Other charges			
Memberships	13,691	13,691	15,159
Vehicle expenditures	4,800	4,800	4,800
Professional development	8,400	8,400	6,781
Publications	3,111	3,111	1,188
Boards and commissions	1,500	1,500	1,625
Business expenditures	7,280	7,280	8,037
Total other charges	38,782	38,782	37,590
Total administrative services	651,182	651,182	589,773
Finance			
Personnel services			
Regular salaries	295,000	295,000	293,868
Part time wages	19,000	19,000	17,497
IMRF	30,000	30,000	27,253
FICA	25,000	25,000	22,740
Total personnel services	369,000	369,000	361,358
Contractual services			
Printing	1,030	1,030	540
Equipment maintenance	300	300	183
Professional services	38,175	38,175	37,773
Legal notices	1,320	1,320	990
Medical insurance	60,500	60,500	56,490
Total contractual services	101,325	101,325	95,976

(This schedule is continued on the following pages.)

VILLAGE OF LINCOLNSHIRE, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL CORPORATE FUND

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT (Continued)			
Finance (Continued)			
Other charges			
Memberships	$ 1,145	$ 1,145	$ 1,163
Professional development	4,700	4,700	4,385
Minor equipment	250	250	-
Business expenditures	600	600	514
Total other charges	6,695	6,695	6,062
Total finance	477,020	477,020	463,396
Insurance and common			
Contractual services			
Telephone	6,320	6,320	7,067
Printing	22,050	22,050	15,451
Equipment maintenance	240	240	240
Professional services	107,940	107,940	101,406
Data systems	105,210	105,210	82,866
Postage	4,185	4,185	4,748
Duplicating	8,100	8,100	7,321
General insurance	316,000	316,000	277,514
Outside services	380,905	380,905	342,186
Total contractual services	950,950	950,950	838,799
Commodities			
Office supplies	5,000	5,000	5,374
Total commodities	5,000	5,000	5,374
Other charges			
Memberships	265	265	-
Senior citizen tax relief	500	500	195
Total other charges	765	765	195
Capital outlay			
Office equipment	2,300	2,300	2,290
Computer equipment	27,900	27,900	20,723
Total capital outlay	30,200	30,200	23,013
Total insurance and common	986,915	986,915	867,381
Total general government	2,115,117	2,115,117	1,920,550

(This schedule is continued on the following pages.)

VILLAGE OF LINCOLNSHIRE, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL CORPORATE FUND

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual
PUBLIC SAFETY			
Police			
Personnel services			
Regular salaries	$ 3,250,000	$ 3,250,000	$ 3,188,484
Overtime salaries	240,000	240,000	193,477
Overtime contract services	110,000	110,000	113,834
Retirement reserves	915,451	915,451	906,889
Other benefits	15,000	15,000	10,468
IMRF	28,000	28,000	27,581
FICA	70,000	70,000	65,525
Total personnel services	4,628,451	4,628,451	4,506,258
Contractual services			
Telephone	7,700	7,700	6,881
Printing	4,600	4,600	4,403
Equipment maintenance	11,000	11,000	7,570
Professional services	90,750	90,750	98,258
Outside services	900	900	900
Data systems	93,500	93,500	69,192
Medical insurance	573,500	573,500	507,198
Total contractual services	781,950	781,950	694,402
Commodities			
Maintenance materials	30,550	30,550	24,899
Total commodities	30,550	30,550	24,899
Other charges			
Memberships	12,280	12,280	11,440
Vehicle expenditures	169,358	169,358	154,951
Professional development	96,305	96,305	60,512
Publications	375	375	355
Uniforms	32,725	32,725	24,427
Community programs	3,750	3,750	2,835
Officer testing	17,700	17,700	12,062
Equipment - furniture	5,000	5,000	187
Minor equipment	112,205	112,205	120,974
Business expenditures	12,450	12,450	13,610
Total other charges	462,148	462,148	401,353
Total public safety	5,903,099	5,903,099	5,626,912

(This schedule is continued on the following pages.)

VILLAGE OF LINCOLNSHIRE, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL CORPORATE FUND

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual
COMMUNITY AND ECONOMIC DEVELOPMENT			
Administration			
Personnel services			
Regular salaries	$ 380,000	$ 380,000	$ 342,041
Part time wages	60,000	60,000	52,935
IMRF	42,500	42,500	41,876
FICA	33,000	33,000	29,340
Total personnel services	515,500	515,500	466,192
Contractual services			
Telephone	1,500	1,500	1,258
Vehicle expenditures	4,807	4,807	4,406
Professional services	107,200	107,200	166,160
Legal notices	500	500	117
Medical insurance	99,400	99,400	84,554
Outside services	27,500	27,500	1,369
Total contractual services	240,907	240,907	257,864
Other charges			
Professional development	7,200	7,200	9,197
Business expenditures	40,770	40,770	42,831
Publications	4,000	4,000	1,521
Economic development initiatives	53,100	53,100	13,111
Economic development incentives	500,000	500,000	644,773
Equipment and clothing	200	200	-
Total other charges	605,270	605,270	711,433
Total community and economic development	1,361,677	1,361,677	1,435,489
PUBLIC WORKS			
Administration			
Personnel services			
Regular salaries	240,000	240,000	227,115
IMRF	21,000	21,000	23,996
FICA	18,000	18,000	16,503
Total personnel services	279,000	279,000	267,614

(This schedule is continued on the following pages.)

VILLAGE OF LINCOLNSHIRE, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL CORPORATE FUND

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual
PUBLIC WORKS (Continued)			
Administration (Continued)			
Contractual services			
Telephone	$ 1,272	$ 1,272	$ 1,271
Professional services	21,000	21,000	24,684
Legal notices	1,000	1,000	1,104
Medical insurance	37,750	37,750	39,422
Outside services	5,167	5,167	8,167
Total contractual services	66,189	66,189	74,648
Other charges			
Memberships	5,500	5,500	4,616
Vehicle expenditures	1,120	1,120	1,125
Professional development	3,000	3,000	4,831
Business expenditures	1,000	1,000	1,900
Total other charges	10,620	10,620	12,472
Capital outlay			
Office charges	1,000	1,000	1,388
Total capital outlay	1,000	1,000	1,388
Total administration	356,809	356,809	356,122
Streets			
Personnel services			
Regular salaries	480,000	480,000	461,979
Overtime salaries	43,000	43,000	51,030
IMRF	54,000	54,000	52,509
FICA	38,500	38,500	36,717
Total personnel services	615,500	615,500	602,235
Contractual services			
Equipment maintenance	500	500	349
Electric utilities	15,000	15,000	17,606
Pavement maintenance	88,000	88,000	86,945
Outside services	367,908	367,908	356,315
Total contractual services	471,408	471,408	461,215

(This schedule is continued on the following pages.)

VILLAGE OF LINCOLNSHIRE, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL CORPORATE FUND

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual
PUBLIC WORKS (Continued)			
Streets (Continued)			
Commodities			
Maintenance materials	$ 20,075	$ 20,075	$ 12,280
Repair and restoration	12,000	12,000	3,013
Construction materials	5,150	5,150	4,573
Snow and ice control	67,362	67,362	74,770
Total commodities	104,587	104,587	94,636
Other charges			
Vehicle expenditures	145,341	145,341	133,328
Professional development	2,350	2,350	2,434
Uniforms	5,950	5,950	5,817
Minor equipment	2,000	2,000	2,750
Recycling	4,500	4,500	4,267
Business expenditures	1,300	1,300	1,628
Total other charges	161,441	161,441	150,224
Total streets	1,352,936	1,352,936	1,308,310
Buildings and grounds			
Contractual services			
Equipment maintenance	500	500	1,449
Outside services	209,700	209,700	193,129
Total contractual services	210,200	210,200	194,578
Commodities			
Maintenance materials	17,500	17,500	17,468
Repair and restoration	1,000	1,000	1,877
Construction materials	3,000	3,000	11,932
Total commodities	21,500	21,500	31,277
Other charges			
Minor equipment	3,000	3,000	6,936
Vehicle expenditures	4,807	4,807	4,406
Business expenditures	1,000	1,000	1,162
Total other charges	8,807	8,807	12,504
Total buildings and grounds	240,507	240,507	238,359
Total public works	1,950,252	1,950,252	1,902,791

(This schedule is continued on the following page.)

VILLAGE OF LINCOLNSHIRE, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL CORPORATE FUND

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual
PARKS AND OPEN SPACES			
Parks and grounds			
Personnel services			
Regular salaries	$ 480,000	$ 480,000	$ 461,978
Part time wages	16,500	16,500	12,118
Overtime salaries	33,000	33,000	32,160
IMRF	54,000	54,000	52,509
FICA	39,500	39,500	37,718
Total personnel services	623,000	623,000	596,483
Contractual services			
Equipment maintenance	500	500	787
Telephone	3,694	3,694	3,232
Professional services	79,000	79,000	84,396
Gas utilities	2,500	2,500	3,038
Electric utilities	27,500	27,500	38,827
Medical insurance	133,250	133,250	123,397
Outside services	131,000	131,000	122,223
Lighting maintenance	8,513	8,513	17,361
Landscape maintenance	361,500	361,500	357,704
Wildlife maintenance	1,500	1,500	-
Special events	140,000	140,000	149,540
Total contractual services	888,957	888,957	900,505
Commodities			
Maintenance materials	37,000	37,000	30,549
Repair and restoration	5,000	5,000	2,411
Construction materials	5,500	5,500	5,525
Total commodities	47,500	47,500	38,485
Other charges			
Memberships	780	780	845
Vehicle expenditures	111,690	111,690	102,481
Professional development	4,000	4,000	1,576
Uniforms	6,150	6,150	5,854
Minor equipment	20,000	20,000	20,040
Business expenditures	900	900	1,297
Total other charges	143,520	143,520	132,093
Total parks and grounds	1,702,977	1,702,977	1,667,566
TOTAL EXPENDITURES	$ 13,033,122	$ 13,033,122	$ 12,553,308

(See independent auditor's report.)

