



AGENDA
REGULAR VILLAGE BOARD MEETING
Village Hall - Public Meeting Room
Monday, July 13, 2015 – 7:00 p.m.

Reasonable accommodations/auxiliary aids will be provided to enable persons with disabilities to effectively participate in any public meetings of the Board. Please contact the Village Administrative Office (847.883.8600) 48 hours in advance if you need special accommodations to attend. Regular Village Board Meetings will not proceed past 10:30 p.m. unless there is a consensus of the majority of the Trustees to do so.

CALL TO ORDER

1.0 ROLL CALL

2.0 APPROVAL OF MINUTES

2.1 Approval of the June 22, 2015 Regular Village Board Meeting Minutes

3.0 REPORTS OF OFFICERS

3.1 Mayor's Report

3.11 Appointment of Village Board Liaisons to various Village Advisory Boards

3.2 Village Clerk's Report

3.3 Village Treasurer's Report

3.31 Revenues and Expenditures by Fund for the month of June, 2015

3.4 Village Manager's Report

4.0 PAYMENT OF BILLS

4.1 Bills Presented for Payment on July 13, 2015 in the amount of \$376,248.04

5.0 CITIZENS WISHING TO ADDRESS THE BOARD (on agenda items only)

6.0 PETITIONS AND COMMUNICATIONS

7.0 CONSENT AGENDA

Items on the Consent Agenda will be approved by one motion. If a Trustee wishes to discuss any item, it will be pulled from the Consent Agenda and discussed under "Unfinished Business".

7.1 Approval of an IDOT Resolution Regarding Construction on State Highways (Village of Lincolnshire)

7.2 Approval of an Ordinance Amending Section 3-3-2-6 of Title 3-3, Liquor Control, of the Lincolnshire Village Code for the Creation and Issuance of a Class "P" Liquor License for Regal Cinema (Regal Cinema)

8.0 ITEMS OF GENERAL BUSINESS

8.1 Planning, Zoning & Land Use

8.2 Finance and Administration

8.21 Receipt and Presentation of 2014 Village of Lincolnshire Comprehensive
Annual Financial Report (Audit) (Village of Lincolnshire)

8.3 Public Works

8.4 Police

8.5 Parks and Recreation

8.6 Judiciary and Personnel

9.0 **REPORTS OF SPECIAL COMMITTEES**

10.0 **UNFINISHED BUSINESS**

11.0 **NEW BUSINESS**

12.0 **ADJOURNMENT**



One Olde Half Day Road
Lincolnshire, IL 60069
www.lincolnshireil.gov



2.1

MINUTES
REGULAR VILLAGE BOARD MEETING
Monday, June 22, 2015

Present:

Mayor Brandt

Trustee Grujanac

~~Trustee McAllister~~

Trustee Servi

Village Attorney Simon

Chief of Police Kinsey

Community & Economic Development

Director McNellis

Trustee Feldman

~~Trustee Hancock~~

Trustee McDonough

Village Clerk Mastandrea

Village Manager Burke

~~Treasurer/Finance Director Peterson~~

~~Public Works Director Woodbury~~

Village Planner Robles

ROLL CALL

In Mayor Brandt's absence, Village Clerk Mastandrea called for the appointment of a Temporary Chair. Trustee Grujanac made the motion to appoint Trustee McDonough as Temporary Chair. Trustee Feldman seconded the motion, and upon a voice vote the motion passed in favor of appointing Trustee McDonough Temporary Chair.

Temporary Chair McDonough called the meeting to order at 7:05 p.m. and Village Clerk Mastandrea called the roll.

2.1 Approval of the June 8, 2015 Regular Village Board Meeting Minutes

Trustee Servi moved and Trustee Grujanac seconded the motion to approve the minutes of the Regular Village Board Meeting of June 8, 2015 as presented. The roll call vote was as follows: AYES: Trustees Feldman, Grujanac, Servi, and McDonough. NAYS: None. ABSENT: Trustees Hancock and McAllister. ABSTAIN: None. Temporary Chair McDonough declared the motion carried.

3.0 REPORTS OF OFFICERS

3.1 Mayor's Report – None

3.2 Village Clerk's Report – None

3.3 Village Treasurer's Report - None

3.4 Village Manager's Report

Village Manager Burke noted the annual Fourth of July celebration will take place next weekend in Lincolnshire, starting on Friday, July 3, 2015 and recommended checking the website for event updates and full details.

4.0 PAYMENT OF BILLS

4.1 **Bills Presented for Payment on June 22, 2015 in the amount of \$447,855.23**

Village Manager Burke provided a summary of the June 22, 2015 bills prelist presented for payment with the total being \$447,855.23. The total amount is based on \$187,047 for the General Fund; \$135,735 for Water & Sewer Operations; \$200 for Retirement Fund; \$12,503 for Water & Sewer Improvements; \$345 for Fraud, Alcohol, Drug Enforcement Fund; \$6,729 for Vehicle Maintenance Fund; \$23,413 for E911; \$34 for Sedgebrook SSA; and \$81,816 for the General Capital Fund.

Trustee Feldman moved and Trustee Grujanac seconded the motion to approve the bills prelist as presented. The roll call vote was as follows: AYES: Trustees Feldman, Servi, Grujanac, and McDonough. NAYS: None. ABSENT: Trustees Hancock and McAllister. ABSTAIN: None. Temporary Chair McDonough declared the motion carried.

5.0 CITIZENS WISHING TO ADDRESS THE BOARD (on agenda items only)

6.0 PETITIONS AND COMMUNICATIONS

7.0 CONSENT AGENDA

- 7.1 Approval of an Ordinance Adopting the Prevailing Wage Rates to be paid to Laborers, Mechanics and Other Workers Performing Construction of Public Works for the Village of Lincolnshire (Village of Lincolnshire)**
- 7.2 Approval of the Des Plaines River Watershed Workgroup Agreement (Village of Lincolnshire)**
- 7.3 Approval of a Joint Purchasing Agreement with Palatine Oil, Inc., Schaumburg, IL for Purchase of Gasoline and Diesel Fuel 2015 (Village of Lincolnshire)**
- 7.4 Approval of Awarding Bid to Waukegan Roofing for Utility Building Roof Replacement Project in the Amount of \$85,740.00 (Village of Lincolnshire)**
- 7.5 Approval of the 2015 Update to Lincolnshire Flood Response Manual (Village of Lincolnshire)**

Trustee Servi moved and Trustee Grujanac seconded the motion to approve the Consent Agenda. The roll call vote was as follows: AYES: Trustees Feldman, Servi, Grujanac, and McDonough. NAYS: None. ABSENT: Trustees Hancock & McAllister. ABSTAIN: None. Temporary Chair McDonough declared the motion carried.

8.0 ITEMS OF GENERAL BUSINESS

8.1 Planning, Zoning & Land Use

- 8.11 Approval of an Ordinance Amending Chapter 2 of Title 13, Landscaping, of the Lincolnshire Village Code to update the Village's landscaping regulations (Village of Lincolnshire)**

Village Planner Robles provided an update from the June 8, 2015 Committee of the Whole Meeting regarding the proposed Ordinance amending Chapter 2 of Title 13, Landscaping of the Lincolnshire Village Code to update the

Village’s landscaping regulations. Village Planner Robles noted there was one outstanding item related to the number of required trees for single-family lots. The Village Board directed Staff to research requirements in other municipalities and report back. Village Planner Robles provided information on 6 surrounding municipalities’ single-lot landscaping regulations. Staff provided an alternate recommendation in increasing the required tree plantings from 4 to 7 with 1 of the required trees being an evergreen.

Trustee Servi stated it was still his opinion; the requirement should be based on the lot size and noted he would not be in favor of any more than five trees being required per single-family lot for new construction.

Trustee Feldman asked how the proposed requirement would affect the placement of a home related to the side-yard setback requirements. Village Planner Robles noted, based on setbacks and lot size requirements, a new home is typically located closer to one side yard over the other, allowing sufficient space within at least one side yard to achieve compliancy. Trustee Grujanac asked for clarification related to placement of trees and if the requirement would limit where on the lot the trees could be placed. Village Planner Robles noted the trees could be placed in clusters if desired to allow for more open space or play area for families with young children.

It was the consensus of the Board for the minimum requirement of trees on a single-family lot to be five.

Trustee Servi moved and Trustee Grujanac seconded the motion to approve an Ordinance Amending Chapter 2 of Title 13, Landscaping, of the Lincolnshire Village Code to update the Village’s landscaping regulations with 5 trees being the minimum requirement for a new single-family lot. The roll call vote was as follows: AYES: Trustees Feldman, Servi, Grujanac, and McDonough. NAYS: None. ABSENT: Trustees Hancock & McAllister. ABSTAIN: None. Temporary Chair McDonough declared the motion carried.

8.2 Finance and Administration

8.3 Public Works

8.4 Police

8.5 Parks and Recreation

8.6 Judiciary and Personnel

9.0 REPORTS OF SPECIAL COMMITTEES

10.0 UNFINISHED BUSINESS

11.0 NEW BUSINESS

12.0 EXECUTIVE SESSION

13.0 ADJOURNMENT

Trustee Grujanac moved and Trustee Feldman seconded the motion to adjourn. The voice vote was unanimous and Temporary Chair McDonough declared the meeting adjourned at 7:23 p.m.

Respectfully submitted,
VILLAGE OF LINCOLNSHIRE

Barbara Mastandrea
Village Clerk



VILLAGE OF LINCOLNSHIRE PERIOD ENDING 6
REVENUE / EXPENSE BUDGET SUMMARY FY 2015

	2015 Year-To-Date			2014 Year-To-Date		
	REVENUE	EXPENSE	OVER/(UNDER)	Revenue	Expense	OVER/(UNDER)
GENERAL FUND						
Revenue	5,674,553			5,488,051		
Administration		140,665			125,733	
Finance		134,029			142,619	
Police		1,548,181			1,465,490	
Community & Eco Development		335,504			248,433	
Insurance & Common		624,597			546,158	
PW: Administration		85,723			75,538	
PW: Streets		432,684			424,881	
PW: Parks & Open Space		550,661			541,218	
Buildings & Grounds		58,076			87,547	
Debt & Transfers		598,941			1,125,223	
TOTAL GENERAL FUND	\$ 5,674,553	\$ 4,509,062	\$ 1,165,492	\$ 5,488,051	\$ 4,782,840	\$ 705,211
ENTERPRISE FUNDS						
Water & Sewer Revenue	1,722,502			1,782,478		
Water & Sewer Administration		329,535			317,363	
Public Works Operating		1,266,450			1,300,305	
Water & Sewer Improvements	399,526	553,686		633,828	283,006	
TOTAL ENTERPRISE FUNDS	\$ 2,122,029	\$ 2,149,671	\$ (27,643)	\$ 2,416,306	\$ 1,900,674	\$ 515,632
NON-OPERATING FUNDS						
Motor Fuel Tax	88,346	-	88,346	123,605	49	123,556
Retirement	431,110	331,295	99,815	452,218	312,273	139,945
Fraud Alcohol Drug Enforcement	8,270	2,397	5,873	7,790	8,136	(346)
Vehicle Maintenance	276,875	192,800	84,075	264,750	217,058	47,692
E-911	182,148	169,016	13,132	158,245	164,315	(6,070)
Park Development	115	-	115	88,244	-	88,244
Traffic Signals SSA	9	1,220	(1,211)	10	-	10
General Capital	-	397,048	(397,048)	167,744	285,823	(118,078)
TOTAL NON-OPERATING FUNDS	\$ 986,872	\$ 1,093,775	\$ (106,903)	\$ 1,262,606	\$ 987,654	\$ 274,953
TRUST FUNDS						
Police Pension Fund**	802,227	429,975	372,252	589,245	453,837	135,407
Sedgebrook SSA	588,748	754,886	(166,139)	589,586	750,330	(160,744)
TOTAL TRUST FUNDS	\$ 1,390,975	\$ 1,184,862	\$ 206,113	\$ 1,178,831	\$ 1,204,167	\$ (25,337)

**The Police Pension Board contracts their accounting services resulting in a reporting delay. Amounts are as of 05/31/15.

VILLAGE OF LINCOLNSHIRE
REVENUES AND EXPENSES BY FUND
June 30, 2015
49.7% of Fiscal Year is Complete

	Year-to-Date	Annual Budget	% of Budget Used	Significant Facts
GENERAL FUND				
REVENUES				
Taxes	5,061,725	9,683,000	52.3%	Room & Adm (50.3%), Sales Tax (52.0%) Real Estate Transfer (105.08%) Bldg Permits (\$112,453) Bldg Permits= 37% of Licenses & Fees
Licenses & Fees	306,103	580,500	52.7%	
Fines & Forfeitures	140,277	380,000	36.9%	
Allotments, Grants	123,224	189,450	65.0%	
Miscellaneous	19,557	32,000	61.1%	
Other Income	23,668	22,000	107.6%	
TOTAL GENERAL REVENUES	\$ 5,674,553	\$ 10,886,950	52.1%	
EXPENSES				
Personal Services	117,075	252,300	46.4%	
Contractual Services	0	5,500	0.0%	
Other Charges	23,590	49,900	47.3%	
Administration	140,665	307,700	45.7%	
Personal Services	117,805	236,450	49.8%	
Contractual Services	13,822	20,405	67.7%	
Other Charges	2,401	5,675	42.3%	
Finance	134,029	262,530	51.1%	
Personal Services	1,308,580	2,699,000	48.5%	
Contractual Services	90,890	185,500	49.0%	
Commodities	4,260	18,700	22.8%	
Other Charges	47,500	90,400	52.5%	
Pension Benefits	0	0	100%	
Capital Outlay	27	2,000	1.3%	
Transfer Out- VMF	96,925	193,850	50.0%	
Police	1,548,181	3,189,450	48.5%	
Personal Services	225,432	456,000	49.4%	
Contractual Services	3,506	5,350	65.5%	
Other Charges	103,817	588,850	17.6%	
Transfer Out- VMF	2,750	5,500	50.0%	
Community & Eco Development	335,504	1,055,700	31.8%	
Contractual Services	595,568	1,275,240	46.7%	
Commodities	5,940	15,840	37.5%	
Other Charges	11,441	11,750	97.4%	
Capital Outlay	11,649	96,935	12.0%	
Other Expenses	0	0	100%	
Insurance & Common	624,597	1,399,765	44.6%	
Public Works				
Personal Services	71,019	143,100	49.6%	
Contractual Services	8,257	57,500	14.4%	
Other Charges	6,447	10,450	61.7%	
Capital Outlay	0	1,000	0.0%	
Admin	85,723	212,050	40.4%	
Personal Services	236,038	453,150	52.1%	
Contractual Services	55,015	319,900	17.2%	
Commodities	51,840	105,000	49.4%	
Other Charges	6,741	20,525	32.8%	
Transfer Out- VMF	83,050	166,100	50.0%	
Streets	432,684	1,064,675	40.6%	

Year-to-Date	Annual Budget	% of Budget Used	Significant Facts
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Personal Services	223,773	506,850	44.1%
Contractual Services	235,934	664,000	35.5%
Commodities	19,726	55,600	35.5%
Other Charges	7,529	15,025	50.1%
Parks Paths Capital Assets	0	10,000	0.0%
Transfer Out- VMF	63,700	127,400	50.0%
Parks & Open Space	550,661	1,378,875	39.9%
Contractual Services	44,327	110,200	40.2%
Commodities	6,943	22,100	31.4%
Total Other Charges	4,056	5,600	72.4%
Transfer Out- VMF	2,750	5,500	50.0%
Buildings & Grounds	58,076	143,400	40.5%
Debt	240,791	481,582	50.0%
Transfers	358,150	1,391,223	25.7%
Debt & Transfers	598,941	1,872,805	32.0%
TOTAL GENERAL EXPENSES	\$ 4,509,062	\$ 10,886,950	41.4%

WATER & SEWER FUND

REVENUES

Licenses & Fees	1,716,602	3,908,000	43.9%
Miscellaneous	4,951	6,000	82.5%
Other Income	949	2,500	38.0%
TOTAL REVENUES	\$ 1,722,502	\$ 3,916,500	44.0%

EXPENSES

Personal Services	93,934	193,250	48.6%
Contractual Services	166,290	296,590	56.1%
Commodities	660	1,760	37.5%
Other Charges	1,669	3,450	48.4%
Taxes	21,911	46,400	47.2%
Transfer Out- Retire Fund- IMRF	45,071	94,250	47.8%
Administration	329,535	635,700	51.8%
Personal Services	193,581	428,900	45.1%
Contractual Services	1,033,107	3,013,500	34.3%
Commodities	9,689	24,350	39.8%
Other Charges	2,373	6,900	34.4%
Capital Outlay	0	27,000	0.0%
Transfers	27,700	55,400	50.0%
Operating	1,266,450	3,556,050	35.6%
TOTAL EXPENSES	\$ 1,595,985	\$ 4,191,750	38.1%

FICA Taxes

WATER & SEWER IMPROVEMENT FUND

REVENUES

Licenses & Fees	40,410	280,000	14.4%
Miscellaneous Revenue	0	0	100%
Other/Interest	967	2,000	48.3%
Transfer In: General Fund	358,150	716,300	50.0%
TOTAL REVENUES	\$ 399,526	\$ 998,300	40.0%

EXPENSES

W&S Improv. Expenses	553,686	1,957,300	28.3%
TOTAL EXPENSES	\$ 553,686	\$ 1,957,300	28.3%

Year-to-Date	Annual Budget	% of Budget Used	Significant Facts
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MOTOR FUEL TAX FUND

REVENUES

Allotments & Grants	88,119	182,000	48.4%
Other Income	227	200	113.5%
TOTAL REVENUES	\$ 88,346	\$ 182,200	48.5%

EXPENSES

Capital Projects	0	175,000	0.0%
TOTAL EXPENSES	\$ -	\$ 175,000	0.0%

RETIREMENT FUND

REVENUES

Taxes	367,681	798,980	46.0%
Other Income	6,519	155	4205.9%
Transfer In from Other Funds	56,910	118,670	48.0%
TOTAL REVENUES	\$ 431,110	\$ 917,805	47.0%

Employer Contributions from other funds

EXPENSES

Retirement Expenses	331,295	917,805	36.1%
TOTAL EXPENSES	\$ 331,295	\$ 917,805	36.1%

FRAUD, ALCOHOL & DRUG ENFORCEMENT FUND

REVENUES

Fines & Forfeitures	8,270	0	100%
TOTAL REVENUES	\$ 8,270	\$ -	

EXPENSES

Enforcement Expenses	2,397	59,418	4.0%
TOTAL EXPENSES	\$ 2,397	\$ 59,418	4.0%

VEHICLE MAINTENANCE FUND

REVENUES

Transfer In from Other Funds	276,875	553,750	50.0%
TOTAL REVENUES	\$ 276,875	\$ 553,750	50.0%

EXPENSES

Personal Services	74,649	158,120	47.2%
Contractual Services	49,462	136,150	36.3%
Commodities	46,008	216,200	21.3%
Other Charges	5,041	9,100	55.4%
Taxes	5,802	12,500	46.4%
Transfer Out- IMRF	11,838	24,420	48.5%
TOTAL EXPENSES	\$ 192,800	\$ 556,490	34.6%

FICA Taxes

E911 FUND

REVENUES

Taxes	182,009	300,000	60.7%
Other Income	139	200	69.6%
TOTAL REVENUES	\$ 182,148	\$ 300,200	60.7%

EXPENSES

Contractual Services	169,016	300,200	56.3%
TOTAL EXPENSES	\$ 169,016	\$ 300,200	56.3%

PARK DEVELOPMENT FUND

REVENUES

Other Income	115	100	114.6%
TOTAL REVENUES	\$ 115	\$ 100	114.6%

EXPENSES

Capital Outlay	0	30,000	0.0%
TOTAL EXPENSES	\$ -	\$ 30,000	0.0%

Year-to-Date	Annual Budget	% of Budget Used	Significant Facts
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TRAFFIC SIGNAL SSA

REVENUES

Other Income	9	0	100%	
TOTAL REVENUES	\$ 9	\$ -	100%	

EXPENSES

Professional Services	1,220	9,500	12.8%	
TOTAL EXPENSES	\$ 1,220	\$ 9,500	12.8%	

GENERAL CAPITAL

REVENUES

Grants	0	422,000	0.0%	
Other Income	0	1,200,000	0.0%	
Transfers	0	393,923	0.0%	
TOTAL REVENUES	\$ -	\$ 2,015,923	0.0%	

EXPENSES

Police	86,751	196,500	44.1%	
Community & Eco Dev	13,929	42,400	32.9%	
Insurance & Common	21,600	78,870	27.4%	
PW Streets	78,367	1,138,380	6.9%	
Contractual Services - PW Prks & Opn	121,353	987,000	12.3%	
PW Buildings	75,048	374,000	20.1%	
TOTAL EXPENSES	\$ 397,048	\$ 2,817,150	14.1%	

POLICE PENSION FUND**

REVENUES

Property Taxes	21,519	623,300	3.5%	
Employee Contributions	86,274	213,600	40.4%	
Other Income	694,434	375,000	185.2%	Investment Income
Transfers	0	0	100%	
TOTAL REVENUES	\$ 802,227	\$ 1,211,900	66.2%	

EXPENSES

Contractual Services	429,975	1,211,900	35.5%	
TOTAL EXPENSES	\$ 429,975	\$ 1,211,900	35.5%	

***The Police Pension Board contracts their accounting services resulting in a reporting delay. Amounts are as of 05/31/15.*

SEDGEBROOK SSA

REVENUES

Taxes	579,873	1,161,600	49.9%	
Other Revenue	8,874	18,000	49.3%	Interest Income
TOTAL REVENUES	\$ 588,748	\$ 1,179,600	49.9%	

EXPENSES

Professional Services	1,761	18,350	9.6%	
Bond Payments	753,125	1,161,250	64.9%	
TOTAL EXPENSES	\$ 754,886	\$ 1,179,600	64.0%	



VILLAGE OF LINCOLNSHIRE
BILLS PRESENTED FOR PAYMENT
July 13, 2015

General Fund	\$	98,969.25
Water & Sewer Fund	\$	138,638.50
Motor Fuel Tax	\$	-
Retirement Fund	\$	47,329.03
Water & Sewer Improvement Fund	\$	24,067.25
Fraud, Alcohol, Drug Enforcement		
Vehicle Maintenance Fund	\$	15,781.45
E 911 Fund	\$	24,233.89
Park Development Fund		
Sedgebrook SSA		
SSA Traffic Signal		
General Capital Fund	\$	<u>27,228.67</u>
 GRAND TOTAL	\$	 376,248.04

Brad Burke, Village Manager

DATE: 06/30/2015
TIME: 11:31:04
ID: AP444000.WOW

-- VILLAGE OF LINCOLNSHIRE --
DETAIL BOARD REPORT

PAGE: 1

MANUAL CHECKS ISSUED 06/23/2015 THRU 07/13/2015

INVOICE #	INVOICE	ITEM		ACCOUNT #	CHECK #	CHECK DATE	ITEM AMT
VENDOR #	DATE	#	DESCRIPTION				
I2211	IMRF						
53196	06/25/15	01	MEMBER CONTRIB 06/2015	0600452230	201526	06/30/15	12,158.51
		02	EMPLOYER CONTRIB 06/2015	0601709101			35,170.52
						INVOICE TOTAL:	47,329.03
						VENDOR TOTAL:	47,329.03
P1140	PAYLOCITY						
101584409	06/24/15	01	06/26 PAY SERVICES	0112619130	201525	06/23/15	467.88
						INVOICE TOTAL:	467.88
						VENDOR TOTAL:	467.88
						TOTAL ALL INVOICES:	47,796.91

DATE: 06/30/2015
 TIME: 11:32:14
 ID: AP443000.WOW

-- VILLAGE OF LINCOLNSHIRE --
 DEPARTMENT SUMMARY REPORT

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INVOICES DUE ON/BEFORE 07/13/2015

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE
GENERAL FUND			
00	ASSETS-LIABILITIES-REVENUES		
B1056	B & F CONSTRUCTION CODE	26,842.96	808.56
L0875	LINCOLNSHIRE RIVERWOODS FPD	7,572.40	2,707.00
	ASSETS-LIABILITIES-REVENUES		3,515.56
01	ADMINISTRATION SERVICES		
A0117	AMERICAN EXPRESS	22,020.76	71.24
	ADMINISTRATION SERVICES		71.24
02	FINANCE		
A0117	AMERICAN EXPRESS	22,020.76	655.00
P1306	MICHAEL R. PETERSON	206.65	170.00
	FINANCE		825.00
05	POLICE		
A0117	AMERICAN EXPRESS	22,020.76	-28.09
A1275	AFTERMATH		105.00
C1248	KIMBERLY A COVELLI	500.00	20.00
C1466	COX COMMUNICATIONS		50.00
H1059	ADAM M. HYDE	101.98	25.75
I1234	ILMO PRODUCTS COMPANY		84.00
L1005	LAKE COUNTY METROPOLITAN		14,400.00
L1522	LAKE FOREST ACUTE CARE	1,735.00	604.00
N1164	NORTHWEST POLICE ACADEMY	350.00	50.00
V1444	VERIZON WIRELESS SERVICES LLC	10,608.52	697.20
W1124	JAMIE C. WATSON		10.00
W1364	GARY WRZESINSKI	30.00	10.00
	POLICE		16,027.86
08	COMMUNITY & ECONOMIC DEV		
A0117	AMERICAN EXPRESS	22,020.76	-505.00
A1065	AMERICAN PLANNING ASSOCIATION	306.00	101.25
E2766	ELEVATOR INSPECTION SERVICES	525.00	3,222.00

DATE: 06/30/2015
 TIME: 11:32:14
 ID: AP443000.WOW

-- VILLAGE OF LINCOLNSHIRE --
 DEPARTMENT SUMMARY REPORT

PAGE: 2

INVOICES DUE ON/BEFORE 07/13/2015

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE
GENERAL FUND			
08	COMMUNITY & ECONOMIC DEV		
Z1256	TONYA ZOZULYA		546.61
	COMMUNITY & ECONOMIC DEV		3,364.86
12	INSURANCE & COMMON EXPENSE		
A0117	AMERICAN EXPRESS	22,020.76	91.57
A0974	A T & T	790.42	119.95
B2781	BASECAMP WEB SOLUTIONS	1,212.50	61.87
C0115	CL GRAPHICS	9,159.36	3,173.61
C1012	CALL ONE	6,325.51	326.99
G1449	GARVEY'S OFFICE PRODUCTS	2,899.21	491.17
I1076	ILLINOIS PUBLIC RISK FUND	139,608.00	9,907.95
I1300	INTERDEV, LLC	37,917.81	1,163.34
L1463	LOGSDON OFFICE SUPPLY	241.32	63.50
L1522	LAKE FOREST ACUTE CARE	1,735.00	360.00
M0485	MADISON NAT'L LIFE INSURANCE	6,573.34	1,002.75
M1195	MICHAEL MERANDA, JR	2,789.98	240.00
M1328	MESIROW INSURANCE SERVICES	71,278.64	2,030.05
N1142	NORTH SUBURBAN EMPLOYEE	42,496.00	5,043.22
Q0455	QUILL CORPORATION	2,680.03	279.32
V1444	VERIZON WIRELESS SERVICES LLC	10,608.52	980.41
	INSURANCE & COMMON EXPENSE		25,335.70
20	PW ADMINISTRATION		
A0117	AMERICAN EXPRESS	22,020.76	139.00
F0707	FEDEX	439.88	21.78
	PW ADMINISTRATION		160.78
21	PW STREETS		
A0117	AMERICAN EXPRESS	22,020.76	20.00
A0405	AGGREGATE INDUSTRIES MGMT INC		533.60
C0166	COMED - BILL PAYMENT CTR	22,729.95	1,158.44
F1064	CHARLES J. FIORE COMPANY INC	333.15	80.00
L2075	LECHNER & SONS UNIFORM RENTAL	2,159.00	84.86
	PW STREETS		1,876.90