VILLAGE OF LINCOLNSHIRE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL CAPITAL PROJECTS FUND

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual
REVENUES			
Miscellaneous			
Other income	$ 50,000	$ 50,000	$ 61,183
Total revenues	50,000	50,000	61,183
EXPENDITURES			
Capital outlay	1,911,500	1,961,500	1,836,707
Total expenditures	1,911,500	1,961,500	1,836,707
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,861,500)	(1,911,500)	(1,775,524)
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	(1,825,000)	(1,825,000)	4,568,071
Total other financing sources (uses)	(1,825,000)	(1,825,000)	4,568,071
NET CHANGE IN FUND BALANCE	$ (3,686,500)	$ (3,736,500)	2,792,547
FUND BALANCE, JANUARY 1			10,074,525
FUND BALANCE, DECEMBER 31			$ 12,867,072

(See independent auditor's report.)

VILLAGE OF LINCOLNSHIRE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL SERVICE AREA DEBT SERVICE FUND

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual
REVENUES			
Property taxes	$ 1,163,750	$ 1,163,750	$ 1,163,438
Investment income	21,000	21,000	30,249
Total revenues	1,184,750	1,184,750	1,193,687
EXPENDITURES			
Debt service			
Principal	910,000	910,000	910,000
Interest and fiscal charges	536,437	536,437	516,801
Total expenditures	1,446,437	1,446,437	1,426,801
NET CHANGE IN FUND BALANCE	$ (261,687)	$ (261,687)	(233,114)
FUND BALANCE, JANUARY 1			2,358,162
FUND BALANCE, DECEMBER 31			$ 2,125,048

(See independent auditor's report.)

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.

Enhanced 911 Fund - to account for revenues approved by voters from a surcharge on all local telephone lines. These revenues pay for the design, implementation, upgrade, maintenance and personnel costs of an enhanced 911 emergency dispatch system.

CAPITAL PROJECTS FUNDS

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, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2025

	Special Revenue				Capital Projects		
	Motor Fuel Tax	Fraud, Alcohol and Drug	Enhanced 911	Total Special Revenue	Park Development Capital Projects	Total Capital Projects	Total
ASSETS							
Cash and cash equivalents	$ 1,262,044	$ 166,020	$ -	$ 1,428,064	$ 78,951	$ 78,951	$ 1,507,015
Investments	-	-	-	-	375,803	375,803	375,803
Receivables							
Other taxes	32,145	-	-	32,145	-	-	32,145
Other receivable	-	215	-	215	-	-	215
Deposits	-	-	1,131,800	1,131,800	-	-	1,131,800
TOTAL ASSETS	$ 1,294,189	$ 166,235	$ 1,131,800	$ 2,592,224	$ 454,754	$ 454,754	$ 3,046,978

	Special Revenue				Capital Projects		
	Motor Fuel Tax	Fraud, Alcohol and Drug	Enhanced 911	Total Special Revenue	Park Development Capital Projects	Total Capital Projects	Total
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
LIABILITIES							
Accounts payable	$ -	$ 524	$ -	$ 524	$ -	$ -	$ 524
Total liabilities	-	524	-	524	-	-	524
DEFERRED INFLOWS OF RESOURCES							
Deferred revenue	32,013	-	-	32,013	-	-	32,013
Total deferred inflows of resources	32,013	-	-	32,013	-	-	32,013
Total liabilities and deferred inflows of resources	32,013	524	-	32,537	-	-	32,537
FUND BALANCES							
Restricted for maintenance of roadways	1,262,176	-	-	1,262,176	-	-	1,262,176
Restricted for public safety	-	165,711	1,131,800	1,297,511	-	-	1,297,511
Restricted for park improvements	-	-	-	-	299,965	299,965	299,965
Assigned for capital projects	-	-	-	-	154,789	154,789	154,789
Total fund balances	1,262,176	165,711	1,131,800	2,559,687	454,754	454,754	3,014,441
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 1,294,189	$ 166,235	$ 1,131,800	$ 2,592,224	$ 454,754	$ 454,754	$ 3,046,978

(See independent auditor's report.)

VILLAGE OF LINCOLNSHIRE, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2025

	Special Revenue				Capital Projects		
	Motor Fuel Tax	Fraud, Alcohol and Drug	Enhanced 911	Total Special Revenue	Park Development Capital Projects	Total Capital Projects	Total
REVENUES							
Fines and forfeitures	$ -	$ 16,955	$ -	$ 16,955	$ -	$ -	$ 16,955
Intergovernmental	394,781	-	415,076	809,857	-	-	809,857
Investment income	7,784	-	16,308	24,092	2,097	2,097	26,189
Donations	-	-	-	-	54,892	54,892	54,892
Total revenues	402,565	16,955	431,384	850,904	56,989	56,989	907,893
EXPENDITURES							
Current							
Public safety	-	-	296,785	296,785	-	-	296,785
Total expenditures	-	-	296,785	296,785	-	-	296,785
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	402,565	16,955	134,599	554,119	56,989	56,989	611,108
OTHER FINANCING SOURCES (USES)							
Transfers (out)	-	-	-	-	(834,094)	(834,094)	(834,094)
Total other financing sources (uses)	-	-	-	-	(834,094)	(834,094)	(834,094)
NET CHANGE IN FUND BALANCE	402,565	16,955	134,599	554,119	(777,105)	(777,105)	(222,986)
FUND BALANCES, JANUARY 1	859,611	148,756	997,201	2,005,568	1,231,859	1,231,859	3,237,427
FUND BALANCES, DECEMBER 31	$ 1,262,176	$ 165,711	$ 1,131,800	$ 2,559,687	$ 454,754	$ 454,754	$ 3,014,441

(See independent auditor's report.)

VILLAGE OF LINCOLNSHIRE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MOTOR FUEL TAX FUND

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental			
Allotments earned	$ 350,000	$ 350,000	$ 394,781
Investment income	3,000	3,000	7,784
Total revenues	353,000	353,000	402,565
EXPENDITURES			
None	-	-	-
Total expenditures	-	-	-
NET CHANGE IN FUND BALANCE	$ 353,000	$ 353,000	402,565
FUND BALANCE, JANUARY 1			859,611
FUND BALANCE, DECEMBER 31			$ 1,262,176

(See independent auditor's report.)

VILLAGE OF LINCOLNSHIRE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FRAUD, ALCOHOL AND DRUG FUND

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual
REVENUES			
Fines and forfeitures	$ 7,000	$ 7,000	$ 16,955
Total revenues	7,000	7,000	16,955
EXPENDITURES			
None	-	-	-
Total expenditures	-	-	-
NET CHANGE IN FUND BALANCE	$ 7,000	$ 7,000	16,955
FUND BALANCE, JANUARY 1			148,756
FUND BALANCE, DECEMBER 31			$ 165,711

(See independent auditor's report.)

VILLAGE OF LINCOLNSHIRE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ENHANCED 911 FUND

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual
REVENUES			
Other taxes			
E911 surcharges	$ 384,000	$ 384,000	$ 415,076
Investment income	-	-	16,308
Total revenues	384,000	384,000	431,384
EXPENDITURES			
Public safety			
Contractual services	252,500	312,500	296,785
Total expenditures	252,500	312,500	296,785
NET CHANGE IN FUND BALANCE	$ 131,500	$ 71,500	134,599
FUND BALANCE, JANUARY 1			997,201
FUND BALANCE, DECEMBER 31			$ 1,131,800

(See independent auditor's report.)

VILLAGE OF LINCOLNSHIRE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PARK DEVELOPMENT CAPITAL PROJECTS FUND

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual
REVENUES			
Investment income	$ 2,500	$ 2,500	$ 2,097
Park donations	-	-	54,892
Total revenues	2,500	2,500	56,989
EXPENDITURES			
None	-	-	-
Total expenditures	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,500	2,500	56,989
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(725,000)	(725,000)	(834,094)
Total other financing sources (uses)	(725,000)	(725,000)	(834,094)
NET CHANGE IN FUND BALANCE	$ (722,500)	$ (722,500)	(777,105)
FUND BALANCE, JANUARY 1			1,231,859
FUND BALANCE, DECEMBER 31			$ 454,754

(See independent auditor's report.)

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 collection. These activities are accounted for in the revenue and improvement subfunds.

Storm sewer fund - to account for the storm 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, ILLINOIS

COMBINING SCHEDULE OF NET POSITION
WATER AND SANITARY SEWER FUND

December 31, 2025

	Revenue Account	Improvement Account	Total
CURRENT ASSETS			
Cash and cash equivalents	$ 680,228	$ 180,549	$ 860,777
Investments	464,997	37,461	502,458
Receivables			
Accounts - billed	484,579	-	484,579
Accounts - unbilled	414,132	-	414,132
Prepaid expenses	23,075	-	23,075
Total current assets	2,067,011	218,010	2,285,021
CAPITAL ASSETS			
Nondepreciable	227,565	-	227,565
Depreciable (net of accumulated depreciation)	32,724,036	-	32,724,036
Net capital assets	32,951,601	-	32,951,601
Total assets	35,018,612	218,010	35,236,622
DEFERRED OUTFLOWS OF RESOURCES			
Pension items - IMRF	260,604	-	260,604
Total deferred outflows of resources	260,604	-	260,604
CURRENT LIABILITIES			
Accounts payable	462,581	68,894	531,475
Accrued payroll	25,796	-	25,796
Compensated absences payable	60,985	-	60,985
OPEB liability	7,856	-	7,856
Total current liabilities	557,218	68,894	626,112
LONG-TERM LIABILITIES			
IMRF net pension liability	508,618	-	508,618
OPEB liability	201,354	-	201,354
Total long-term liabilities	709,972	-	709,972
Total liabilities	1,267,190	68,894	1,336,084

(This schedule is continued on the following page.)