INVOICES DUE ON/BEFORE 07/13/2015

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE
GENERAL FUND			
22	PW PARKS & OPEN SPACE		
A0117	AMERICAN EXPRESS	22,020.76	696.58
A1912	ADAMS STEEL SERVICE INC		1,012.00
C0166	COMED - BILL PAYMENT CTR	22,729.95	75.68
C1260	ARTHUR CLESEN, INC.	2,691.50	732.00
C1906	CONSTELLATION ENERGY SERVICES	42,168.46	1,620.99
D1124	THE DAVEY TREE EXPERT COMPANY	49,087.50	5,062.50
F1064	CHARLES J. FIORE COMPANY INC	333.15	987.00
G0723	W. W. GRAINGER, INC	3,225.81	963.58
J1725	JOHNNY ROCKETS FIREWORKS		30,000.00
K1366	KIMBALL MIDWEST	608.74	375.93
L1667	J. C. LICHT & COMPANY	421.19	225.22
L2075	LECHNER & SONS UNIFORM RENTAL	2,159.00	104.08
N0407	NORTH SHORE GAS	4,046.83	57.34
P1523	PASQUESI HOME & GARDENS	158.81	62.98
T1137	TRUGREEN LIMITED PARTNERSHIP	1,315.00	1,220.00
W1411	WASTE MANAGEMENT	1,296.41	821.84
	PW PARKS & OPEN SPACE		44,017.72
25	PW BUILDINGS		
A1520	ATL FIRST AID, INC	25.95	27.95
B1638	BADE PAPER PRODUCTS	4,284.15	719.54
H1631	HAYES MECHANICAL LLC	19,140.15	2,344.18
L1667	J. C. LICHT & COMPANY	421.19	119.08
S1637	STATE FIRE MARSHALL		95.00
	PW BUILDINGS		3,305.75
WATER & SEWER FUND			
01	ADMINISTRATION		
A0117	AMERICAN EXPRESS	22,020.76	10.18
A0974	A T & T	790.42	13.33
B2781	BASECAMP WEB SOLUTIONS	1,212.50	6.88
C0115	CL GRAPHICS	9,159.36	352.64
C1012	CALL ONE	6,325.51	762.98
G1449	GARVEY'S OFFICE PRODUCTS	2,899.21	54.59
I1076	ILLINOIS PUBLIC RISK FUND	139,608.00	4,420.47
I1300	INTERDEV, LLC	37,917.81	129.26
L1463	LOGSDON OFFICE SUPPLY	241.32	7.06
M0485	MADISON NAT'L LIFE INSURANCE	6,573.34	149.57

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-- VILLAGE OF LINCOLNSHIRE --
DEPARTMENT SUMMARY REPORT

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INVOICES DUE ON/BEFORE 07/13/2015

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

WATER & SEWER FUND			
01	ADMINISTRATION		
M1328	MESIROW INSURANCE SERVICES	71,278.64	905.71
N1142	NORTH SUBURBAN EMPLOYEE	42,496.00	769.40
Q0455	QUILL CORPORATION	2,680.03	31.04
V1444	VERIZON WIRELESS SERVICES LLC	10,608.52	738.22
	ADMINISTRATION		8,351.33
02	OPERATIONS		
A0405	AGGREGATE INDUSTRIES MGMT INC		1,646.58
C0166	COMED - BILL PAYMENT CTR	22,729.95	775.96
C1906	CONSTELLATION ENERGY SERVICES	42,168.46	5,381.94
F0707	FEDEX	439.88	52.96
H1357	HYDROAIRE SERVICE, INC		1,307.00
L0329	LAKE COUNTY	627,992.00	107,860.00
L2075	LECHNER & SONS UNIFORM RENTAL	2,159.00	96.01
M1075	MIDWEST METER INC	109,261.64	990.00
N0407	NORTH SHORE GAS	4,046.83	230.74
P1409	PATTEN INDUSTRIES INC	28.71	10,712.00
W1055	WATER PRODUCTS CO.		1,233.98
	OPERATIONS		130,287.17
WATER & SEWER IMPROVEMENT FUND			
01	OPERATING		
D1142	DONOHUE & ASSOCIATES, INC.	12,800.76	3,222.75
M1075	MIDWEST METER INC	109,261.64	20,844.50
	OPERATING		24,067.25
VEHICLE MAINTENANCE FUND			
01	OPERATING		
A0702	ARLINGTON HEIGHTS FORD	4,100.01	681.59
B1182	BONNELL INDUSTRIES INC.	28,546.02	12,350.27
B1995	BUCK BROS., INC.		151.55
D1255	DUROWELD COMPANY, INC		492.00
H1154	HAVEY COMMUNICATIONS, INC.		119.00
I1076	ILLINOIS PUBLIC RISK FUND	139,608.00	914.58
I1205	INTERSTATE ALL BATTERY CENTER	1,603.25	354.85

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-- VILLAGE OF LINCOLNSHIRE --
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INVOICES DUE ON/BEFORE 07/13/2015

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

VEHICLE MAINTENANCE FUND			
01	OPERATING		
L2075	LECHNER & SONS UNIFORM RENTAL	2,159.00	35.29
L2305	LIBERTYVILLE CHEVROLET	4,972.34	71.25
M0485	MADISON NAT'L LIFE INSURANCE	6,573.34	44.29
M1328	MESIROW INSURANCE SERVICES	71,278.64	187.40
N1142	NORTH SUBURBAN EMPLOYEE	42,496.00	198.38
R1229	REINDERS, INC.	10,360.46	32.75
S1995	SNAP-ON CREDIT LLC	433.00	108.25
V1344	VERMEER- ILLINOIS, INC.	15.04	40.00
	OPERATING		15,781.45
E911 FUND			
01	OPERATING		
A0468	A T & T	5,436.56	859.73
V1622	VILLAGE OF VERNON HILLS	167,051.12	23,374.16
	OPERATING		24,233.89
GENERAL CAPITAL FUND			
05	POLICE		
H1631	HAYES MECHANICAL LLC	19,140.15	1,983.00
R1996	REDMOND CONSTRUCTION CORP	23,575.00	21,751.00
	POLICE		23,734.00
21	PW STREETS		
F1227	LEE & BETH ANN FELL		50.00
	PW STREETS		50.00
22	PW PARKS & OPEN SPACE		
B1750	CHRISTOPHER B BURKE	24,849.76	3,444.67
	PW PARKS & OPEN SPACE		3,444.67
	TOTAL ALL DEPARTMENTS		328,451.13

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GENERAL FUND
 ACTIVITY FROM 06/23/2015 TO 07/13/2015

ACCOUNT #	ACCOUNT DESCRIPTION VENDOR NAME	VENDOR #	TRANSACTION DESCRIPTION	CHECK #	CHECK DATE	ITEM AMOUNT
01-00-50-2481	BLD-ELEC-MECH-PLUMB REVIEWS B & F CONSTRUCTION CODE	B1056	25 TRI-STATE-CONN.BRIDGE	73122	07/13/15	808.56
	LINCOLNSHIRE RIVERWOODS FPD	L0875	25 TRI-STATE-CONN.BRIDGE-L.S.	73150	07/13/15	200.00
	LINCOLNSHIRE RIVERWOODS FPD	L0875	625 HEATHROW--LIFE SAFETY	73150	07/13/15	200.00
	LINCOLNSHIRE RIVERWOODS FPD	L0875	25 TRI-STATE-INTR.ALT.-L.SAFETY	73150	07/13/15	2,107.00
	LINCOLNSHIRE RIVERWOODS FPD	L0875	275 PKWAY,STE 311--LIFESAFETY	73150	07/13/15	200.00
			ACCOUNT TOTAL:			3,515.56
01-01-63-7000	BOARD & COMMISSIONS AMERICAN EXPRESS	A0117	DROP BOX	73113	07/13/15	9.99
	AMERICAN EXPRESS	A0117	MCDONOUGH SYMPATHY PLANT	73113	07/13/15	64.47
	AMERICAN EXPRESS	A0117	DISCOUNT MCDONOUGH SYMPATHY	73113	07/13/15	-3.22
			ACCOUNT TOTAL:			71.24
01-02-63-3000	PROFESSIONAL DEVELOPMENT AMERICAN EXPRESS	A0117	ICMA CONFERENCE	73113	07/13/15	655.00
			ACCOUNT TOTAL:			655.00
01-02-63-9000	BUSINESS EXPENSES MICHAEL R. PETERSON	P1306	travel reimb Insur & Finance	D000118	07/13/15	170.00
			ACCOUNT TOTAL:			170.00
01-05-61-4012	PROF SERV- LK CO METRO ENF GRP LAKE COUNTY METROPOLITAN	L1005	Assessment Fee FY 2015/2016	73151	07/13/15	14,400.00
			ACCOUNT TOTAL:			14,400.00
01-05-61-5515	DATA SYS- WIRELESS VERIZON WIRELESS SERVICES LLC	V1444	SQUAD LAPTOPS 05/02-06/01/15	73170	07/13/15	697.20
			ACCOUNT TOTAL:			697.20
01-05-62-3001	MAINT MAT- BA/ AED SUPPLIES ILMO PRODUCTS COMPANY	I1234	Breathalyzer Gas Canister	73146	07/13/15	84.00
			ACCOUNT TOTAL:			84.00
01-05-63-3002	PROF DEV- CERTIFIED COURSES					

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GENERAL FUND
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ACCOUNT #	ACCOUNT DESCRIPTION VENDOR NAME	VENDOR #	TRANSACTION DESCRIPTION	CHECK #	CHECK DATE	ITEM AMOUNT
01-05-63-3002	PROF DEV- CERTIFIED COURSES					
	AMERICAN EXPRESS	A0117	REIMBURSE HYATT CONFERENCE	73113	07/13/15	-28.09
	KIMBERLY A COVELLI	C1248	Meal Reimbursement to attend	D000112	07/13/15	10.00
	KIMBERLY A COVELLI	C1248	Meal Reimbursement to attend	D000112	07/13/15	10.00
	ADAM M. HYDE	H1059	Meal Reimbursement for	D000113	07/13/15	25.75
	NORTHWEST POLICE ACADEMY	N1164	"Civil Liability" attended by	73160	07/13/15	50.00
	JAMIE C. WATSON	W1124	Meal Reimbursement to attend	D000120	07/13/15	10.00
	GARY WRZESINSKI	W1364	Meal Reimbursement to attend	D000121	07/13/15	10.00
			ACCOUNT TOTAL:			87.66
01-05-63-9000	BUSINESS EXPENSES					
	AFTERMATH	A1275	Cleanup Service Squad 103	73119	07/13/15	105.00
	COX COMMUNICATIONS	C1466	Investigative Search 02-20-15	73130	07/13/15	50.00
			ACCOUNT TOTAL:			155.00
01-05-63-9009	OFFICER TESTING					
	LAKE FOREST ACUTE CARE	L1522	TAZZIOLI TESTING	73153	07/13/15	604.00
			ACCOUNT TOTAL:			604.00
01-08-61-4010	PROF SERV- ELEVATOR INSPECTION					
	ELEVATOR INSPECTION SERVICES	E2766	SEMI-ANNUAL ELEV.INSP/REINSP.	73135	07/13/15	2,983.00
	ELEVATOR INSPECTION SERVICES	E2766	SEMI-ANNUAL ELEV.INSP/REINSP.	73135	07/13/15	15.00
	ELEVATOR INSPECTION SERVICES	E2766	SEMI-ANNUAL ELEV.INSP/REINSP.	73135	07/13/15	224.00
			ACCOUNT TOTAL:			3,222.00
01-08-63-1000	MEMBERSHIPS					
	AMERICAN PLANNING ASSOCIATION	A1065	AICP PRORATED DUES-S.ROBLES	73118	07/13/15	101.25
			ACCOUNT TOTAL:			101.25
01-08-63-3000	PROFESSIONAL DEVELOPMENT					
	AMERICAN EXPRESS	A0117	REIMBURSE ICSC RECON	73113	07/13/15	-505.00
	TONYA ZOZULYA	Z1256	T&T EXP.REIMB.-RECON R.E.CONV.	D000122	07/13/15	546.61
			ACCOUNT TOTAL:			41.61
01-12-61-1000	TELEPHONE					
	CALL ONE	C1012	MONTHLY PHONE BILL 06/15/15	73128	07/13/15	326.99
			ACCOUNT TOTAL:			326.99
01-12-61-1002	TELEPHONE- CELLULAR					

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-- VILLAGE OF LINCOLNSHIRE --
 PAID INVOICES BY ACCOUNT NUMBER

GENERAL FUND
 ACTIVITY FROM 06/23/2015 TO 07/13/2015

ACCOUNT #	ACCOUNT DESCRIPTION VENDOR NAME	VENDOR #	TRANSACTION DESCRIPTION	CHECK #	CHECK DATE	ITEM AMOUNT
01-12-61-1002	TELEPHONE- CELLULAR VERIZON WIRELESS SERVICES LLC	V1444	CELLULAR 05/02-06/01/15	73170	07/13/15	980.41
			ACCOUNT TOTAL:			980.41
01-12-61-2004	PRINT- LETTERHEAD SUPPLIES CL GRAPHICS	C0115	JESSE/ROBLES BUSINESS CARDS	73126	07/13/15	85.50
			ACCOUNT TOTAL:			85.50
01-12-61-2006	PRINT- NEWSLETTER CL GRAPHICS CL GRAPHICS CL GRAPHICS	C0115 C0115 C0115	PRINT-NEWSLETTER MAILING PRINT-NEWSLETTER SUMMER PRINT-NEWSLETTER INSERT	73126 73126 73126	07/13/15 07/13/15 07/13/15	468.43 1,759.79 859.89
			ACCOUNT TOTAL:			3,088.11
01-12-61-4000	PROF SERV- VIDEO SERVICES MICHAEL MERANDA, JR MICHAEL MERANDA, JR	M1195 M1195	6/8/15 RVB/COW MEETINGS 6/9/15 ZONING BOARD MEETING	D000117 D000117	07/13/15 07/13/15	120.00 120.00
			ACCOUNT TOTAL:			240.00
01-12-61-4016	PROF SERV- MED. SVC/ DRUG TEST LAKE FOREST ACUTE CARE	L1522	RANDOM DRUG TESTING	73153	07/13/15	360.00
			ACCOUNT TOTAL:			360.00
01-12-61-5503	DATA SYS- INTERNET CONNECTION A T & T	A0974	N PK INTERNET THRU 06/10/15	73117	07/13/15	119.95
			ACCOUNT TOTAL:			119.95
01-12-61-5507	DATA SYS- SOFTWARE/ LICENSING INTERDEV, LLC	I1300	DATA SYS- SOFTWARE UPGRADES/LI	D000114	07/13/15	1,163.34
			ACCOUNT TOTAL:			1,163.34
01-12-61-8702	MEDICAL PREMIUMS- DENTAL NORTH SUBURBAN EMPLOYEE	N1142	MEDICAL PREMIUMS- DENTAL	73159	07/13/15	5,043.22
			ACCOUNT TOTAL:			5,043.22
01-12-61-8703	MEDICAL PREMIUMS- LIFE					

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GENERAL FUND
 ACTIVITY FROM 06/23/2015 TO 07/13/2015

ACCOUNT #	ACCOUNT DESCRIPTION VENDOR NAME	VENDOR #	TRANSACTION DESCRIPTION	CHECK #	CHECK DATE	ITEM AMOUNT
01-12-61-8703	MEDICAL PREMIUMS- LIFE MADISON NAT'L LIFE INSURANCE	M0485	MEDICAL PREMIUMS- LIFE	D000115	07/13/15	1,002.75
			ACCOUNT TOTAL:			1,002.75
01-12-61-8800	PROPERTY/LIABILITY INS MESIROW INSURANCE SERVICES	M1328	Monthly Hanover 5 of 12	73157	07/13/15	2,030.05
			ACCOUNT TOTAL:			2,030.05
01-12-61-8801	WORKERS COMP ILLINOIS PUBLIC RISK FUND	I1076	Aug premium & admin fee	73144	07/13/15	9,907.95
			ACCOUNT TOTAL:			9,907.95
01-12-61-9118	CUST SERV- WEBSITE CONSULT BASECAMP WEB SOLUTIONS	B2781	CUST SERV- WEBSITE CONSULT	73125	07/13/15	61.87
			ACCOUNT TOTAL:			61.87
01-12-61-9130	CONT SVC- PAYROLL PROCESSING PAYLOCITY	P1140	06/26 PAY SERVICES	201525	06/23/15	467.88
			ACCOUNT TOTAL:			467.88
01-12-62-1000	OFFICE SUPPLIES AMERICAN EXPRESS GARVEY'S OFFICE PRODUCTS GARVEY'S OFFICE PRODUCTS LOGSDON OFFICE SUPPLY QUILL CORPORATION QUILL CORPORATION	A0117 G1449 G1449 L1463 Q0455 Q0455	OFFICE SUPPLIES OFFICE SUPPLIES OFFICE SUPPLIES MBOT portfolios Police OFFICE SUPPLIES Police OFFICE SUPPLIES	73113 73140 73140 73152 73164 73164	07/13/15 07/13/15 07/13/15 07/13/15 07/13/15 07/13/15	91.57 252.09 239.08 63.50 277.46 1.86
			ACCOUNT TOTAL:			925.56
01-20-63-9000	BUSINESS EXPENSES AMERICAN EXPRESS AMERICAN EXPRESS FEDEX	A0117 A0117 F0707	IPASS PW TRAINING DAY Send docs to IDOT 6-17-15	73113 73113 73136	07/13/15 07/13/15 07/13/15	20.00 119.00 21.78
			ACCOUNT TOTAL:			160.78
01-21-61-8500	ELECTRIC UTILITIES					

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-- VILLAGE OF LINCOLNSHIRE --
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GENERAL FUND
 ACTIVITY FROM 06/23/2015 TO 07/13/2015

ACCOUNT #	ACCOUNT DESCRIPTION VENDOR NAME	VENDOR #	TRANSACTION DESCRIPTION	CHECK #	CHECK DATE	ITEM AMOUNT
01-21-61-8500	ELECTRIC UTILITIES COMED - BILL PAYMENT CTR	C0166	Streets electrical service	73127	07/13/15	1,158.44
			ACCOUNT TOTAL:			1,158.44
01-21-62-3117	R&R- STREETSCAPE RESTOR MAT CHARLES J. FIORE COMPANY INC	F1064	Sod	73137	07/13/15	80.00
			ACCOUNT TOTAL:			80.00
01-21-62-3504	CONST MAT- GRAVEL & SAND AGGREGATE INDUSTRIES MGMT INC	A0405	Semi-crushed stone	73114	07/13/15	533.60
			ACCOUNT TOTAL:			533.60
01-21-63-6000	UNIFORMS LECHNER & SONS UNIFORM RENTAL LECHNER & SONS UNIFORM RENTAL	L2075 L2075	Uniform rent Uniform rent	73155 73155	07/13/15 07/13/15	80.06 4.80
			ACCOUNT TOTAL:			84.86
01-21-63-9000	BUSINESS EXPENSES AMERICAN EXPRESS	A0117	IPASS	73113	07/13/15	20.00
			ACCOUNT TOTAL:			20.00
01-22-61-8000	GAS UTILITIES NORTH SHORE GAS	N0407	Parks natural gas service	73158	07/13/15	57.34
			ACCOUNT TOTAL:			57.34
01-22-61-8500	ELECTRIC UTILITIES COMED - BILL PAYMENT CTR CONSTELLATION ENERGY SERVICES CONSTELLATION ENERGY SERVICES CONSTELLATION ENERGY SERVICES	C0166 C1906 C1906 C1906	Parks electrical service Parks electric supply Parks electric supply Parks electric supply	73127 73131 73131 73131	07/13/15 07/13/15 07/13/15 07/13/15	75.68 426.26 1,089.32 105.41
			ACCOUNT TOTAL:			1,696.67
01-22-61-9017	CONT SVC- FERTILIZATION TRUGREEN LIMITED PARTNERSHIP TRUGREEN LIMITED PARTNERSHIP TRUGREEN LIMITED PARTNERSHIP	T1137 T1137 T1137	Rt22@Westmins median Weed-feed at Olde Mill Pk Weed-feed at Whytegate Pk	73168 73168 73168	07/13/15 07/13/15 07/13/15	120.00 200.00 220.00

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-- VILLAGE OF LINCOLNSHIRE --
 PAID INVOICES BY ACCOUNT NUMBER

GENERAL FUND
 ACTIVITY FROM 06/23/2015 TO 07/13/2015

ACCOUNT #	ACCOUNT DESCRIPTION VENDOR NAME	VENDOR #	TRANSACTION DESCRIPTION	CHECK #	CHECK DATE	ITEM AMOUNT
01-22-61-9017	CONT SVC- FERTILIZATION TRUGREEN LIMITED PARTNERSHIP	T1137	Weed-feed at WhytegateHistSite	73168	07/13/15	60.00
	TRUGREEN LIMITED PARTNERSHIP	T1137	Weed-feed at NorthPk	73168	07/13/15	620.00
			ACCOUNT TOTAL:			1,220.00
01-22-61-9034	CONT SVC- MISC DISPOSAL WASTE MANAGEMENT	W1411	Brush disposal	73173	07/13/15	821.84
			ACCOUNT TOTAL:			821.84
01-22-61-9056	CONT SVC- TREE PRUNING THE DAVEY TREE EXPERT COMPANY	D1124	SLP tree pruning 6/11/15	73132	07/13/15	975.00
			ACCOUNT TOTAL:			975.00
01-22-61-9089	TREE REMOVAL- EMG, HAZ, DISEAS THE DAVEY TREE EXPERT COMPANY	D1124	BalzerPk ash remove 5-23-15	73132	07/13/15	1,500.00
	THE DAVEY TREE EXPERT COMPANY	D1124	Balzer Pk hazard rem 6-12-15	73132	07/13/15	2,137.50
	THE DAVEY TREE EXPERT COMPANY	D1124	27 Dukes, cable, prune 6-11-15	73132	07/13/15	450.00
			ACCOUNT TOTAL:			4,087.50
01-22-61-9205	SPECIAL EVENTS- FIREWORKS JOHNNY ROCKETS FIREWORKS	J1725	July 4 fireworks display	73147	07/13/15	30,000.00
			ACCOUNT TOTAL:			30,000.00
01-22-62-3011	MAINT MAT- FERTILIZER/ NUTRIEN ARTHUR CLESEN, INC.	C1260	Fieldmarker, rapiddry-N Pk	73129	07/13/15	732.00
	PASQUESI HOME & GARDENS	P1523	Sevin, Dib spray	73163	07/13/15	62.98
			ACCOUNT TOTAL:			794.98
01-22-62-3018	MAINT MAT- JANITORIAL SUPPLIES W. W. GRAINGER, INC	G0723	Disinfectant, util.bade-N Pk	73139	07/13/15	101.12
	W. W. GRAINGER, INC	G0723	Paper gds,janitorial Npk	73139	07/13/15	362.87
	KIMBALL MIDWEST	K1366	Wasp spray, pad	73148	07/13/15	375.93
			ACCOUNT TOTAL:			839.92
01-22-62-3026	MAINT MAT- PAINT & SUPP W. W. GRAINGER, INC	G0723	Basketball net,wrench	73139	07/13/15	227.15

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GENERAL FUND
 ACTIVITY FROM 06/23/2015 TO 07/13/2015

ACCOUNT #	ACCOUNT DESCRIPTION VENDOR NAME	VENDOR #	TRANSACTION DESCRIPTION	CHECK #	CHECK DATE	ITEM AMOUNT
01-22-62-3026	MAINT MAT- PAINT & SUPP W. W. GRAINGER, INC	G0723	Goal net-N Pk	73139	07/13/15	36.68
	W. W. GRAINGER, INC	G0723	Spray paint, tapes	73139	07/13/15	235.76
	J. C. LICHT & COMPANY	L1667	Paint for North Park	73154	07/13/15	225.22
			ACCOUNT TOTAL:			724.81
01-22-62-3056	MAINT MAT- PLANTINGS CHARLES J. FIORE COMPANY INC	F1064	Plantings	73137	07/13/15	987.00
			ACCOUNT TOTAL:			987.00
01-22-62-3501	CONST MAT- PARKS ADAMS STEEL SERVICE INC	A1912	Conservancy markers	73121	07/13/15	1,012.00
			ACCOUNT TOTAL:			1,012.00
01-22-63-6000	UNIFORMS AMERICAN EXPRESS	A0117	LIFEGUARD UNIFORMS	73113	07/13/15	606.20
	AMERICAN EXPRESS	A0117	LIFEGUARD UNIFORMS	73113	07/13/15	90.38
	LECHNER & SONS UNIFORM RENTAL	L2075	Uniform rent	73155	07/13/15	80.06
	LECHNER & SONS UNIFORM RENTAL	L2075	Uniform rent	73155	07/13/15	24.02
			ACCOUNT TOTAL:			800.66
01-25-61-9023	CONT SVC- HVAC & ELECT MNT HAYES MECHANICAL LLC	H1631	A/C leak at PWF 5-8-15	73143	07/13/15	1,087.68
	HAYES MECHANICAL LLC	H1631	VH AC service, repairs 5-26-15	73143	07/13/15	1,256.50
	STATE FIRE MARSHALL	S1637	Air tank test, certify at PWF	73166	07/13/15	95.00
			ACCOUNT TOTAL:			2,439.18
01-25-62-3027	MAINT MAT- PAPER GOODS BADE PAPER PRODUCTS	B1638	Paper goods	73123	07/13/15	310.54
	BADE PAPER PRODUCTS	B1638	Paper goods	73123	07/13/15	409.00
			ACCOUNT TOTAL:			719.54
01-25-62-3034	MAINT MAT- SAFETY SUPPLIES ATL FIRST AID, INC	A1520	First aid supplies-PWF	73120	07/13/15	27.95
			ACCOUNT TOTAL:			27.95
01-25-62-3118	R&R- SUPPLIES					

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-- VILLAGE OF LINCOLNSHIRE --
PAID INVOICES BY ACCOUNT NUMBER

GENERAL FUND
ACTIVITY FROM 06/23/2015 TO 07/13/2015

ACCOUNT #	ACCOUNT DESCRIPTION VENDOR NAME	VENDOR #	TRANSACTION DESCRIPTION	CHECK #	CHECK DATE	ITEM AMOUNT
01-25-62-3118	R&R- SUPPLIES J. C. LICHT & COMPANY	L1667	Paint/supplies-water dept door	73154	07/13/15	119.08
			ACCOUNT TOTAL:			119.08
			GENERAL FUND			98,969.25

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-- VILLAGE OF LINCOLNSHIRE --
PAID INVOICES BY ACCOUNT NUMBER

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WATER & SEWER FUND
ACTIVITY FROM 06/23/2015 TO 07/13/2015

ACCOUNT #	ACCOUNT DESCRIPTION VENDOR NAME	VENDOR #	TRANSACTION DESCRIPTION	CHECK #	CHECK DATE	ITEM AMOUNT
02-01-61-1000	TELEPHONE CALL ONE	C1012	MONTHLY PHONE BILL 06/15/15	73128	07/13/15	762.98
			ACCOUNT TOTAL:			762.98
02-01-61-1002	TELEPHONE- CELLULAR VERIZON WIRELESS SERVICES LLC	V1444	CELLULAR 05/02-06/01/15	73170	07/13/15	501.10
	VERIZON WIRELESS SERVICES LLC	V1444	DATA PLAN UTIL 05/13-06/12	73170	07/13/15	237.12
			ACCOUNT TOTAL:			738.22
02-01-61-2004	PRINT- LETTERHEAD SUPPLIES CL GRAPHICS	C0115	JESSE/ROBLES BUSINESS CARDS	73126	07/13/15	9.50
			ACCOUNT TOTAL:			9.50
02-01-61-2006	PRINT- NEWSLETTER CL GRAPHICS	C0115	PRINT-NEWSLETTER MAILING	73126	07/13/15	52.05
	CL GRAPHICS	C0115	PRINT-NEWSLETTER SUMMER	73126	07/13/15	195.54
	CL GRAPHICS	C0115	PRINT-NEWSLETTER INSERT	73126	07/13/15	95.55
			ACCOUNT TOTAL:			343.14
02-01-61-5503	DATA SYS- INTERNET CONNECTION A T & T	A0974	N PK INTERNET THRU 06/10/15	73117	07/13/15	13.33
			ACCOUNT TOTAL:			13.33
02-01-61-5507	DATA SYS- SOFTWARE/LICENSING INTERDEV, LLC	I1300	DATA SYS- SOFTWARE UPGRADES/LI	D000114	07/13/15	129.26
			ACCOUNT TOTAL:			129.26
02-01-61-8702	MEDICAL PREMIUMS- DENTAL NORTH SUBURBAN EMPLOYEE	N1142	MEDICAL PREMIUMS- DENTAL	73159	07/13/15	769.40
			ACCOUNT TOTAL:			769.40
02-01-61-8703	MEDICAL PREMIUMS- LIFE MADISON NAT'L LIFE INSURANCE	M0485	MEDICAL PREMIUMS- LIFE	D000115	07/13/15	149.57
			ACCOUNT TOTAL:			149.57
02-01-61-8800	PROPERTY/LIABILITY INS					