VILLAGE OF LINCOLNSHIRE, ILLINOIS

COMBINING SCHEDULE OF NET POSITION (Continued)
WATER AND SANITARY SEWER FUND

December 31, 2025

	Revenue Account	Improvement Account	Total
DEFERRED INFLOWS OF RESOURCES			
Pension items - IMRF	$ 4,276	$ -	$ 4,276
Total deferred inflows of resources	4,276	-	4,276
NET POSITION			
Net investment in capital assets	32,951,601	(68,894)	32,882,707
Unrestricted	1,056,149	218,010	1,274,159
TOTAL NET POSITION	$ 34,007,750	$ 149,116	$ 34,156,866

(See independent auditor's report.)

VILLAGE OF LINCOLNSHIRE, ILLINOIS

COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
WATER AND SANITARY SEWER FUND

For the Year Ended December 31, 2025

	Revenue Account	Improvement Account	Eliminations	Total
OPERATING REVENUES				
Charges for services	$ 6,748,101	$ -	$ -	$ 6,748,101
Miscellaneous	24,398	-	-	24,398
Total operating revenues	6,772,499	-	-	6,772,499
OPERATING EXPENSES				
Administration	569,543	-	-	569,543
Operations	5,166,992	-	-	5,166,992
Capital outlay	-	1,025,489	-	1,025,489
Total operating expenses	5,736,535	1,025,489	-	6,762,024
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	1,035,964	(1,025,489)	-	10,475
Depreciation	1,603,645	-	-	1,603,645
OPERATING INCOME (LOSS)	(567,681)	(1,025,489)	-	(1,593,170)
NON-OPERATING REVENUES (EXPENSES)				
Investment income	24,898	7,305	-	32,203
Connection fees	-	211,217	-	211,217
Loss on disposal of capital assets	(20,954)	-	-	(20,954)
Total non-operating revenues (expenses)	3,944	218,522	-	222,466
NET INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	(563,737)	(806,967)	-	(1,370,704)
TRANSFERS				
Transfers in	1,308,071	2,150,000	(2,708,071)	750,000
Transfers (out)	(1,400,000)	(1,308,071)	2,708,071	-
Total transfers	(91,929)	841,929	-	750,000
CONTRIBUTIONS				
Capital grants and contributions	1,498,090	-	-	1,498,090
Total contributions	1,498,090	-	-	1,498,090
CHANGE IN NET POSITION	842,424	34,962	-	877,386
NET POSITION, JANUARY 1, AS REPORTED	33,165,326	114,154	-	33,279,480
NET POSITION, DECEMBER 31	$ 34,007,750	$ 149,116	$ -	$ 34,156,866

(See independent auditor's report.)

VILLAGE OF LINCOLNSHIRE, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL - BUDGETARY BASIS
WATER AND SANITARY SEWER FUND - REVENUE ACCOUNT

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services			
Water and sanitary sewer fees	$ 6,130,000	$ 6,130,000	$ 6,748,101
Miscellaneous			
Other	8,000	8,000	24,398
Total operating revenues	6,138,000	6,138,000	6,772,499
OPERATING EXPENSES			
Administration			
Personnel services	339,000	339,000	330,415
Contractual services	265,036	265,036	235,998
Commodities	560.00	560.00	692
Other charges	2,320	2,320	2,438
Operations			
Personnel services	575,000	575,000	578,191
Contractual services	4,591,582	4,591,582	4,358,954
Commodities	39,450	39,450	63,803
Other charges	63,909	63,909	68,125
Total operating expenses excluding depreciation	5,876,857	5,876,857	5,638,616
OPERATING INCOME	261,143	261,143	1,133,883
NON-OPERATING REVENUES (EXPENSES)			
Gain (loss) on disposal of capital assets	-	-	(20,954)
Investment income	7,500	7,500	24,898
Total non-operating revenues (expenses)	7,500	7,500	3,944
NET INCOME BEFORE TRANSFERS AND CONTRIBUTIONS	268,643	268,643	1,137,827
TRANSFERS			
Transfers in	-	-	1,308,071
Transfers (out)	(350,000)	(350,000)	(1,400,000)
Total transfers	(350,000)	(350,000)	(91,929)
CONTRIBUTIONS			
Capital grants and contributions	-	-	1,498,090
Total contributions	-	-	1,498,090
CHANGE IN NET POSITION	$ (81,357)	$ (81,357)	2,543,988
ADJUSTMENTS TO GAAP BASIS			
Depreciation			(1,603,645)
Pension expense			(89,974)
OPEB expense			(7,945)
Total adjustments to GAAP basis			(1,701,564)
CHANGE IN NET POSITION (GAAP BASIS)			842,424
NET POSITION, JANUARY 1			33,165,326
NET POSITION, DECEMBER 31			$ 34,007,750

(See independent auditor's report.)

VILLAGE OF LINCOLNSHIRE, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL - BUDGETARY BASIS
WATER AND SANITARY SEWER FUND - IMPROVEMENT ACCOUNT

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
None	$ -	$ -	$ -
Total operating revenues	-	-	-
OPERATING EXPENSES			
Capital outlay	3,323,000	3,323,000	1,025,489
Total operating expenses	3,323,000	3,323,000	1,025,489
OPERATING INCOME (LOSS)	(3,323,000)	(3,323,000)	(1,025,489)
NON-OPERATING REVENUES (EXPENSES)			
Investment income	-	-	7,305
Connection fees	50,000	50,000	211,217
Total non-operating revenues (expenses)	50,000	50,000	218,522
NET INCOME (LOSS) BEFORE TRANSFERS	(3,273,000)	(3,273,000)	(806,967)
TRANSFERS			
Transfers in	3,350,000	3,350,000	2,150,000
Total transfers	3,350,000	3,350,000	2,150,000
CHANGE IN NET POSITION (BUDGETARY BASIS)	$ 77,000	$ 77,000	1,343,033
ADJUSTMENTS TO GAAP BASIS			
Transfer of capital assets			(1,308,071)
Total adjustments to GAAP basis			(1,308,071)
CHANGE IN NET POSITION (GAAP BASIS)			34,962
NET POSITION, JANUARY 1			114,154
NET POSITION, DECEMBER 31			$ 149,116

(See independent auditor's report.)

VILLAGE OF LINCOLNSHIRE, ILLINOIS

COMBINING SCHEDULE OF NET POSITION
STORM SEWER FUND

December 31, 2025

	Revenue Account	Improvement Account	Total
CURRENT ASSETS			
Cash and cash equivalents	$ 402,742	$ 43,508	$ 446,250
Investments	-	13,325,777	13,325,777
Receivables			
Grant	-	137,500	137,500
Accounts	99,869	-	99,869
Total current assets	502,611	13,506,785	14,009,396
CAPITAL ASSETS			
Nondepreciable	1,439,994	-	1,439,994
Depreciable (net of accumulated depreciation)	12,023,922	-	12,023,922
Net capital assets	13,463,916	-	13,463,916
Total assets	13,966,527	13,506,785	27,473,312
DEFERRED OUTFLOWS OF RESOURCES			
Pension items - IMRF	33,442	-	33,442
Total deferred outflows of resources	33,442	-	33,442
CURRENT LIABILITIES			
Accounts payable	3,059	18,908	21,967
Accrued payroll	3,508	-	3,508
Accrued interest	-	54,022	54,022
General obligation bonds payable	-	240,000	240,000
Compensated absences payable	5,708	-	5,708
OPEB liability	654	-	654
Total current liabilities	12,929	312,930	325,859
LONG-TERM LIABILITIES			
General obligation bonds payable	-	13,915,000	13,915,000
IMRF net pension liability	64,718	-	64,718
OPEB liability	24,480	-	24,480
Total long-term liabilities	89,198	13,915,000	14,004,198
Total liabilities	102,127	14,227,930	14,330,057

(This schedule is continued on the following page.)

VILLAGE OF LINCOLNSHIRE, ILLINOIS

COMBINING SCHEDULE OF NET POSITION (Continued)
STORM SEWER FUND

December 31, 2025

	Revenue Account	Improvement Account	Total
DEFERRED INFLOWS OF RESOURCES			
Pension items - IMRF	$ 545	$ -	$ 545
Total deferred inflows of resources	545	-	545
NET POSITION			
Net investment in capital assets	13,463,916	(3,084,252)	10,379,664
Unrestricted	433,381	2,363,107	2,796,488
TOTAL NET POSITION (DEFICIT)	$ 13,897,297	$ (721,145)	$ 13,176,152

(See independent auditor's report.)

VILLAGE OF LINCOLNSHIRE, ILLINOIS

COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
STORM SEWER FUND

For the Year Ended December 31, 2025

	Revenue Account	Improvement Account	Eliminations	Total
OPERATING REVENUES				
Charges for services	$ 976,644	$ -	$ -	$ 976,644
Total operating revenues	976,644	-	-	976,644
OPERATING EXPENSES				
Administration	232,015	-	-	232,015
Capital outlay	-	356,986	-	356,986
Total operating expenses	232,015	356,986	-	589,001
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	744,629	(356,986)	-	387,643
Depreciation	296,193	-	-	296,193
OPERATING INCOME (LOSS)	448,436	(356,986)	-	91,450
NON-OPERATING REVENUES (EXPENSES)				
Investment income	-	116,589	-	116,589
Interest expense and fiscal charges	-	(376,816)	-	(376,816)
Total non-operating revenues (expenses)	-	(260,227)	-	(260,227)
NET INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	448,436	(617,213)	-	(168,777)
TRANSFERS				
Transfers in	1,334,903	1,420,000	(2,314,903)	440,000
Transfers (out)	(1,420,000)	(1,428,880)	2,314,903	(533,977)
Total transfers	(85,097)	(8,880)	-	(93,977)
CONTRIBUTIONS				
Capital contributions	1,504,389	2,750,000	-	4,254,389
Total contributions	1,504,389	2,750,000	-	4,254,389
CHANGE IN NET POSITION	1,867,728	2,123,907	-	3,991,635
NET POSITION (DEFICIT), JANUARY 1, AS REPORTED	12,029,569	(2,845,052)	-	9,184,517
NET POSITION (DEFICIT), DECEMBER 31	$ 13,897,297	$ (721,145)	$ -	$ 13,176,152

(See independent auditor's report.)