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-- VILLAGE OF LINCOLNSHIRE --
 PAID INVOICES BY ACCOUNT NUMBER

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WATER & SEWER FUND
 ACTIVITY FROM 06/23/2015 TO 07/13/2015

ACCOUNT #	ACCOUNT DESCRIPTION VENDOR NAME	VENDOR #	TRANSACTION DESCRIPTION	CHECK #	CHECK DATE	ITEM AMOUNT
02-01-61-8800	PROPERTY/LIABILITY INS MESIROW INSURANCE SERVICES	M1328	Monthly Hanover 5 of 12	73157	07/13/15	905.71
			ACCOUNT TOTAL:			905.71
02-01-61-8801	WORKERS COMP ILLINOIS PUBLIC RISK FUND	I1076	Aug premium & admin fee	73144	07/13/15	4,420.47
			ACCOUNT TOTAL:			4,420.47
02-01-61-9118	CUST SERV- WEBSITE CONSULT BASECAMP WEB SOLUTIONS	B2781	CUST SERV- WEBSITE CONSULT	73125	07/13/15	6.88
			ACCOUNT TOTAL:			6.88
02-01-62-1000	OFFICE SUPPLIES AMERICAN EXPRESS	A0117	OFFICE SUPPLIES	73113	07/13/15	10.18
	GARVEY'S OFFICE PRODUCTS	G1449	OFFICE SUPPLIES	73140	07/13/15	28.02
	GARVEY'S OFFICE PRODUCTS	G1449	OFFICE SUPPLIES	73140	07/13/15	26.57
	LOGSDON OFFICE SUPPLY	L1463	MBOT portfolios	73152	07/13/15	7.06
	QUILL CORPORATION	Q0455	Police OFFICE SUPPLIES	73164	07/13/15	31.04
			ACCOUNT TOTAL:			102.87
02-02-61-3007	EQ MAINT- REP RESVOIR/LIFT ST HYDROAIRE SERVICE, INC	H1357	Pump evaluation-LLS #1	73142	07/13/15	1,307.00
			ACCOUNT TOTAL:			1,307.00
02-02-61-8000	GAS UTILITIES NORTH SHORE GAS	N0407	Util. natural gas service	73158	07/13/15	230.74
			ACCOUNT TOTAL:			230.74
02-02-61-8500	ELECTRIC UTILITIES COMED - BILL PAYMENT CTR	C0166	Utilities electrical service	73127	07/13/15	775.96
	CONSTELLATION ENERGY SERVICES	C1906	Utilities electric supply	73131	07/13/15	3,190.91
	CONSTELLATION ENERGY SERVICES	C1906	Utilities electric supply	73131	07/13/15	675.45
	CONSTELLATION ENERGY SERVICES	C1906	Utilities electric supply	73131	07/13/15	1,515.58
			ACCOUNT TOTAL:			6,157.90
02-02-61-9101	GENERATOR MAINT					

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-- VILLAGE OF LINCOLNSHIRE --
 PAID INVOICES BY ACCOUNT NUMBER

WATER & SEWER FUND
 ACTIVITY FROM 06/23/2015 TO 07/13/2015

ACCOUNT #	ACCOUNT DESCRIPTION VENDOR NAME	VENDOR #	TRANSACTION DESCRIPTION	CHECK #	CHECK DATE	ITEM AMOUNT
02-02-61-9101	GENERATOR MAINT					
	PATTEN INDUSTRIES INC	P1409	Generator maint. contract	73162	07/13/15	1,133.00
	PATTEN INDUSTRIES INC	P1409	Generator maint. contract	73162	07/13/15	1,030.00
	PATTEN INDUSTRIES INC	P1409	Generator maint. contract	73162	07/13/15	1,030.00
	PATTEN INDUSTRIES INC	P1409	Generator maint. contract	73162	07/13/15	1,133.00
	PATTEN INDUSTRIES INC	P1409	Generator maint. contract	73162	07/13/15	978.50
	PATTEN INDUSTRIES INC	P1409	Generator maint. contract	73162	07/13/15	566.50
	PATTEN INDUSTRIES INC	P1409	Generator maint. contract	73162	07/13/15	1,030.00
	PATTEN INDUSTRIES INC	P1409	Generator maint. contract	73162	07/13/15	978.50
	PATTEN INDUSTRIES INC	P1409	Generator maint. contract	73162	07/13/15	1,133.00
	PATTEN INDUSTRIES INC	P1409	Generator maint. contract	73162	07/13/15	1,133.00
	PATTEN INDUSTRIES INC	P1409	Generator maint. contract	73162	07/13/15	566.50
			ACCOUNT TOTAL:			10,712.00
02-02-61-9110	REMOTE READ CENTER MAINT					
	MIDWEST METER INC	M1075	Trimble maintenance agreemt	D000116	07/13/15	990.00
			ACCOUNT TOTAL:			990.00
02-02-61-9600	SANITARY SEWER CHARGE					
	LAKE COUNTY	L0329	Dist 3 Residential	73149	07/13/15	46,036.00
	LAKE COUNTY	L0329	Dist 4 Commercial	73149	07/13/15	61,736.00
	LAKE COUNTY	L0329	Dist 4 Village use	73149	07/13/15	88.00
			ACCOUNT TOTAL:			107,860.00
02-02-62-3053	MAINT MAT- GRAVEL					
	AGGREGATE INDUSTRIES MGMT INC	A0405	Semi-crushed stone	73114	07/13/15	1,646.58
			ACCOUNT TOTAL:			1,646.58
02-02-62-3062	MAINT MAT- REPAIR CLAMPS & FIT					
	WATER PRODUCTS CO.	W1055	Repair clamps	73172	07/13/15	672.00
	WATER PRODUCTS CO.	W1055	Repair clamps	73172	07/13/15	291.86
	WATER PRODUCTS CO.	W1055	Repair clamps	73172	07/13/15	270.12
			ACCOUNT TOTAL:			1,233.98
02-02-63-6000	UNIFORMS					
	LECHNER & SONS UNIFORM RENTAL	L2075	Uniform rent	73155	07/13/15	80.06
	LECHNER & SONS UNIFORM RENTAL	L2075	Uniform rent	73155	07/13/15	15.95
			ACCOUNT TOTAL:			96.01
02-02-63-9000	BUSINESS EXPENSES					

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-- VILLAGE OF LINCOLNSHIRE --
PAID INVOICES BY ACCOUNT NUMBER

WATER & SEWER FUND
ACTIVITY FROM 06/23/2015 TO 07/13/2015

ACCOUNT #	ACCOUNT DESCRIPTION VENDOR NAME	VENDOR #	TRANSACTION DESCRIPTION	CHECK #	CHECK DATE	ITEM AMOUNT
02-02-63-9000	BUSINESS EXPENSES FEDEX	F0707	Ship IEPA test results 6-2-15	73136	07/13/15	52.96
			ACCOUNT TOTAL:			52.96
			WATER & SEWER FUND			138,638.50

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-- VILLAGE OF LINCOLNSHIRE --
PAID INVOICES BY ACCOUNT NUMBER

RETIREMENT FUND
ACTIVITY FROM 06/23/2015 TO 07/13/2015

ACCOUNT #	ACCOUNT DESCRIPTION VENDOR NAME	VENDOR #	TRANSACTION DESCRIPTION	CHECK #	CHECK DATE	ITEM AMOUNT
06-00-45-2230	EMP DED-IMRF IMRF	I2211	MEMBER CONTRIB 06/2015	201526	06/30/15	12,158.51
			ACCOUNT TOTAL:			12,158.51
06-01-70-9101	IMRF IMRF	I2211	EMPLOYER CONTRIB 06/2015	201526	06/30/15	35,170.52
			ACCOUNT TOTAL:			35,170.52
			RETIREMENT FUND			47,329.03

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-- VILLAGE OF LINCOLNSHIRE --
PAID INVOICES BY ACCOUNT NUMBER

WATER & SEWER IMPROVEMENT FUND
ACTIVITY FROM 06/23/2015 TO 07/13/2015

ACCOUNT #	ACCOUNT DESCRIPTION VENDOR NAME	VENDOR #	TRANSACTION DESCRIPTION	CHECK #	CHECK DATE	ITEM AMOUNT
07-01-81-5001	AUTOMATED METER READ SYSTEM					
	MIDWEST METER INC	M1075	Remote meter readers	D000116	07/13/15	20,760.00
	MIDWEST METER INC	M1075	Freight	D000116	07/13/15	84.50

						ACCOUNT TOTAL: 20,844.50
07-01-81-5008	HYDRAULIC WATER MODEL					
	DONOHUE & ASSOCIATES, INC.	D1142	Wtr Dist Flow Study services	73133	07/13/15	3,222.75

						ACCOUNT TOTAL: 3,222.75

						WATER & SEWER IMPROVEMENT FUND 24,067.25
						=====

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-- VILLAGE OF LINCOLNSHIRE --
PAID INVOICES BY ACCOUNT NUMBER

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VEHICLE MAINTENANCE FUND
ACTIVITY FROM 06/23/2015 TO 07/13/2015

ACCOUNT #	ACCOUNT DESCRIPTION VENDOR NAME	VENDOR #	TRANSACTION DESCRIPTION	CHECK #	CHECK DATE	ITEM AMOUNT
12-01-61-3701	VEH MAINT- TRUCK REHAB ARLINGTON HEIGHTS FORD	A0702	Step asy for #232	73116	07/13/15	661.02
	BONNELL INDUSTRIES INC.	B1182	Rehab to #232	D000110	07/13/15	10,336.40
	BONNELL INDUSTRIES INC.	B1182	Rehab to #232	D000110	07/13/15	2,013.87
	DUROWELD COMPANY, INC	D1255	Salt fins	73134	07/13/15	492.00
	HAVEY COMMUNICATIONS, INC.	H1154	LED flashlight for PW 232	73141	07/13/15	119.00
			ACCOUNT TOTAL:			13,622.29
12-01-61-8702	MEDICAL PREMIUMS- DENTAL NORTH SUBURBAN EMPLOYEE	N1142	MEDICAL PREMIUMS- DENTAL	73159	07/13/15	198.38
			ACCOUNT TOTAL:			198.38
12-01-61-8703	MEDICAL PREMIUMS- LIFE MADISON NAT'L LIFE INSURANCE	M0485	MEDICAL PREMIUMS- LIFE	D000115	07/13/15	44.29
			ACCOUNT TOTAL:			44.29
12-01-61-8800	PROPERTY/LIABILITY INS MESIROW INSURANCE SERVICES	M1328	Monthly Hanover 5 of 12	73157	07/13/15	187.40
			ACCOUNT TOTAL:			187.40
12-01-61-8801	WORKERS COMP ILLINOIS PUBLIC RISK FUND	I1076	Aug premium & admin fee	73144	07/13/15	914.58
			ACCOUNT TOTAL:			914.58
12-01-61-9020	CONT SVC- DEALER REPAIRS VERMEER- ILLINOIS, INC.	V1344	Blade sharpening-chipper	73169	07/13/15	40.00
			ACCOUNT TOTAL:			40.00
12-01-62-5006	PARTS ARLINGTON HEIGHTS FORD	A0702	Hood handle-#232	73116	07/13/15	20.57
	BUCK BROS., INC.	B1995	Parts for weed whips-N Pk	73124	07/13/15	141.21
	BUCK BROS., INC.	B1995	Part for weed whip	73124	07/13/15	10.34
	INTERSTATE ALL BATTERY CENTER	I1205	Generator batts	73145	07/13/15	354.85
	LIBERTYVILLE CHEVROLET	L2305	Seat belt buckle fpr #244	73156	07/13/15	71.25
	REINDERS, INC.	R1229	Restock & shipping fee	D000119	07/13/15	32.75
			ACCOUNT TOTAL:			630.97
12-01-63-4000	PUBLICATIONS					

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-- VILLAGE OF LINCOLNSHIRE --
PAID INVOICES BY ACCOUNT NUMBER

VEHICLE MAINTENANCE FUND
ACTIVITY FROM 06/23/2015 TO 07/13/2015

ACCOUNT #	ACCOUNT DESCRIPTION VENDOR NAME	VENDOR #	TRANSACTION DESCRIPTION	CHECK #	CHECK DATE	ITEM AMOUNT
12-01-63-4000	PUBLICATIONS SNAP-ON CREDIT LLC	S1995	Software subscription monthly	73167	07/13/15	108.25
						----- ACCOUNT TOTAL: 108.25
12-01-63-6000	UNIFORMS LECHNER & SONS UNIFORM RENTAL	L2075	Uniform rent	73155	07/13/15	35.29
						----- ACCOUNT TOTAL: 35.29 -----
						----- VEHICLE MAINTENANCE FUND 15,781.45 =====

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-- VILLAGE OF LINCOLNSHIRE --
PAID INVOICES BY ACCOUNT NUMBER

E911 FUND
ACTIVITY FROM 06/23/2015 TO 07/13/2015

ACCOUNT #	ACCOUNT DESCRIPTION VENDOR NAME	VENDOR #	TRANSACTION DESCRIPTION	CHECK #	CHECK DATE	ITEM AMOUNT
17-01-61-1004	EQ MAINT- 911 TELE SYS A T & T	A0468	911 Landline Jun. 7-Jul. 6	73115	07/13/15	859.73
			ACCOUNT TOTAL:			859.73
17-01-61-4029	PROF SERV- DISPATCH SERVICES VILLAGE OF VERNON HILLS	V1622	July 2015 Dispatch Service	73171	07/13/15	23,374.16
			ACCOUNT TOTAL:			23,374.16
			E911 FUND			24,233.89

DATE: 06/30/15
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-- VILLAGE OF LINCOLNSHIRE --
 PAID INVOICES BY ACCOUNT NUMBER

GENERAL CAPITAL FUND
 ACTIVITY FROM 06/23/2015 TO 07/13/2015

ACCOUNT #	ACCOUNT DESCRIPTION VENDOR NAME	VENDOR #	TRANSACTION DESCRIPTION	CHECK #	CHECK DATE	ITEM AMOUNT
51-05-80-2102	BUILDINGS- POLICE REMODEL HAYES MECHANICAL LLC REDMOND CONSTRUCTION CORP	H1631 R1996	Relocate panel from dispatch Balance Due Police Remodel	73143 73165	07/13/15 07/13/15	1,983.00 21,751.00
			ACCOUNT TOTAL:			23,734.00
51-21-88-5009	INFRA- ROAD RESURFACING LEE & BETH ANN FELL	F1227	Reimburse-pet fence damage	73138	07/13/15	50.00
			ACCOUNT TOTAL:			50.00
51-22-86-1901	POCKET PARK (CONST & ENG) CHRISTOPHER B BURKE	B1750	Pocket Park permitting, plans	D000111	07/13/15	3,444.67
			ACCOUNT TOTAL:			3,444.67
			GENERAL CAPITAL FUND			27,228.67

REQUEST FOR BOARD ACTION

Subject: Receipt and Presentation of 2014 Village of Lincolnshire Comprehensive Annual Financial Report (CAFR) (Village of Lincolnshire)

Action Requested: Review and Acceptance of CAFR

Originated

By/Contact: Michael Peterson, Finance Director/ Treasurer

Referred To: Mayor and Village Board of Trustees

Summary / Background: On July 9, 2015, staff provided Board members an electronic copy of the *Village of Lincolnshire Comprehensive Annual Financial Report (CAFR), Auditor's Communication to the Village Board, Tax Increment Financing District Report on Compliance, and Management Letter*. As part of the audit process Sikich is required to have certain communications with those charged with governance at the conclusion of the audit. Village Auditor Dan Berg, Partner with Sikich LLP and Finance Director Michael Peterson will be in attendance at Monday's meeting to provide an overview and take questions related to the audit process, reports, and the financial position of the Village. The CAFR will be posted in PDF format on the Village's website on July 14, 2015 at <http://www.village.lincolnshire.il.us/departments-services/finance-department/audit>.