VILLAGE OF LINCOLNSHIRE, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL - BUDGETARY BASIS
STORM SEWER FUND - REVENUE ACCOUNT

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services			
Water and sanitary sewer fees	$ 925,000	$ 925,000	$ 976,644
Total operating revenues	925,000	925,000	976,644
OPERATING EXPENSES			
Administration			
Personnel services	119,250	119,250	108,719
Contractual services	131,532	131,532	112,968
Total operating expenses excluding depreciation	250,782	250,782	221,687
NET INCOME BEFORE TRANSFERS AND CONTRIBUTIONS	674,218	674,218	754,957
TRANSFERS			
Transfers in	440,000	440,000	1,334,903
Transfers (out)	-	-	(1,420,000)
Total transfers	440,000	440,000	(85,097)
CONTRIBUTIONS			
Capital grants and contributions	-	-	1,504,389
Total contributions	-	-	1,504,389
CHANGE IN NET POSITION (BUDGETARY BASIS)	$ 1,114,218	$ 1,114,218	2,174,249
ADJUSTMENTS TO GAAP BASIS			
Depreciation			(296,193)
Pension expense			(10,630)
OPEB expense			302
Total adjustments to GAAP basis			(306,521)
CHANGE IN NET POSITION (GAAP BASIS)			1,867,728
NET POSITION, JANUARY 1			12,029,569
NET POSITION, DECEMBER 31			$ 13,897,297

(See independent auditor's report.)

VILLAGE OF LINCOLNSHIRE, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL - BUDGETARY BASIS
STORM SEWER FUND - IMPROVEMENT ACCOUNT

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
None	$ -	$ -	$ -
Total operating revenues	-	-	-
OPERATING EXPENSES			
Capital outlay	561,000	1,201,000	356,986
Total operating expenses	561,000	1,201,000	356,986
OPERATING INCOME (LOSS)	(561,000)	(1,201,000)	(356,986)
NON-OPERATING REVENUES (EXPENSES)			
Investment income	10,000	10,000	116,589
Principal retirement	(75,000)	(75,000)	(75,000)
Interest and fiscal charges	(125,000)	(400,000)	(376,816)
Total non-operating revenues (expenses)	(190,000)	(465,000)	(335,227)
NET INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	(751,000)	(1,666,000)	(692,213)
TRANSFERS			
Transfers in	-	-	1,420,000
Transfers (out)	-	-	(533,977)
Total transfers	-	-	886,023
CONTRIBUTIONS			
Capital grants and contributions	-	-	2,750,000
Total contributions	-	-	2,750,000
CHANGE IN NET POSITION (BUDGETARY BASIS)	$ (751,000)	$ (1,666,000)	2,943,810
ADJUSTMENTS TO GAAP BASIS			
Transfer of capital assets			(894,903)
Principal Retirement			75,000
Total adjustments to GAAP basis			(819,903)
CHANGE IN NET POSITION (GAAP BASIS)			2,123,907
NET POSITION (DEFICIT), JANUARY 1			(2,845,052)
NET POSITION (DEFICIT), DECEMBER 31			$ (721,145)

(See independent auditor's report.)

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, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL - BUDGETARY BASIS
VEHICLE MAINTENANCE AND OPERATIONS FUND

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Interfund services			
General Fund	$ 432,664	$ 432,664	$ 396,608
Water and Sanitary Sewer Fund	48,074	48,074	44,068
Total operating revenues	480,738	480,738	440,676
OPERATING EXPENSES			
Personnel services			
Regular salaries	115,000	115,000	89,603
Overtime salaries	4,000	4,000	3,000
Total personnel services	119,000	119,000	92,603
Professional services			
Equipment maintenance	4,600	4,600	4,291
Medical insurance	41,250	41,250	28,118
General insurance	26,400	26,400	23,828
Outside services	83,770	83,770	84,165
Total professional services	156,020	156,020	140,402
Commodities			
Maintenance materials	9,000	9,000	12,109
Gasoline	79,000	79,000	70,470
Diesel	25,000	25,000	22,581
Oil and antifreeze	5,000	5,000	576
Vehicle tires	10,000	10,000	9,644
Vehicle maintenance parts	42,000	42,000	54,388
Total commodities	170,000	170,000	169,768
Other charges			
Memberships	230	230	50
Professional development	2,000	2,000	1,677
Publications	2,928	2,928	2,928
Uniforms	6,500	6,500	4,897
Business expenses	-	-	13
Employee wellness	60	60	136
IMRF	14,000	14,000	10,947
FICA	10,000	10,000	7,264
Total other charges	35,718	35,718	27,912
Total operating expenses	480,738	480,738	430,685
CHANGE IN NET POSITION (BUDGETARY BASIS)	$ -	$ -	9,991
ADJUSTMENTS TO GAAP BASIS			
Pension expense			(450)
OPEB expense			6,103
Total adjustments to GAAP basis			5,653
CHANGE IN NET POSITION (GAAP BASIS)			15,644
NET POSITION, JANUARY 1			106,124
NET POSITION, DECEMBER 31			$ 121,768

(See independent auditor's report.)

FIDUCIARY FUND

VILLAGE OF LINCOLNSHIRE, ILLINOIS

SCHEDULE OF CHANGES IN PLAN NET POSITION - BUDGET AND ACTUAL
POLICE PENSION FUND

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual
ADDITIONS			
Contributions - employer	$ 915,451	$ 915,451	$ 906,889
Contributions - employee	265,000	265,000	280,288
Total contributions	1,180,451	1,180,451	1,187,177
Investment income			
Net appreciation in fair value of investments	1,000,000	1,000,000	5,329,848
Interest earned on investments	155,000	155,000	177,902
Total investment income	1,155,000	1,155,000	5,507,750
Less investment expense	(18,000)	(18,000)	(29,096)
Net investment income	1,137,000	1,137,000	5,478,654
Total additions	2,317,451	2,317,451	6,665,831
DEDUCTIONS			
Administrative	39,400	39,400	29,011
Benefits and refunds	1,750,000	1,750,000	1,667,649
Total deductions	1,789,400	1,789,400	1,696,660
NET INCREASE	$ 528,051	$ 528,051	4,969,171
NET POSITION RESTRICTED FOR PENSIONS			
January 1			31,115,211
December 31			$ 36,084,382

(See independent auditor's report.)

STATISTICAL SECTION

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

Contents	Page(s)
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.	97-106
Revenue Capacity These schedules contain information to help the reader assess the Village's most significant local revenue source, the sales tax.	107-109
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.	110-113
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.	114-115
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.	116-123

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

VILLAGE OF LINCOLNSHIRE, ILLINOIS

NET POSITION BY COMPONENT

Last Ten Fiscal Years

Fiscal Year	2016	2017	2018*	2019
GOVERNMENTAL ACTIVITIES				
Net investment in capital assets	$ 69,513,712	$ 70,092,708	$ 69,597,751	$ 68,438,606
Restricted	2,820,674	3,886,431	4,579,166	5,280,725
Unrestricted	(5,329,015)	(5,139,310)	(5,598,995)	(4,527,338)
TOTAL GOVERNMENTAL ACTIVITIES	$ 67,005,371	$ 68,839,829	$ 68,577,922	$ 69,191,993
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	$ 33,849,040	$ 34,152,185	$ 34,238,784	$ 34,191,527
Restricted	-	-	-	-
Unrestricted	991,465	1,910,776	961,613	983,522
TOTAL BUSINESS-TYPE ACTIVITIES	$ 34,840,505	$ 36,062,961	$ 35,200,397	$ 35,175,049
PRIMARY GOVERNMENT				
Net investment in capital assets	$ 103,362,752	$ 104,244,893	$ 103,836,535	$ 102,630,133
Restricted	2,820,674	3,886,431	4,579,166	5,280,725
Unrestricted	(4,337,550)	(3,228,534)	(4,637,382)	(3,543,816)
TOTAL PRIMARY GOVERNMENT	$ 101,845,876	$ 104,902,790	$ 103,778,319	$ 104,367,042

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

Data Source

Audited Financial Statements

2020	2021	2022	2023	2024	2025
$ 68,197,648	$ 68,270,324	$ 60,364,049	$ 60,037,735	$ 59,990,569	$ 60,904,337
4,999,882	4,881,965	6,278,384	4,946,303	5,442,897	4,984,700
(5,681,104)	(6,113,440)	(3,768,140)	(275,771)	2,620,072	6,915,316
$ 67,516,426	$ 67,038,849	$ 62,874,293	$ 64,708,267	$ 68,053,538	$ 72,804,353
$ 32,880,933	$ 34,260,811	$ 41,764,440	$ 40,120,125	$ 40,196,776	$ 43,262,371
-	-	301,167	-	-	-
914,475	897,539	1,005,812	2,316,621	2,267,221	4,070,647
$ 33,795,408	$ 35,158,350	$ 43,071,419	$ 42,436,746	$ 42,463,997	$ 47,333,018
$ 101,078,581	$ 102,531,135	$ 102,128,489	$ 100,157,860	$ 100,187,345	$ 104,166,708
4,999,882	4,881,965	6,579,551	4,946,303	5,442,897	4,984,700
(4,766,629)	(5,215,901)	(2,762,328)	2,040,850	4,887,293	10,985,963
$ 101,311,834	$ 102,197,199	$ 105,945,712	$ 107,145,013	$ 110,517,535	$ 120,137,371

VILLAGE OF LINCOLNSHIRE, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	2016	2017	2018	2019
EXPENSES				
Governmental Activities				
General government	$ 3,070,618	$ 2,821,648	$ 3,012,238	$ 3,355,419
Public safety	4,592,881	4,553,263	4,969,667	5,325,833
Community and economic development	843,023	1,109,782	1,119,296	972,349
Public works	2,684,373	2,580,095	2,398,725	2,800,379
Parks and open spaces	1,850,099	1,866,928	1,853,000	2,040,594
Interest	764,597	762,720	726,110	698,646
Total governmental activities expenses	13,805,591	13,694,436	14,079,036	15,193,220
Business-Type Activities				
Water and sewer	5,917,486	6,129,605	5,924,162	5,914,640
Storm sewer	-	-	-	-
Total business-type activities expenses	5,917,486	6,129,605	5,924,162	5,914,640
TOTAL PRIMARY GOVERNMENT EXPENSES	$ 19,723,077	$ 19,824,041	$ 20,003,198	$ 21,107,860
PROGRAM REVENUES				
Governmental Activities				
Charges for services				
General government	$ 360,272	$ 423,853	$ 345,387	$ 308,809
Public safety	739,850	779,896	868,497	1,038,868
Community development	320,000	637,123	355,501	377,226
Public works	35,999	32,995	36,976	25,436
Parks and recreation	40,212	27,670	20,346	36,525
Operating grants and contributions	230,860	1,735,927	1,411,362	1,060,899
Capital grants and contributions	179,635	1,080,392	17,023	233,098
Total governmental activities program revenues	1,906,828	4,717,856	3,055,092	3,080,861
Business-Type Activities				
Charges for services				
Water and sewer	4,983,740	6,000,952	4,707,901	5,127,653
Storm Sewer	-	-	-	-
Capital grants and contributions	-	309,320	-	-
Total business-type activities program revenues	4,983,740	6,310,272	4,707,901	5,127,653
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	$ 6,890,568	$ 11,028,128	$ 7,762,993	$ 8,208,514
NET (EXPENSE) REVENUE				
Governmental activities	$ (11,898,763)	$ (8,976,580)	$ (11,023,944)	$ (12,112,359)
Business-type activities	(933,746)	180,667	(1,216,261)	(786,987)
TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE	$ (12,832,509)	$ (8,795,913)	$ (12,240,205)	$ (12,899,346)

2020	2021	2022	2023	2024	2025
$ 2,701,606	$ 3,543,226	$ 2,560,650	$ 3,106,960	$ 2,372,726	$ 2,689,798
4,162,254	3,611,574	4,841,701	5,157,915	5,685,008	5,752,037
944,145	746,138	862,004	1,200,278	1,242,334	1,473,069
3,598,874	2,479,941	1,936,227	2,215,691	2,155,807	2,665,330
2,270,981	2,088,589	1,885,091	2,336,467	1,757,223	2,093,082
669,583	639,013	606,041	585,514	546,354	497,833
14,347,443	13,108,481	12,691,714	14,602,825	13,759,452	15,171,149
6,798,795	6,542,141	6,248,224	7,349,758	7,516,774	8,386,623
-	-	720,741	859,602	654,202	1,262,010
6,798,795	6,542,141	6,968,965	8,209,360	8,170,976	9,648,633
$ 21,146,238	$ 19,650,622	$ 19,660,679	$ 22,812,185	$ 21,930,428	$ 24,819,782
$ 293,305	$ 233,324	$ 350,725	$ 358,703	$ 309,137	$ 441,757
932,651	1,141,494	1,241,811	1,185,515	1,215,401	1,274,269
289,008	286,279	348,244	395,735	381,214	521,068
19,200	33,901	46,771	19,200	21,983	44,270
30,403	41,964	28,238	33,700	32,704	63,196
1,062,328	1,187,324	1,140,802	464,295	411,780	472,076
-	498,435	-	-	-	931,975
2,626,895	3,422,721	3,156,591	2,457,148	2,372,219	3,748,611
5,144,814	5,503,642	5,536,403	5,859,533	6,523,383	7,960,360
-	-	960,522	968,812	973,683	-
-	-	47,494	-	-	5,752,479
5,144,814	5,503,642	6,544,419	6,828,345	7,497,066	13,712,839
$ 7,771,709	$ 8,926,363	$ 9,701,010	$ 9,285,493	$ 9,869,285	$ 17,461,450
$ (11,720,548)	$ (9,685,760)	$ (9,535,123)	$ (12,145,677)	$ (11,387,233)	$ (11,422,538)
(1,653,981)	(1,038,499)	(424,546)	(1,381,015)	(673,910)	4,064,206
$ (13,374,529)	$ (10,724,259)	$ (9,959,669)	$ (13,526,692)	$ (12,061,143)	$ (7,358,332)

VILLAGE OF LINCOLNSHIRE, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

Fiscal Year	2016	2017	2018	2019
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental Activities				
Taxes				
Property	$ 2,649,278	$ 2,745,211	$ 2,784,047	$ 2,816,049
Home rule sales tax	1,147,067	1,182,998	1,672,796	1,688,409
Utility	1,238,194	1,245,328	1,281,254	1,271,929
Telecommunications	1,215,516	1,190,635	1,060,063	1,037,637
Food and beverage	-	47,403	801,681	741,918
Room and admissions	1,873,847	1,699,538	2,016,916	2,076,917
Real estate transfer	465,951	732,675	540,178	340,446
Intergovernmental	3,344,977	2,627,040	2,836,458	2,913,425
Investment income	76,024	85,826	164,322	329,259
Miscellaneous	180,018	281,384	137,929	260,441
Gain (loss) on sale of capital assets	14,959	-	-	-
Transfers in (out)	94,417	(1,027,000)	(600,000)	(750,000)
Total governmental activities	12,300,248	10,811,038	12,695,644	12,726,430
Business-Type Activities				
Investment income	4,339	6,714	10,024	11,639
Gain (loss) on sale of capital assets	10,365	8,075	-	-
Transfers in	(94,417)	1,027,000	600,000	750,000
Total business-type activities	(79,713)	1,041,789	610,024	761,639
TOTAL PRIMARY GOVERNMENT	$ 12,220,535	$ 11,852,827	$ 13,305,668	$ 13,488,069
CHANGE IN NET POSITION				
Governmental activities	$ 401,485	$ 1,834,458	$ 1,671,700	$ 614,071
Business-type activities	(1,013,459)	1,222,456	(606,237)	(25,348)
TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION	$ (611,974)	$ 3,056,914	$ 1,065,463	$ 588,723

Data Source

Audited Financial Statements

2020	2021	2022	2023	2024	2025
$ 2,734,390	$ 2,933,796	$ 2,814,452	$ 2,947,554	$ 3,232,445	$ 3,357,221
1,089,131	1,452,943	1,801,569	1,960,399	2,087,607	2,581,030
1,150,147	1,177,706	1,257,611	1,117,290	1,035,763	1,081,431
953,406	1,027,171	910,389	916,332	785,216	584,365
388,915	541,944	684,543	677,845	676,661	682,083
581,881	978,326	1,689,459	1,848,031	2,331,004	2,599,759
502,844	452,664	1,005,721	347,739	274,713	378,522
2,368,238	2,945,375	3,647,763	3,659,453	3,974,498	4,452,621
347,192	83,344	(61,144)	684,307	778,310	959,120
199,739	14,914	(85,367)	415,701	67,727	118,672
-	-	-	-	2,524	34,552
(270,902)	(2,400,000)	(8,294,429)	(595,000)	(440,000)	(656,023)
10,044,981	9,208,183	5,370,567	13,979,651	14,806,468	16,173,353
3,438	1,441	43,186	151,342	271,456	148,792
-	-	-	-	-	-
270,902	2,400,000	8,294,429	595,000	440,000	656,023
274,340	2,401,441	8,337,615	746,342	711,456	804,815
$ 10,319,321	$ 11,609,624	$ 13,708,182	$ 14,725,993	$ 15,517,924	$ 16,978,168
$ (1,675,567)	$ (477,577)	$ (4,164,556)	$ 1,833,974	$ 3,419,235	$ 4,750,815
(1,379,641)	1,362,942	7,913,069	(634,673)	37,546	4,869,021
$ (3,055,208)	$ 885,365	$ 3,748,513	$ 1,199,301	$ 3,456,781	$ 9,619,836

VILLAGE OF LINCOLNSHIRE, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2016	2017	2018	2019
GENERAL FUND				
Nonspendable	$ 1,334,267	$ 1,085,980	$ 1,105,615	$ 1,118,152
Restricted	232,737	-	-	188,046
Unassigned	5,341,222	5,958,900	5,946,536	6,439,359
TOTAL GENERAL FUND	$ 6,908,226	$ 7,044,880	$ 7,052,151	$ 7,745,557
ALL OTHER GOVERNMENTAL FUNDS				
Restricted	$ 2,587,937	$ 3,886,431	$ 4,579,166	$ 5,092,679
Assigned, reported in Capital Project Funds	7,321,790	6,945,065	8,638,655	9,445,929
TOTAL ALL OTHER GOVERNMENTAL FUNDS	$ 9,909,727	$ 10,831,496	$ 13,217,821	$ 14,538,608

Data Source

Audited Financial Statements

2020	2021	2022	2023	2024	2025
$ 1,147,215	$ 1,159,950	$ 1,144,651	$ 1,208,304	$ 1,238,416	$ 453,807
205,661	374,480	594,639	-	-	-
6,077,731	5,850,974	6,251,028	6,568,327	6,738,685	8,082,070
$ 7,430,607	$ 7,385,404	$ 7,990,318	$ 7,776,631	$ 7,977,101	$ 8,535,877
$ 4,794,221	$ 4,507,485	$ 4,730,035	$ 4,946,303	$ 5,442,897	$ 4,984,700
8,244,229	6,115,589	7,206,960	8,728,809	10,227,217	13,021,861
$ 13,038,450	$ 10,623,074	$ 11,936,995	$ 13,675,112	$ 15,670,114	$ 18,006,561