The Independent Auditor's Report prepared by Sikich, can be found on pages one and two of the CAFR. It is Sikich's opinion, *"the financial statements present fairly, in all material respects, the financial position of the Village of Lincolnshire as of 12/31/2014."*

The Village had a successful audit and Finance Director Peterson wishes to extend his thanks to all the support provided by other departments and Finance Department staff.

Budgetary Impact: n/a

Recommendation:

Staff recommends the Village receive the CAFR.

Reports and Documents Attached:

- CAFR (Comprehensive Annual Financial Report)
- Auditor's Communication to the Village Board
- Tax Increment Financing District Report on Compliance
- Management Letter

Meeting History	
Village Board Meeting	July 13, 2015



Village of
Lincolnshire
Illinois

Comprehensive Annual Financial Report
For the Year Ended December 31, 2014

VILLAGE OF LINCOLNSHIRE, ILLINOIS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended
December 31, 2014

Prepared by Finance Department

Michael R. Peterson
Finance Director

VILLAGE OF LINCOLNSHIRE, ILLINOIS
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INTRODUCTORY SECTION

VILLAGE OF LINCOLNSHIRE, ILLINOIS

PRINCIPAL OFFICIALS

December 31, 2014

Mayor

Brett Blomberg

Village Board

Elizabeth Brandt
Karen Feldman
Dr. Mara Grujanac

Patrick McAllister
Dan Servi
Tom McDonough

Village Clerk

Barbara Mastandrea

Village Treasurer

Christopher Curtis

* * * * *

Village Manager

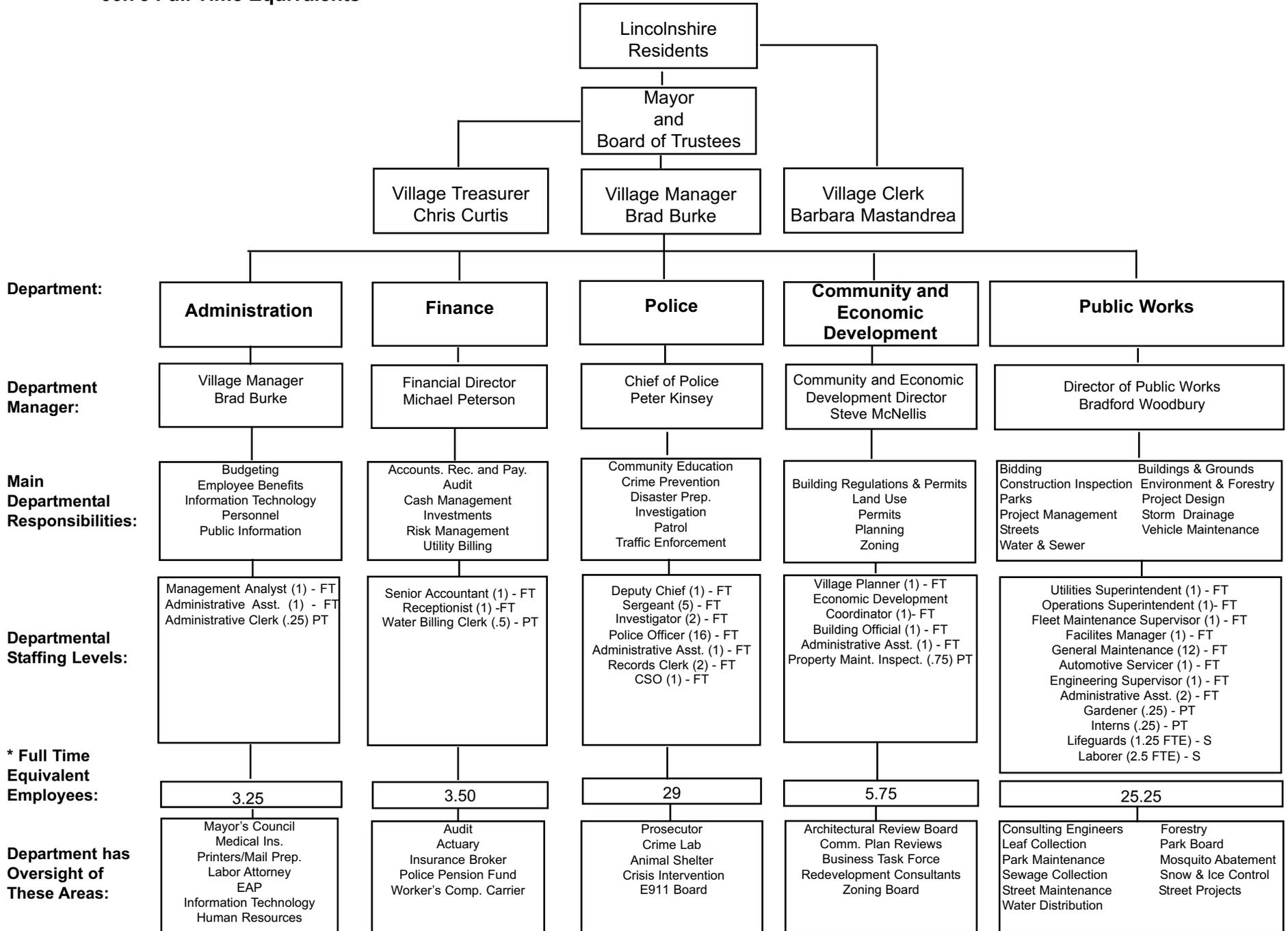
Bradly Burke

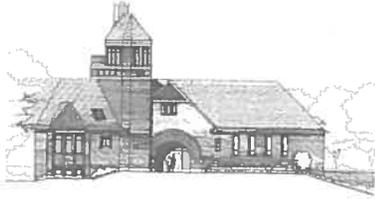
Finance Director

Michael R. Peterson

61 Full Time Employees
5.75 Part Time or Seasonal Employees
66.75 Full Time Equivalents

VILLAGE OF LINCOLNSHIRE
Organizational Chart
(12/31/2014)





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June 12, 2014

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 Comprehensive Annual Financial Report (CAFR) of the Village of Lincolnshire for the fiscal year ended December 31, 2014.

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

Sikich LLP, Independent Certified Public Accountants, have issued an unqualified opinion on the Village's financial statements for the fiscal year ended December 31, 2014. The independent auditor's report is presented at the front of the financial section of this report.

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

Profile of the Village

Basic Information

The Village of Lincolnshire, incorporated in 1957, is located in southern Lake County and is 38 miles north of the City of Chicago. The community covers nearly five-square miles with the northern branch of the Des Plaines River running through its boundaries. Thousands of native deciduous trees and numerous outlots 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. The Village became home rule by a voter approved referendum in 1975. The most recent federal census recorded 7,275 residents. Its day-time population is estimated at nearly 25,000.

The Village is empowered 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 the Village Manager, Treasurer, Village Clerk, and Corporation Counsel. The Village Manager is responsible for carrying out the policies and ordinances of the Village Board; overseeing the day-to-day operation of the Village; and for appointing the heads of the various departments.

The Village provides a full range of services including police protection; community and economic development; construction and maintenance of the Village's streets and other infrastructure. It also is responsible for the operation and maintenance of an extensive water and sanitary sewer distribution and collection system. The Villages Public Works Department oversees maintenance of the Village's park and path system and helps manage a woodlands program which serves to protect and preserve urban forest and open space. Fire protection is provided by the the Lincolnshire-Riverwoods Fire Protection District. The Village's annual financial report (CAFR) also includes the activities of the Police Pension Fund; however, control of the police pension fund rests with an independent board.

The annual budget serves as the foundation for the Village's financial planning and control. All departments of the Village are required to submit their request for appropriations to the Village Manager as part of the annual budget preparation process. The Village Manager presents the proposed budget to the Village Board for review in October. The Village Board is required to hold a public hearing on the proposed budget and to adopt 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 a strong 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, and excellent municipal services.

Annual operational/capital costs and debt service has traditionally been funded with current revenues. In addition, property taxes have historically only been levied exclusively to fund the Village's two pension plans (police and municipal employees). A number of revenues sources have shown slight but steady growth in recent years. Home Rule Sales tax increased from \$1,318,577 in 2013 to \$1,427,191; representing an 8.2% increase. While sales tax revenues continue to grow, the Village is pleased to report the retail base continues to become more diverse. For example, sales tax received related to the Illinois Department of Revenue's food category increased 55% from 2013 to 2014. Most of this increase can be attributed to the addition of The Fresh Market grocery store in the Village's downtown development area. Additionally, sales tax related to drinking and eating places has more than doubled from just over \$500,000 in sales tax revenue in 2005 to \$986,000 in 2014; representing a 94% increase in this form of revenue. Additionally, Room and Admission tax was 5.6% higher in 2014 compared to 2013, and the total revenue received of \$1,831,416 was within \$15,000 of 2008 levels for this source of revenue.

The sales tax increase projected for FY2015 relate to a change in financial reporting. In prior years, the economic incentive payments (ie: sales tax rebates) were reported as reductions to sales tax revenue. Beginning FY15, Sales Tax Revenue will be reported as gross revenue; while the incentives will appear a Community and Economic Development Department expense.

The Village has consistently tracked three basic economic indicators serving as benchmarks as to how Lincolnshire finances would be impacted. Prior to FY2008, annually for eleven years, Village real estate values consistently showed, in total, an average increase of 5%. Since 2008 property values continue to drop. The continued decline in real estate values forced the majority of taxing bodies within the Village's boundaries to significantly raise their property tax rates. The positive news is the Village is starting to see positive upward trends in its revenues.

Five types of revenue sources account for 81% of the total projected revenues for the FY15 General Fund. These sources and their respective budget increases over FY14 are as follows: State Sales Tax (8.3%), Home Rule Sales Tax (13.4%), Utility Tax (1.9%), Telecommunication Tax (-4.1%) and Rooms & Admissions Tax (-4.4%). Although revenues are expected to rise in 2015, there are no actual rate increases planned for FY15. 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; however, the Village Board has set a target of maintaining at least one full year of operating expenses in reserve. Any reserves in excess of this target are transferred to the General Capital Projects Fund annually. The General Fund FY15 Budget anticipates the transfer of \$393,923 to the General Capital Projects Fund.

Major revenue sources and regional/national economic trends continue to be monitored since they normally have the largest impact on the Village's finances. Concurrently, expenditures continue to be examined on a monthly basis.

Key Village Indicators and Fiscal Trends

(dollars in millions)

Fiscal Year End	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006⁽¹⁾</u>	<u>05/06</u>
EAV (million)	\$563	\$561	\$562	\$604	\$639	\$688	\$701	\$682	\$644	\$616
Gen Fund Revenue	\$11.3	\$10.3	\$9.6	\$8.7	\$6.7	\$6.7	\$8.0	\$8.8	\$5.9	\$9.1
Gen Fund Reserve Ratio (% of annual exp plus debt)	129%	149%	143%	122%	99%	86%	104%	105%	128%	140%

(1) This was a shortened fiscal year (8 months). The “reserve ratio” was calculated using expenditures that were extrapolated for a 12-month period.

Long-Term Financial Planning

The Village’s long-term strategy is aimed at preserving the outstanding quality of life enjoyed by its residents and also ensure residents’ expectation for excellent service continues to be delivered. The financial stress resulting from the recent recession required the Village to focus more so on delivering its 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 combined General Fund unassigned fund balance and General Capital Projects fund balance reserved for capital projects is currently at 139% of annualized general fund operating expenditures. This exceeds 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”).

The FY15 balanced General Fund budget was prepared without the necessity of drawing on the fund’s reserves for General Fund operating expenses. In recent years “belt-tightening” measures were initiated where appropriate for operating and capital expenditures (i.e., joint purchasing agreements, leaving open unfilled positions, project by project evaluation, outsourcing dispatch services). As for revenues, two new taxes-the natural gas use tax and the home rule sales tax implemented in FY11 have proven to be successful in generating additional tax revenues.

The Village’s economic incentive program has been successful in generating significant additional sales tax. Three commercial enterprises are currently part of the incentive program.

Major Initiatives of the Year

As part of the annual budget process, the Board of Trustees developed and prioritized the 2014 strategic goals which provide the foundation to promote the Village Board’s vision of providing outstanding public services in a fiscally conservative manner. Work this past year included significantly revising the presentation of the Village’s budget to increase transparency and improve management’s ability to oversee operations. Village staff also completed the development of Lincolnshire’s first 10-Year Capital Plan and 5-Year Financial Forecast. Both of these documents are intended to aid elected officials and management to budget and plan expenditures in an effective and fiscally responsible manner. Goals for 2014 also included

continuing to increase efforts in Community & Economic Development including implementation of the second year of the Economic Development Strategic Plan and increasing the Village's involvement and visibility at community events.

The Village Board, management and staff are pleased to report the primary goal of maintaining high service levels while not increasing the burden to the taxpayers have been substantially achieved even in light of the ongoing recessionary environment and significant uncertainty regarding the financial position of the State of Illinois. The Village of Lincolnshire continues to only levy a property tax to fund required contributions to both the Police Pension Fund for sworn employees and retirement fund (Illinois Municipal Retirement Fund) for all other Village employees. For the third consecutive year, the Village maintained a stable property tax rate which comprises less than 3% of the total property tax bill paid by residents in the community.

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

In terms of the Village's enterprise system, water rates once again were increased to ensure user fees continued to adequately cover water costs; while sewer fees remained unchanged. A significant commitment was made in 2014 to begin to address water distribution system infrastructure needs as outlined in the 10-Year Capital Plan. Plans were under development in 2014 for a water main replacement project to address failing infrastructure on Westwood, Middlebury, Bedford, and Fox Trail.

Development Initiatives

In 2014, several significant projects were approved or constructed resulting in one-time revenues associated with property transfer and building permit fees. These projects will further impact long-term revenues- property, sales, and utilities taxes for the Village.

- Zebra Technologies secured permits in 2014 for the interior renovation of 3 Overlook Point. Zebra Technologies began consolidation of their existing Lincolnshire and Vernon Hills operations and took occupancy of this 209,000 square foot, Class A, office building in May 2015 bringing 1,200 new employees in the spring of 2015.
- Noah's Event Venue initiated construction on a new 10,000 square foot meeting and event space on a vacant lot at 200 Barclay Boulevard.
- 2014 saw the transfer of ownership of two major retail centers in Lincolnshire. Next Realty purchased Lincolnshire Commons from GGP, and the CityPark development was purchased by VFC Properties 27 LLC. Staff is working closely with the new owners of both developments as they work to reposition the shopping centers in the market.
- In the fall of 2014, the Village Board approved the construction of a new 4-story parking garage to accommodate additional employees expected as a result of Computer Discount Warehouse's (CDW) lease of the nearly vacant 25 and 75 Tri-State International buildings. CDW is expected to take occupancy of the buildings in late 2015 or early 2016.
- In late 2014, staff began working with a potential purchaser of the former Aon Hewitt Campus at the northwest corner of Route 22 and I-94. In January 2015, Medline Industries announced the purchase of the 43-acre vacant office campus from Retail Properties of America. Village officials are currently working with Medline Industries on the redevelopment of the site.

Awards and Acknowledgments

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village for its comprehensive annual financial report for the fiscal year ended December 31, 2009. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. This was the twenty-seventh consecutive year that the Village has received this award. In order to be awarded a Certificate of Achievement, the Village published an easily readable and efficiently organized, Comprehensive Annual Financial Report (CAFR), whose contents conform to program standards. This report successfully satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for only one year. Funding for this award was cut in FY11 by the Village Board as part of budget process. Future funding will be considered annually. The Village believes that its current CAFR continues to meet the Certificate of Achievement Program's requirements.

The Village also received the GFOA's Award for Distinguished Budget Presentation for its annual budget for the fiscal year ending December 31, 2010. This was the twenty-fifth consecutive year that the Village has received this prestigious award. To qualify for the Distinguished Budget Presentation Award, the Village's Budget document was judged to be proficient as a policy document, financial plan, operations guide, and communication device.

Individuals

The preparation of the CAFR on a timely basis was made possible by the dedicated staff of the Finance Department. In particular, we would like to express our sincere appreciation to Julia Gabbard, Senior Accountant; Candy Normandy, Finance Secretary; and Nancy Panos, Utility Billing Clerk, for their continued efforts throughout the year which allowed for the smooth and timely preparation of this report. Appreciation is also extended to the Village Treasurer, Chris Curtis, for his assistance and professional oversight in the performance of the audit. 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,



Bradley J. Burke
Village Manager



Michael R. Peterson
Finance Director

FINANCIAL SECTION



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

INDEPENDENT AUDITOR'S REPORT

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

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, 2014, and the related notes to financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, 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, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

The Village adopted GASB Statement No. 67, *Financial Reporting for Pension Plans*, which modified certain disclosures in the notes to financial statements and the required supplementary information. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements as a whole. The introductory section, combining and individual fund financial statements and schedules and statistical section 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



Naperville, Illinois
June 16, 2015

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

VILLAGE OF LINCOLNSHIRE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2014

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, 2014 (FY14). 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 of the Village exceed its liabilities and deferred inflows at December 31, 2014 by \$114.7 million (net position). Of this amount, \$7.2 million (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The Village's total net position increased by \$1.39 million during the twelve months ended December 31, 2014. The net position associated with "governmental activities" increased \$2.31 million, while the "business-type activities" decreased \$.924 million. The decrease in the "business-type activities" was primarily due to the Village Board's decision to forego the historical General Fund subsidy to Water/Sewer Improvement Fund for FY2014.
- As of December 31, 2014, the Village's governmental fund's combined ending fund balances totaled \$16.16 million, an increase of \$1.52 million, or 10.4%, compared with the prior fiscal period. The components of the combined fund balance amount are nine different funds; three of which are considered "major" and six considered "non-major." At 65.9% the General Fund comprises the largest share, the General Capital Projects is second at 17.0%, and Special Service Area Debt Services is the third largest fund at 12.7%. The Village is the conduit to the Special Service Area (Sedgebrook Development) Debt Service. The entire SSA Debt Service Fund Balance is restricted. Of the \$10.6 million held in the General Fund, 99.9% of it is available for spending at the government's discretion (classified as "unrestricted, unassigned").
- At the end of the current fiscal period, the General Fund showed an "Unassigned" fund balance of \$10,612,821. The unassigned fund balance is the equivalent of 122.6% of the General Corporate Fund FY2014 annual operating expenditures, excluding capital, but including debt service. The Village's policy is to maintain a minimum of 75% of equivalent 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 the reader in focusing on significant financial issues, (2) provide an overview of the Village's financial activity, (3) identify Village's financial position and ability to address future challenges, (4) identify material deviations from budget, and (5) identify individual fund specific concerns. Readers are encouraged to review the additional information furnished in the transmittal letter starting on page iii of this report.

GOVERNMENT REPORTING THE VILLAGE AS A WHOLE

Government-wide Financial Statements

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

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

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

Both government-wide financial statements distinguish governmental activities of the Village principally supported by taxes and intergovernmental revenues (such as state shared revenues) from business-type activities intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, public safety and public services. Public services encompass the repair and maintenance of the streets and storm drainage system along with the care of the parks and grounds areas. The Special Service Areas are also included in the governmental activities. Business-type activities include the water and sewer utility. Fiduciary activities, such as employee pension plans, are not available to fund Village programs and 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 and 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 3 - 5 of this report.

REPORTING THE VILLAGE'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

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

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

The government-wide financial statements provide a long-term view. Comparisons between the individual governmental fund statements and government wide statement provides information about financing decisions and the amount invested in maintaining and improving infrastructure. These two perspectives can provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances reconcile the differences between these two perspectives. Budgetary comparison statements are included in the basic financial statements 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 6 - 11 of this report.

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

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

The basic proprietary fund financial statements are presented on pages 12 - 15 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The Lincolnshire Police Pension plan is reported as a pension trust fund in the financial Statements, but is excluded from the government-wide reporting. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements are presented on pages 16 - 17 of this report.

Notes to the financial statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 18 of this report.

Other information

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

Major funds are reported in the basic financial statements as discussed. Combining and individual statements and schedules for non-major and internal service fund are presented in a subsequent section of this report beginning on page 56.

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 \$114.7 million at the close of the most recent fiscal year.

The largest portion of the Village's net position (91.4%) is its investment in capital assets - land, buildings, machinery and equipment - less any related debt used to acquire those assets still outstanding. The Village uses these capital assets to provide services to citizens. These assets are not available for future spending. Although the Village's investment in capital assets is reported net of related debt, it should be noted the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The Village's net position and summary of changes in net position should be viewed in their separate governmental and business-type components.

CONDENSED STATEMENT OF NET POSITION

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>
Current and Other Assets	\$24,812,173	\$26,183,937	\$2,941,189	\$2,828,194	\$27,753,362	\$29,012,131
Capital Assets	71,328,757	71,403,774	36,735,570	35,665,515	108,064,327	107,069,289
Deferred Outflows of Resources	0	0	0	0	0	0
Total Assets	\$96,140,930	\$97,587,711	\$39,676,759	\$38,493,709	\$135,817,689	\$136,081,420
Other Liabilities	3,669,905	3,585,698	814,996	728,683	4,484,901	4,314,381
Long-Term Liabilities	14,867,508	14,082,279	651,804	479,657	15,519,312	14,561,936
Deferred Inflows of Resources	2,514,996	2,517,987	0	0	2,514,996	2,517,987
Total Liabilities	\$ 21,052,409	\$20,185,964	\$1,466,800	\$1,208,340	\$22,519,209	\$21,394,304
Net Position						
Investment in Capital Assets Net of Related Debt	69,304,209	69,798,415	35,948,245	35,045,804	105,252,454	104,844,219
Unrestricted	3,318,734	4,943,202	2,261,714	2,239,565	5,580,448	7,182,767
Restricted	2,465,578	2,660,130			2,465,578	2,660,130
Total Net Position	\$75,088,521	\$77,401,747	\$38,209,959	\$37,285,369	\$113,298,480	\$114,687,116

At the end of FY14, the Village is able to report positive balances in all three categories of net position, both for the government as a whole as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year. The Village has funded capital improvements to a large extent on a pay-as-you-go basis with few exceptions.

Business-type Activities reported a 2.4% decrease in Net Position primarily as a result of the Village Board's decision to forego the historical General Fund subsidy to Water/Sewer Improvement Fund for FY2014.

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	
	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>
REVENUES:						
Program Revenues:						
Charges for Services	1,491	1,614	3,883	4,001	5,374	5,615
Operating Grants & Contr	257	362	0	0	257	362
Capital Grants & Contr	0	68	0	474	0	542
General Revenue:						
Property Taxes	4,355	2,589			4,355	2,589
Other Taxes	9,063	9,354			9,063	9,354
Miscellaneous	132	72	2	0	134	72
Interest Income	46	(39)	4	5	50	-33
Total Revenues	15,344	14,020	3,889	4,480	19,233	18,500
EXPENSES:						
General Government	2,037	2,838			2,037	3,218
Public Safety	4,245	3,922			4,245	3,789
Comm & Econ Development	82	562			82	558
Public Works	4,551	1,913			4,551	1,795
Parks & Open Spaces	1,497	2,001			1,497	1,913
Interest	973	890			973	890
Water and Sewer			5,729	5,501	5,729	5,501
Total Expense	13,385	12,126	5,729	5,501	19,114	17,626
Inc (Dec) in assets before transfers	1,959	1,894	(1,840)	(983)	119	874
Transfers	(1,090)	(96)	1,090	96	0	0
Special Item: Land Sale Loss	(4,396)				(4,396)	
Inc (Dec) in Net Position	-3,527	1,798	(750)	(925)	2,277	874
Net Position - Beginning	78,615	75,603	38,960	38,210	117,575	113,813
Net Position - Ending	\$75,088	\$77,401	\$38,210	\$37,285	\$113,298	\$114,687

Government Activities

Governmental Activities increased the Village of Lincolnshire's net position by \$1.893 million. Key elements of this increase are reflected in the above condensed Statement of Activities.

Revenue:

The total revenues decreased \$1.32 million from FY13 \$15.34 million to FY14 \$14.02.

Property taxes represent about 18.3% of the Village's Governmental Activities revenue. As the Village is subject to the Tax Cap Limitation Act, the Village's property tax revenue decreased 40.5% from \$4,355,002 to \$2,589,086. The 2013 closure of the Tax Increment Finance Fund eliminated \$1,766,000 from the property tax total. Like much of Lake County, the Village's equalized assessed valuation remained relatively flat increasing .32% from \$561,725,434 to \$563,549,256 for tax years 2013 (actually received 2014) and tax year 2014 (to be received in 2015), respectively. Based on estimates at the time of the audit, Police Pension property taxes are projected to decline 10.68% or \$70,445. Retirement Fund property tax revenue are projected to decreased 2.74% or \$28,944 from 2013's extension; while Special Service Area property taxes relating to Sedgebrook Developments debt service declined .06% or \$755.

The Illinois Department of Revenue reports the Village of Lincolnshire's sales tax revenue during 2014 increased \$52,236. The sales tax categories reporting the largest dollar gains include agriculture, food, drinking & eating places, and drugs & miscellaneous at \$181,637; \$33,532; \$11,980; and \$8,824 respectively. The number one category continues to be "agriculture and all others" at \$1,865,328; followed by \$985,877 "drinking and eating places", and \$622,741 furniture category. The Fresh Market operated for a full twelve months in FY14 resulting in a 57% increase in, the food category sales. Sales tax categories posting declines for 2014 include furniture (\$131,384); automotive (\$20,022); manufactures (\$18,852); and apparel (\$16,389).

Lincolnshire's other tax revenues posting gains for 2014 include: Local Use Tax \$14,888 (12.3%); Utility Tax \$108,614 (8.2%); Room & Admission Tax \$97,627 (5.6%); Real Estate Transfer Tax \$33,452 (10.1%). Declining revenues include: Telecommunication Tax down \$178,126 (-14.6%); State Income Tax \$12,599 (1.8%). The State of Illinois continues to delay payments, and as of December 31, 2014, payments from the State were lagging four months from the collection month to the disbursement of funds. The typical lag was two months until the State started experiencing significant financial problems few years ago.

During FY14 the Lincolnshire Police Department continued to provide one liaison officer to Adlai E. Stevenson High School. Revenue posted to Governmental Activities for FY14 services rendered were \$115,206; up 10.6% or \$11,021 from FY13.

The "second tier" revenue sources were up \$124,462 (12.0%) from FY2013. Specifically, Licenses & permits were up \$239,347 (47.0%); Fines & Forfeitures were down 13.5%, Charges for Services down 76.8% and Investment earnings down \$85,000 from the previous year. Building permit fees are up \$138,454 (93.1%) from FY2013. Building permit fees normally account for 25% to 45% of the License & Permits category, for FY2014 these fees represented 38.4% of the total. The increase was partially due to a 33% increase in residential home improvements and one large-scale (\$88,700) commercial building project in this category in FY2014. This sector continues to lack of any significant commercial building activity, outside of interior tenant finish work.