VILLAGE OF LINCOLNSHIRE, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2016	2017	2018	2019
REVENUES				
Property taxes	$ 2,649,279	$ 2,745,210	$ 2,784,047	$ 2,816,049
Other taxes	9,285,552	8,725,617	10,209,346	10,070,681
Licenses and permits	756,480	1,121,642	758,710	747,996
Fines and penalties	259,083	247,652	201,801	274,271
Charges for services	8,286	18,345	-	-
Intergovernmental	882,978	956,892	912,229	1,048,699
Investment income	76,024	85,826	164,322	462,206
Donations	-	1,514,978	1,168,032	776,797
Miscellaneous	180,018	281,384	135,585	127,494
Total revenues	14,097,700	15,697,546	16,334,072	16,324,193
EXPENDITURES				
General government	2,508,311	2,039,025	2,082,316	2,385,912
Public safety	4,304,427	4,515,505	4,333,803	4,725,305
Community and economic development	835,438	1,048,711	1,117,437	953,511
Public works	1,455,855	1,509,507	1,556,583	1,678,488
Parks and open spaces	1,338,020	1,362,750	1,340,583	1,348,021
Capital outlay	1,867,559	1,511,922	1,761,842	1,320,950
Debt service				
Principal	1,052,236	853,858	415,000	440,000
Interest	818,642	770,845	734,756	707,813
Total expenditures	14,180,488	13,612,123	13,342,320	13,560,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(82,788)	2,085,423	2,991,752	2,764,193
OTHER FINANCING SOURCES (USES)				
Transfers in	6,345,955	599,101	2,800,000	2,021,935
Transfers (out)	(6,232,737)	(1,626,101)	(3,400,000)	(2,771,935)
Sale of capital assets	21,599	-	1,844	-
Total other financing sources (uses)	134,817	(1,027,000)	(598,156)	(750,000)
NET CHANGE IN FUND BALANCES	$ 52,029	$ 1,058,423	$ 2,393,596	$ 2,014,193
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	14.37%	12.81%	9.41%	8.63%

Data Source

Audited Financial Statements

2020	2021	2022	2023	2024	2025
$ 2,734,390	$ 2,933,796	$ 2,814,452	$ 2,947,554	$ 3,232,445	$ 3,357,221
7,034,562	8,973,734	11,451,677	10,527,089	11,165,462	12,359,812
630,646	596,948	763,836	818,462	749,727	1,089,821
235,999	268,385	328,143	183,662	258,938	285,897
-	-	-	-	-	-
1,527,098	1,518,275	1,534,995	1,425,145	1,361,954	1,386,025
411,223	(8,317)	(257,644)	684,307	778,310	959,120
224,727	145,186	64,031	29,879	1,600	54,892
144,133	104,462	105,097	415,701	67,727	118,672
12,942,778	14,532,469	16,804,587	17,031,799	17,616,163	19,611,460
2,317,682	2,369,909	2,385,579	2,470,195	1,883,421	1,920,550
4,443,593	4,789,607	4,863,516	5,233,119	5,542,802	5,923,697
849,983	775,406	1,082,529	1,169,033	1,333,742	1,435,489
1,655,982	1,585,591	1,482,159	2,252,224	1,667,697	1,902,791
1,256,355	1,302,399	1,346,075	1,442,771	1,532,396	1,667,566
2,814,014	2,625,917	1,276,378	1,187,940	1,877,578	1,836,707
470,000	495,000	530,000	560,000	595,000	910,000
679,375	649,219	617,188	597,087	558,756	516,801
14,486,984	14,593,048	13,583,424	14,912,369	14,991,392	16,113,601
(1,544,206)	(60,579)	3,221,163	2,119,430	2,624,771	3,497,859
1,566,409	776,536	2,337,494	3,801,618	3,374,663	4,568,071
(1,837,311)	(3,176,536)	(3,656,822)	(4,396,618)	(3,814,663)	(5,224,094)
-	-	17,000	-	10,701	53,387
(270,902)	(2,400,000)	(1,302,328)	(595,000)	(429,299)	(602,636)
$ (1,815,108)	$ (2,460,579)	$ 1,918,835	$ 1,524,430	$ 2,195,472	$ 2,895,223
9.85%	8.59%	8.64%	8.18%	8.26%	9.46%

VILLAGE OF LINCOLNSHIRE, ILLINOIS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

	2025			2016		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total Village Taxable Assessed Valuation**	**Taxable Assessed Value**	**Rank**	**Percentage of Total Village Taxable Assessed Valuation**
Sedgebrook Propco SL VII LLC	$ 19,777,301	1	2.53%			
IHP Tri-State Asset, LLC	14,318,607	2	1.83%			
SR DE I LLC	11,113,165	3	1.42%			
ORION REIT	8,181,336	4	1.05%			
GALAXY IL WI II LP	8,044,694	5	1.03%			
LA-RFMBG LINCOLNSHIRE, LLC	7,657,718	6	0.98%	$ 5,133,679	10	0.82%
Lincolnshire Propco LLC	7,164,733	7	0.92%			
J R CARLSON LABORATORIES INC	4,832,660	8	0.62%			
325 MARRIOTT DRIVE LLC	4,798,979	9	0.61%			
VILLAGE GREEN BASELINE LLC	4,495,194	10	0.57%			
ARC ACLSHIL001 LLC				17,214,592	1	2.75%
Van Vlissingen & Company				11,191,379	4	1.79%
Lincolnshire Senior Care LLC				14,712,946	3	2.35%
GA Tri-State Office Park, LLC				15,231,063	2	2.43%
Property Tax Unit-N16WC				6,638,883	5	1.06%
Medline Industries				5,743,609	8	0.92%
Griffin Lincolnshire Essential				6,048,077	7	0.97%
Code of Lincolnshire IL LLC				6,150,809	6	0.98%
CFNX Lincolnshire LLC				5,475,834	9	0.88%
TOTAL	$ 90,384,387		11.56%	$ 93,540,871		14.95%

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, ILLINOIS

SALES TAX BY CATEGORY
(in thousands of dollars)

Last Ten Calendar Years

Calendar Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General merchandise	$ -	$ -	$ -	$ -	$ -	$ 2	$ 3	$ 23	$ 54	$ 38
Food	194	242	269	213	115	125	188	174	152	145
Drinking and eating places	1,013	1,073	1,334	1,332	734	1,008	1,261	1,284	1,271	1,334
Apparel	133	143	152	131	50	87	104	84	83	148
Furniture	637	739	944	827	551	472	787	821	1,380	1,391
Lumber, building hardware	63	76	52	54	58	36	46	37	30	61
Automobile and filling stations	64	78	184	87	69	106	135	114	114	129
Drugs and miscellaneous retail	222	250	249	450	524	846	710	615	622	903
Agriculture and all others	1,265	364	412	482	269	426	574	933	646	1,197
Manufacturers	24	11	24	21	16	26	37	82	88	200
TOTAL	$ 3,615	$ 2,976	$ 3,620	$ 3,597	$ 2,386	$ 3,134	$ 3,845	$ 4,167	$ 4,440	$ 5,546
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%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

Data Source

Illinois Department of Revenue

VILLAGE OF LINCOLNSHIRE, ILLINOIS

DIRECT AND OVERLAPPING SALES TAX RATES

Last Ten Fiscal Years

Fiscal Year	Lake County Rate	RTA Lake County Rate	Village Direct Rate	State Rate	Village Home Rule Sales Tax[1]	Food & Beverage Tax[2]
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%
2022	0.50%	0.50%	1.00%	5.00%	1.00%	1.00%
2023	0.50%	0.50%	1.00%	5.00%	1.00%	1.00%
2024	0.50%	0.50%	1.00%	5.00%	1.00%	1.00%
2025	0.50%	0.50%	1.00%	5.00%	1.00%	1.00%

Notes

[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, ILLINOIS

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	Utility Line Loan	General Obligation Bonds			
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
2022	9,610,000	-	-	4,065,000	13,675,000	2.03%	1,722
2023	9,050,000	-	-	3,315,000	12,365,000	1.74%	1,557
2024	8,455,000	-	-	3,240,000	11,695,000	1.53%	1,473
2025	7,545,000	-	-	14,155,000	21,700,000	2.83%	2,733

(1) See the schedule of Demographic and Economic Information 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, ILLINOIS

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year	(1) General Obligation Bonds	(1) Special Service Area Bonds	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2016	$ -	$ 12,350,000	$ 12,350,000	0.66%	$ 1,698
2017	-	11,960,000	11,960,000	0.62%	1,644
2018	-	11,545,000	11,545,000	0.59%	1,587
2019	-	11,105,000	11,105,000	0.55%	1,526
2020	-	10,635,000	10,635,000	0.54%	1,462
2021	-	10,140,000	10,140,000	0.52%	1,277
2022	4,065,000	9,610,000	13,675,000	0.67%	1,722
2023	3,315,000	9,050,000	12,365,000	0.59%	1,557
2024	3,240,000	8,455,000	11,695,000	0.52%	1,473
2025	14,155,000	7,545,000	21,700,000	0.92%	2,733

Data Source

(1) Audited Financial Statements

VILLAGE OF LINCOLNSHIRE, ILLINOIS

DIRECT AND OVERLAPPING BONDED DEBT -
GOVERNMENTAL ACTIVITIES

December 31, 2025

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	$ 65,840,000	2.3%	$ 1,504,497
Elementary School District No. 102	60,605,000	9.7%	5,822,039
Elementary School District No. 103	5,710,000	53.1%	2,984,586
Elementary School District No. 106	-	1.3%	-
Deerfield/ Bannockburn Fire District	-	0.2%	-
Long Grove Fire Protection District	14,940,000	1.9%	286,709
Lincolnshire/Riverwoods Fire Protection District	-	47.6%	-
High School District No. 113	103,590,000	0.1%	66,374
High School District No. 125	44,430,000	17.4%	7,546,320
Vernon Area Public Library	-	24.3%	-
Buffalo Grove Park District	14,523,000	0.1%	16,429
Township of Vernon	-	16.3%	-
Township of West Deerfield	-	0.1%	-
Lake County	119,280,000	2.2%	2,600,825
Lake County Forest Preserve	156,200,000	2.2%	3,405,842
Total overlapping debt	585,118,000		24,233,621
Direct debt			
Village of Lincolnshire	14,155,000	100.00%	14,155,000
TOTAL DIRECT AND OVERLAPPING DEBT	$ 599,273,000		$ 38,388,621

Data Source

Lake County Extension Office

VILLAGE OF LINCOLNSHIRE, ILLINOIS

LEGAL DEBT MARGIN INFORMATION

December 31, 2025

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 non-home rule municipality, its available debt limit would be as follows:

EQUALIZED ASSESSED VALUATION - 2024*	$ 743,283,750
Legal debt limit - 8.625%	$ 64,108,223
Amount of debt applicable to limit:	14,155,000
LEGAL DEBT MARGIN	$ 49,953,223

*Most Recent EAV Available

VILLAGE OF LINCOLNSHIRE, ILLINOIS

DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Fiscal Years

Fiscal Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Unemployment Rate
2016	7,275	$ 512,356	$ 70,427	6.9%
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%
2022	7,940	674,257	84,919	4.0%
2023	7,940	712,131	89,689	4.7%
2024	7,940	765,575	96,420	5.0%
2025	7,940	765,575	96,420	4.7%

Data Sources

Illinois Department of Employment (IDES)
Unemployment Rate by Bureau of Labor Statistics: Lake County- Kenosha County, IL- WI
City-Data.com as of 2019 for Per Capita Personal Income
www.census.gov Per Capita Person Income 2017 & 2018

VILLAGE OF LINCOLNSHIRE, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

	2025			2016		
Employer	**Employees**	**Rank**	**% of Total Village Population**	**Employees**	**Rank**	**% of Total Village Population**
Adlai E. Stevenson High School	1,208	1	8.1%	670	5	2.7%
Hydraforce, Inc.	833	2	5.6%	1,743	2	7.0%
Zebra Technologies	792	3	5.3%	1,108	4	4.4%
Sedgebrook	520	4	3.5%	376	7	1.5%
Lincolnshire- Prairie View School D103	396	5	2.6%	373	8	1.5%
Marriott Resort	287	6	1.9%	312	9	1.2%
Sysmex	337	7	2.2%	281	10	1.1%
Quill Corporation	257	8	1.7%	425	6	1.7%
Carlson Labs	159	9	1.1%			
Setna iO	136	10	0.9%			
Aon/Alight				3,864	1	15.5%
CVS Caremark Inc						
CDW				1,250	3	5.0%
TOTAL	4,925		32.9%	10,402		41.6%
Village day time population (est.)			15,000			25,000

Data Sources

Village of Lincolnshire Community Development Department (2025)
Village of Lincolnshire - 2016 Annual Comprehensive Financial Report
Village of Lincolnshire Community and Economic Development prepares the day time population estimate

VILLAGE OF LINCOLNSHIRE, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
GENERAL GOVERNMENT										
Administration	2.35	2.10	1.60	2.10	3.10	3.10	3.10	3.10	3.10	3.10
Finance	2.90	2.90	2.90	2.90	2.90	2.65	2.65	2.65	2.65	2.65
PUBLIC SAFETY										
Police	28.00	28.00	28.00	29.00	27.50	27.00	27.00	28.00	29.00	29.00
COMMUNITY AND ECONOMIC DEVELOPMENT										
Development	4.00	4.00	4.50	4.50	4.00	4.00	4.00	4.000	4.000	4.250
PUBLIC WORKS										
Administration	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.750	1.750	1.750
Streets	4.25	4.75	4.75	4.75	5.50	5.50	5.50	5.000	5.000	5.450
Water	7.45	7.25	7.25	7.25	7.50	7.25	7.25	7.250	7.250	7.750
Vehicle Maintenance	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.250	1.250	1.250
PARKS AND OPEN SPACES										
Parks	10.63	10.13	10.10	9.800	6.000	6.500	6.000	5.500	5.500	5.950
TOTAL	63.58	63.13	63.10	64.30	60.50	60.00	59.50	59.50	59.50	61.15

Data Source

Operating Budget-Personnel Summary by Department-FTE

VILLAGE OF LINCOLNSHIRE, ILLINOIS

OPERATING INDICATORS

Last Ten Calendar Years

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
GENERAL GOVERNMENT										
Village Board meetings	51	47	47	50	47	75	72	72	67	65
Ordinances prepared	40	32	35	36	49	40	36	25	27	34
Resolutions prepared	8	8	19	17	15	11	11	8	8	8
Newsletter/resident mailings	4	4	4	4	3	4	4	4	4	4
E-News messages sent	70	75	82	86	119	93	96	78	91	98
E-News subscribers	1,550	1,633	1,490	1,517	1,622	3,206	3,316	3,492	3,598	3,753
Facebook likes	655	1,129	1,345	1,808	1,994	2,700	2,987	3,294	3,400	4,152
Twitter followers	455	819	924	1,071	1,200	1,281	1,351	1,383	1,374	-
FINANCE										
Accounts payable checks	2,000	2,155	1,874	1,823	1,663	1,685	1,670	1,704	1,799	1,781
Accounts payable direct deposits	260	331	382	381	386	475	597	573	642	659
Payroll checks	136	99	78	63	44	88	49	32	15	17
Payroll direct deposits	1,679	1,956	1,946	2,003	2,014	1,860	1,755	1,830	1,793	1,766
% utility auto withdrawal	29%	35%	37%	39%	41%	43%	44%	45%	46%	47%
Utility payments by credit card	-	-	1,196	1,794	2,301	2,972	3,802	4,232	4,337	4,544
Utility payments by text	-	-	76	163	175	198	224	271	251	250
% utility e-bills	0%	4%	8%	10%	12%	18%	23%	26%	29%	27%
Picnic Permits Issued	N/A	N/A	N/A	N/A	N/A	N/A	N/A	12	36	32
Final Water Meter Read Appointments Scheduled	N/A	N/A	N/A	N/A	N/A	N/A	N/A	200	153	166
Transfer Stamps Sold	N/A	N/A	N/A	N/A	N/A	N/A	N/A	135	126	118
Payments Processed at the Counter	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3,900	4,722	4,675
Number of phone calls to Village Hall	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4,000	3,641	3,472
POLICE										
Calls for service	24,781	26,314	25,276	35,157	32,771	26,624	22,457	26,671	22,224	27,476
Total reports	839	875	963	1,694	1,347	1,092	1,037	1,061	1,100	1,120
Arrests (includes traffic)	304	300	346	503	548	470	463	424	463	549
DUI arrests	26	48	37	33	44	34	42	34	40	46
DUI conviction rate	0%	95%	95%	48%	32%	62%	57%	62%	45%	48%
FBI part I crimes	-	77	79	115	97	73	52	59	85	77
FBI part I crimes cleared	0%	11%	12%	2%	13%	5%	8%	12%	33%	25%
Crimes against persons	-	-	-	-	-	-	-	-	-	38
Crimes against persons cleared	-	-	-	-	-	-	-	-	-	50%
Crimes against property	-	-	-	-	-	-	-	-	-	178
Crimes against property cleared	-	-	-	-	-	-	-	-	-	8%
Crimes against society	-	-	-	-	-	-	-	-	-	44
Crimes against society cleared	-	-	-	-	-	-	-	-	-	77%
Response to Resistance Incidents	-	-	-	-	-	-	-	-	-	5
Mental Health Incidents	-	-	-	-	-	-	-	-	-	62
Traffic Encounters	-	-	-	-	-	-	-	-	-	6,517
Crime Prevention Functions	-	-	-	-	-	-	-	-	-	1,022

VILLAGE OF LINCOLNSHIRE, ILLINOIS

OPERATING INDICATORS (Continued)

Last Ten Calendar Years

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
COMMUNITY DEVELOPMENT										
Plan reviews										
Building consultant	94	54	35	9	5	6	116	74	53	975
Building Official	219	326	288	278	280	292	222	231	216	-
Code Enforcement	37	85	84	86	64	71	92	100	82	-
Elevators	14	6	13	3	7	2	4	1	6	-
Village Engineer	318	293	186	258	244	265	278	235	269	-
Fire reviews	139	126	129	106	95	78	129	117	49	-
Forestry	320	2	3	-	1	1	5	4	9	-
Life safety	-	-	1	15	11	10	11	11	28	-
Planning	122	73	66	82	66	88	131	124	149	-
Public Works	19	-	13	-	-	-	-	-	-	-
Tree removals	-	267	229	228	285	250	226	252	239	-
Total	1,282	1,232	1,047	1,065	1,058	1,063	1,214	1,149	1,100	975
Zoning Board development reviews	8	6	3	6	9	9	13	4	3	2
Architectural Review Board reviews	21	16	10	22	12	19	19	20	11	5
Building permits issued	926	672	617	635	580	663	441	458	408	582
Taxable property transfers	147	193	150	171	177	243	204	137	126	119
No. of Inspections*	1,480	1,967	1,303	1,885	1,188	1,303	1651	2226	2009	1878
Valuation (thousands)*	25,992	68,060	31,051	26,744	24,300	27,783	37,472	43,547	25,971	59,147
New com/office/warehse bldgs.	-	4	1	1	1	-	-	-	1	3
New housing units	45	31	14	28	19	17	6	6	1	6
Sq. ft. new com. bldgs. (thousands)	-	-	-	-	5	-	-	-	13,268	220
Sq. ft. new off/warehse. bldgs. (thousands)	-	-	186,616	-	-	69,149	20,417	-	-	43,014
Plan Reviews-Average Days to Complete	-	-	-	-	-	-	-	-	5	6
Permits Issued-Total	-	-	-	-	-	-	441	485	422	582
Residential	-	-	-	-	-	-	238	287	284	429
Commercial/Industrial	-	-	-	-	-	-	203	198	138	153
% Online	0%	0%	0%	0%	0%	0%	5.6%	21.6%	32.0%	28.2%
In-House Inspections Completed-Total	-	-	-	-	-	-	458	631	957	1,356
Residential	-	-	-	-	-	-	185	298	569	522
Commercial/Industrial	-	-	-	-	-	-	273	355	243	-
Other	-	-	-	-	-	-	-	355	145	-
% Online	0%	0%	0%	0%	0%	0%	1%	0.3%	0.3%	0%
Code Enforcement										
Cases Created	-	-	-	-	-	-	-	-	-	462
Cases Closed	-	-	-	-	-	-	378	446	381	443
Average Days to Close Case	-	-	-	-	-	-	25	24	11	13

VILLAGE OF LINCOLNSHIRE, ILLINOIS

OPERATING INDICATORS (Continued)

Last Ten Calendar Years

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
COMMUNITY DEVELOPMENT (Continued)										
Vacancy Rates										
Office	0%	0%	0%	0%	0%	0%	26%	26%	44%	45%
Industrial	0%	0%	0%	0%	0%	0%	1%	2%	2%	16%
Retail	0%	0%	0%	0%	0%	0%	34%	54%	38%	3%
Business Site Visits	-	-	-	-	-	-	2	-	2	1
INSURANCE/COMMON EXPENSE										
Property/liability claims processed	5	-	1	2	2	2	2	2	3	6
Auto liability processed	-	1	4	4	1	-	1	2	2	2
Workers compensation claims processed	8	8	1	12	2	1	1	1	-	-
PUBLIC WORKS - ADMINISTRATION										
Capital project management										
% capital expend./capital dollars allocated	88%	86%	87%	80%	57%	58%	46%	24%	70%	96%
Sitework permit reviews										
Average length to review site-work permits (days)	9.0	8.9	7.9	8.0	8.0	11.5	15	11	7	10
PUBLIC WORKS - STREETS										
Project inspections	229.0	184.0	122.0	163.0	197.0	143.0	153	163	225	220
Maintain street posts and signs										
Village signs - repaired	-	-	100.0	100.0	100.0	77.0	100	100	73	45
Maintain Village streets										
Street resurfaced (miles)	0.62	0.97	0.85	0.98	1.50	1.99	1.62	0.42	1.90	1.00
Tons of asphalt patching			27.2	11.9	14.3	7.3	9.1	9.1	8.0	15.0
Pothole repairs by staff	12	16	82	110	92	73	85	300	200	145
Street cleaned (miles)	360	360	360	360	360	287	287	407	308	320
Flood prevention										
Staff hrs spent on flood prevention	-	-	556	500	491	252	250	300	408	128
Hours of pump usage	-	-	960	1,000	1,152	-	-	8	192	24
Times pumps deployed	-	-	5	6	6	1	1	1	1	1
Sewer maintenance	-	-								
% of catch basin system cleaned	0%	0%	10%	10%	10%	4%	5%	5%	5%	6%
Linear feet of storm sewer lined	-	-	530	550	-	-	-	-	-	400
% storm sewer system inspected	0%	0%	10%	12%	12%	-	10%	10%	8%	10%
Catch basins repaired	-	-	34	30	19	30	15	35	39	33
Right-of-way leaf collection										
Cubic yards of leaves collected	6,495	5,100	5,100	5,920	5,760	5,520	5,920	5,280	4,800	4,800
Cost per cubic yard for collection/removal	$ -	$ -	$ 30.20	$ 40.00	$ 24.00	$ 7.97	$ -	$ -	$ -	$ -
Annual leaf collection expense	-	N/A	154,000	145,000	134,000	$ 43,987	-	-	-	-

VILLAGE OF LINCOLNSHIRE, ILLINOIS

OPERATING INDICATORS (Continued)

Last Ten Calendar Years

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
PUBLIC WORKS - STREETS (Continued)										
Snow and ice control										
Snow events	-	12	19	24	14	22	21	16	12	17
Staff hrs spent on snow/ice control	693	559	1,284	1,575	735	1,144	1,017	798	585	500
Salt used (tons)	272.5	-	586.2	872.2	414.3	678	545	438	235	300
Customer Service										
Avg days to complete street service request	-	-	6.8	7.2	7.1	8.8	19.2	9.3	32.2	8.5
PUBLIC WORKS - PARKS										
Trees planted	97	110	190	190	190	16	147	129	15	2
Playground inspection (hours)	108	24	80	25	36	72	72	48	96	96
Special event (hours)	1,375	593	660	616	21	220	494	521	405	338
Review and issue tree removal permits										
Avg days to review permit	25	25	6	10	10	3	5	5	4	10
Natural areas maintained										
Acres of invasive species mgmt	610	620	612	600	600	-	-	-	-	-
Avg cost per acre of maintenance	$ 55	$ 56	$ 57	$ 58	$ 58	$ -	$ -	$ -	$ -	$ -
Maintain Village parkways										
Trees planted	100	110	159	140	144	64	147	119	69	65
Trees removed - contractual	268	240	375	344	117	150	140	100	140	162
Trees removed - by staff	22	21	22	25	79	64	75	52	100	31
% Trees pruned per 8 year cycle	100%	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	-	-	-	-	-	-
Net cost per swimmer	-	-	12	12	-	-	-	-	-	-
Customer service										
Avg days to complete forestry/parks svc req	-	-	10	10	10	10	17.3	10.5	17.5	14.0
PUBLIC WORKS - BUILDINGS										
Maintain Village Hall building										
HVAC service calls - emergency	2	3	5	5	3	7	5	7	2	3
HVAC service calls - budgeted	4	4	4	4	4	1	4	4	4	4
Maintain Public Works building										
HVAC service calls - emergency	1	2	2	2	3	2	2	3	2	1
HVAC service calls - budgeted	4	4	4	4	4	4	4	4	4	3

VILLAGE OF LINCOLNSHIRE, ILLINOIS

OPERATING INDICATORS (Continued)

Last Ten Calendar Years

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
PUBLIC WORKS - VEHICLE MAINTENANCE										
Avg daily pumpage metered										
(millions of gallons)	1.341	1.310	1.330	1.197	1.199	1.222	1.300	1.300	1.300	1.300
JULIE utility locates	3,017	3,460	3,400	3,271	2,702	2,781	2,398	2,400	2,500	2,500
Accounts Serviced	-	2,546	2,452	2,605	2,566	2,665	2,655	2,675	5,680	2,689
Utility Permits	-	91	56	90	172	53	29	35	20	30
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	945	885	963	1,000
Maintain fire hydrants										
Fire hydrants repaired or replaced	12	21	25	25	25	6	5	5	10	25
Maintain sanitary sewer system										
% cleaned/televised (10 yr 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	1,500	3,000	4,400	4,400
Maintain water delivery										
Water main breaks	-	-	11	9	13	12	9	7	7	1
Equivalent Dwelling Unit (EDU) Connections	105	350	330	49	22	31	34.4	17.2	6.0	187.4
PUBLIC WORKS-VEHICLE MAINTENANCE										
Maintain fleet vehicles										
% of vehicles maintained per	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Village preventative maintenance schedule										
Fleet work orders	216	315	337	214	231	278	244	252	299	299
Cost per police squad	-	-	1,093	812	1,235	633	633	750	100	700
POLICE PENSION										
Unfunded Liability EAN**	4,797,235	5,248,868	5,335,420	6,843,600	6,749,000	6,323,998	4,552,607	3,949,485	4,681,685	4,652,164
Funded % - EAN**	80.8%	80.2%	80.7%	76.9%	77.8%	80.2%	86.1%	88.0%	86.8%	87.3%
Funded % - PUC**	90.0%	90.0%	84.9%	81.0%	81.0%	84%	89%	89%	90%	90%
Investment return	5.4%	6.7%	3.3%	5.6%	9.3%	10.0%	4.1%	6.3%	5.6%	6.8%
Investment return	(6.90%)	13.8%	(6.50%)	18.3%	14.7%	9.5%	(15.00%)	13.4%	9.6%	17.8%
Max % equity investments										

EAN= Entry Age Normal PUC= Projected Unit Credit

**Source: Actuarial Valuation Report prepared June for year beginning January 1 effective 2019 reported figures based on new assumptions

VILLAGE OF LINCOLNSHIRE, ILLINOIS

OPERATING INDICATORS (Continued)

Last Ten Calendar Years

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
POLICE PENSION (Continued)										
Participants actual										
Active members	23	22	21	24	24	25	25	25	25	25
Normal retirees	11	12	14	15	15	15	16	17	16	18
Beneficiaries	1	1	1	1	1	1	1	1	2	1
Disabled retirees	3	3	3	2	2	2	2	2	2	1
Terminated/ separated	2	2	3	4	3	4	6	5	6	7
Total	40	40	42	46	45	47	50	50	51	52
Participants										
Police tier 1 participants	19	19	15	16	15	15	12	11	11	9
Police tier 2 participants	4	3	6	8	9	10	13	14	14	16
Total	23	22	21	24	24	25	25	25	25	25

N/A - Not available

*Police: Total Reports - 2015 and after includes case reports only

Data Source

Village of Lincolnshire 2025 Budget

VILLAGE OF LINCOLNSHIRE, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
POLICE										
Patrol units	16	15	15	14	15	15	14	15	15	15
Stations	1	1	1	1	1	1	1	1	1	1
PUBLIC WORKS										
Streets (miles)	41.0	41.0	41.0	41.0	41.0	41.0	41.0	41.1	41.1	41.1
Building facilities maintained	6	6	5	5	5	5	5	5	5	5
PARKS AND RECREATION										
Acreage	311	181	182	182	182	182	182	182	182	182
Parks	9	9	11	11	11	11	11	11	11	11
Baseball/softball diamonds	6	7	7	7	7	7	7	7	7	7
WATER - SANITARY SEWER										
Fire hydrants	869	877	877	898	898	802	944	944	944	944
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)	64.4	67.0	67.0	67.0	67.0	72.0	74.7	76.0	76.0	76.0
Sanitary sewers (miles)	47.5	47.6	47.6	47.6	47.6	56.0	56.0	62.0	57.0	57.0
Storm sewers (miles)	101.0	101.2	101.2	101.2	101.2	101.2	101.2	101.2	55.0	55.0

Data Source

Various village departments