The economy remained weak through 2014; the Federal Reserve Board continues to maintain the Fed Funds rate .20% which it has done since February 2010. The Village continued to invest funds not readily needed for operations in the Certificate of Deposit Account Registry Service (CDARS) through Bridgeview Bank, Cole Taylor Bank and FTN Financial Group. Investment earnings are up \$8,940 despite the continuation of low certificate of deposit rates ranging from 25 to 85 basis points throughout the year. The provisions of the Village's investment policy did not change in FY14; however, a close monitoring of the performance continues.

Expenses:

The Village's Governmental Activities expenses decreased \$1,260,084 from the prior year; \$13.38 million in FY13 compared to \$12.13 million in FY14. The Village continues to monitor the need for personnel adjustments and other cost containment measures to maintain a healthy financial future.

The Village continued its approach of fully funding pension obligations based on both short-term costs and long-term actuarial analysis. Typically, municipal governments' pension funding levels fluctuate year to year. Investment returns have a huge impact on portfolio values for all pension funds. The IMRF actuary utilizes a "smoothing technique" that delays and softens the effect to the employer rate. IMRF reported on January 30, 2015 "*The estimated 2014 investment return for IMRF is 5.57%*" This is below the 7.5% expected return and will have a small impact on employer rate. Lincolnshire's FY13 employer contribution rate of 13.50% increased to 14.82% in FY14. Although Lincolnshire's rate increased by 9.88%; actual expenditures declined 7.9%. Lincolnshire's contractual arrangement with Vernon Hills for dispatch services, effective 4th quarter FY13, reduced Lincolnshire's employee count and wages for IMRF purposes. This will impact Lincolnshire's FY16 IMRF employer contribution rate.

Annual Police Pension costs are actuarially calculated based on assumptions for salary, benefit costs and investment returns. The Village continues to meet the financial obligations as presented by an independent actuary. The Annual Required Contribution for FY14 was \$533,629; up 26,195 from FY13. Pension funding specifics can be found in Note 10 on pages 37-47.

Business-Type Activities

Business-type activities decreased the Village's net position by \$1. million. The Water & Sewer Fund is the only business-type activity within the proprietary funds operated by the Village. The fund is made up of an "operations" component and a "capital improvement" component. The Fund's operating income before depreciation was \$23,145 for 2014.

Revenues:

Total revenues increased \$118,625; \$4.0 million in FY13 compared to \$3.883 million in FY14.

With the exception of a couple very small subdivisions under construction, water customer accounts remained unchanged throughout most of 2014. Several units were added in 2014, ending the year with 2,449 units; with 2,226 residential and 223 commercial accounts. Lincolnshire's water and sewer rates increased .7%.

Continual low interest rates resulted \$5,503 investment income for the current year.

Expenses:

Depreciation increased by \$19,027 to \$1,631,255 for 2014.

The Village reports the Water/Sewer and Internal Service Fund (Governmental Activities) as proprietary funds. The Water/Sewer Fund is considered a "major fund." Water is purchased from the City of Highland Park at a rate of \$2.90 per thousand gallons. Highland Park imposed an increase of 4.3% effective January 1, 2014. Wastewater treatment service is provided under a contractual agreement with Lake County Public Works at a rate of \$4.00 (effective March 1, 2010) per thousand gallons of water usage. The Village charges all municipal customers at a rate of \$9.77 combined water & sewer rate per 1,000 gallons. The spread between the purchase and sale rates is intended to finance the operations of the municipal waterworks and sewage system, including, but not limited to labor costs, supplies and miscellaneous infrastructure repairs. The 2007 sanitary sewer treatment agreement between Lake County and the Village provides for a "summer sewer credit" during the summer period. The premise is that all water used during the summer does not return through the sanitary sewer system. The resident's summer sanitary sewer charge does not exceed 10% above their average non-summer period (September to May).

The proprietary funds' operating expenses decreased \$324,695 from the prior year; \$4.568 million in FY13 compared to \$4.243 million in FY14.

The Water and Sewer Fund operating expenses were 7.1% or \$277,608 below final budget; Administration at .8% below and Operation expenses 8.1% below final budget. The combined FY14 water purchases and sanitary sewer charges were down 6.66% compared to FY13, weather related.

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

UTILITY OPERATING RESULTS FROM FY2011 TO FY2014				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
WATER Rate per 1,000 gallons- In Village	\$4.24	\$4.33	\$4.43	\$4.50
SEWER Rate per 1,000 gallons- In Village	\$5.27	\$5.27	\$5.27	\$5.27
Operating Revenue	\$3,839,738	\$4,052,808	\$3,844,673	\$3,873,638
Operating Expenses (excluding depreciation)	\$3,781,033	\$3,900,977	\$4,093,392	\$3,850,493

As part of the FY2014 budget the Village increased its water usage fees .7%, while sanitary sewer fees remained the same. These rates became effective for services provided after January 16, 2014.

Rate increases from the water supplier have become a regular occurrence, while sanitary sewer charges have not increased since 2011. In FY2014 the cost of water (\$1,094,095) and sanitary sewer treatment (\$1,377,504) was 79.3 % of total operating expenses. The most recent percentages were 78.3% for FY2013 and 72.0% for FY2012.

For budget year 2014 a water rate increase was instituted to absorb proposed rate increase by the Village's water supplier.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds

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

New definitions were created by Standard 54:

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

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

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

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

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

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

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

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

As of December 31, 2014 the Village's governmental fund balance reported a combined ending fund balance of \$16.16 million. This was an increase of \$1.52 million (10.4%) compared to the prior fiscal year. The largest contributing factor was the Village Board's decision to forego the

General Fund transfer to the Water & Sewer Improvement Fund; historically used to support that fund's annual debt service and to pay for capital acquisitions.

The General Fund's 65.9% or \$10.6 million Unassigned Fund Balance is the significant portion of the \$16.2 million governmental fund balance. FY2014 is the first year the Village restricted Governmental Fund Balance; \$2.76 million or 17%, 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 \$2.07 million restricted Fund Balance of the SSA Debt Service Fund makes it the second largest portion of the governmental fund balance at 12.7%. The fund balances classified as "non-spendable" and "restricted" are \$775 and \$5.39 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 and the largest source of day-to-day municipal service delivery. The net change to the General Fund's fund balance was a decrease of \$2 million, or 15.2%, from the previous year's restated balance. 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 of \$4.15 million unassigned fund balance in excess of the General Fund's target balance.

The Village calculates a fund balance ratio taking into account only the current year's operating expenditures including debt service, but excluding expenditures classified as "capital." The target balance of unassigned fund balance is 100% of the current year's operating expenses. An annual transfer of funds exceeding the target balance will occur in December of each year. In the event the General Fund's estimated year-end target balance falls below 100%, a transfer of General Capital Projects' restricted fund balance will be transferred back to the General Fund. Annually on 1/1 following the close of a fiscal year, the chart below is updated to serve as a financial indicator for Village purposes.

Accounting rules require the Village report on the Village books the Police Pension Property Tax and Police Pension Benefits. In late FY2014 Finance decided to close the Village fund utilized for reporting these activities and record these transactions within the General Fund. Unfortunately, the FY2014 budget was not revised before year end. A comparison of the FY2014 budget to the actual revenues and expenses is greatly distorted without said budget adjustment. For this reason, the following comparison excludes the actual Police Pension Property Tax and Police Pension Benefits. From the revenue side, total General Fund revenues were 1.2% above FY14 Final Budget or \$131,303. Total actual expenditures are 4.9% below budget or \$401,546.

GENERAL & GENERAL CAPITAL FUND BALANCE					
FISCAL YEAR	FUND BALANCE General Fund Unassigned	FUND BALANCE Gen Cap Fund Restricted	TOTAL FUND BALANCE	OPERATING EXPENSES (EXCLUDING CAPITAL)	FUND BALANCE AS % OF OPER. EXP.
1/1/2010	\$7,332,889	\$0	\$7,332,889	\$7,793,066	94.1%
1/1/2011	\$7,861,442	\$0	\$7,861,442	\$7,455,545	105.4%
1/1/2012	\$9,590,075	\$0	\$9,590,075	\$7,479,223	128.2%
1/1/2013	\$11,612,467	\$0	\$11,612,467	\$7,766,812	149.5%
1/1/2014	\$12,103,725	\$0	\$12,103,725	\$8,653,397	139.9%
1/1/2015	\$10,612,821	\$2,479,985	\$13,092,806	\$8,601,705	137.9%

In addition to the General Fund being classified as a “major fund,” the Governmental Accounting Standards Board (“GASB”) guidelines indicate the following funds are also considered “major” funds in fiscal year 2014: the Retirement Fund, and the General Capital Projects Fund.

The Retirement Fund’s fund balance increased 51.1% to \$140,159 from \$92,729. FY14 budget included a one-time additional contribution to IMRF. The intended outcome was to maintain the fund balance level at one month’s expenses, transfer the excess funds to IMRF, and increase Lincolnshire’s IMRF funding level. The conservative estimate of available funds for year-end resulted in fund balance increasing to 1.5 month’s expenses.

The total combined fund balance of the six non-major governmental funds increased from \$2.43 million to \$2.65. The notable contributors to the \$219,641 increase include the Motor Fuel Tax (\$79,454), Enhanced E911 (\$46,267), and Park Development Capital Fund (\$73,720).

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 utility fund has decreased \$924,590 (-2.42%) from \$38.20 million for FY13 to \$37.28 million in FY14. However, the unrestricted net position decreased \$22,149 (.98%) for FY14 to \$2.24 million. 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.

General Fund Budgetary Highlights

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
General Fund:			
Revenues:			
Property Tax	\$0.065	0.665	0.600
Other Taxes	9.292	9.354	(0.062)
Licenses and Permits	0.550	0.749	0.199
Fines and Forfeitures	0.495	0.333	0.162
Intergovernmental	0.189	0.203	(0.014)
Investment Income	0.022	(0.057)	(0.079)
Miscellaneous	0.034	0.027	0.007
TOTAL REVENUES	\$10.647	11.274	0.721
Expenditures:			
Current:			
General Government	\$1.819	1.635	0.249
Public Safety	2.904	3,499	0.181
Comm & Econ Dev.	0.491	0.486	0.024
Public Works	1.136	1.306	(0.053)
Parks & Open Spaces	0.747	1,245	(0.011)
Debt Service	0.482	0.482	-
TOTAL EXPENDITURES	\$8.124	\$8,655	\$0.536

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

On February 24, 2014, the Village Board approved the annual appropriations ordinance for the Village of Lincolnshire for Fiscal Year 2014. On December 8, 2014, the Village Board approved a supplemental appropriations ordinance for FY14. The annual Appropriation Ordinance provides the formal authority for the expenditure of public funds. Historically, the Village has passed an Appropriation Ordinance where the appropriated line items mirror identically the line items found in the approved budget. The budget document is the spending plan for the Village, and the Appropriation Ordinance provides the formal spending authority. A more formal and legal approach to addressing those expenditures that exceed the original Appropriation Ordinance is for the Village Board to consider and pass a Supplemental Appropriation Ordinance prior to the close of the fiscal Year. On December 8, 2014, the Village Board approved a Supplemental Appropriation ordinance to amend the original Appropriation. The Village's "Level of Budgetary Control Policy" requires an individual expenditure account that exceeds its budget by 10 percent or five thousand dollars be brought to the Village Board for review and approval.

The Village determined that was in the best interests of the Village to appropriate additional funds from reserves for various purposes. The following is an overview of the supplemental appropriation amounts for specific line items:

- **General Fund** – The Transfer Out- General Capital Fund line item was increased \$2.8 million to \$4.65 million for a year end transfer to the newly created General Capital Fund to restrict funds for capital projects.
- **Park Development Fund** – The \$25,000 Miscellaneous Park Improvements line item was created to cover expenses related to an Eagle Scout project at Whytegate Park.

Since many of the Village's expenses can be impacted by factors not controllable by the Village, such as the weather and economy, budget line items are best estimates based on past experience. Overall, General Fund expenditures were 9.0% under budget with many individual line items below budget and some exceeding the estimates included in the budget line items. Departmental actual expenditures within the General Fund were under the Final Budget.

Governmental-Type Activities

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

- No new Construction in Progress
- Per the Village's replacement schedule the following items were disposed of:
 - 2002 Ford Crown Victoria Unit# 68
 - 2004 Ford Crown Victoria Unit# 73
 - 2008 Chevy Impala
 - 2008 Ford Crown Victoria
 - 2009 Ford Crown Victoria
 - 2007 Ford Crown Victoria
 - 1999 GMC Sierra pickup
 - Mita digital copier
 - Engineering plans copy machine
 - Copier- high volume
 - Self-contained trailer mounted leaf machine
 - Voice Logging 24 Channel digital recorder
 - Voice Recorder (E911) dual deck 9.4GB DVD
 - Gas powered reconditioned fork lift
- Items purchased included
 - New servers, computers, and related equipment
 - Lease purchase two multifunction devices for Administration and Police Dept.
 - Police Department purchased two 2015 Ford Explorers
 - Public Works purchased 2015 Ford F550 and Balzer Park Improvements
- Easements granted to the Village
 - Forest View .47 acre easement
 - Lincolnshire Forest 1.65 acre easement
 - Lincolnshire Downtown 2.14 acre easement
- Right of Way granted to the Village
 - Forest View 1.20 acre Right of Way
 - Lincolnshire Forest 1.75 acre Right of Way

- Street dedicated to the Village
Lincolnshire Forest .51 center lane miles
Lincolnshire Downtown .43 center lane miles
- 16 Street lights were dedicated to the Village located within the Lincolnshire downtown area.
- Storm sewers were installed on Lincolnshire Dr, Briarwood Ln, Leeds Ct, Durham Ct, Surrey Bulb, Nottingham Dr, Mayfair Ln, Parton Ct, Buxton Ct, Surrey Ln, Fallstone Dr., Robinhood (one lot), Dukes Ln, Dukes Cir, Dukes Ct, Brunswick Ln, Lincolnshire Forest Subdivision, Lincolnshire Downtown, and various locations received storm sewer Lining.
- Bike Paths dedication and acceptance include Lincolnshire Forest subdivision and Lincolnshire Downtown subdivision.

Business-Type Activities

The Village's investment in capital assets, net of accumulated depreciation, for business-type capital assets, as of the fiscal year end was \$35,610,694.

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

- Per the replacement schedule Public Works disposed of:
Motor control center, flow chart recorder, pressure gauge
- Public Works purchased:
Exhaust Ventilation
Westside Reservoir Pump Control
- Water mains dedicated to the Village- 4,770 linear feet
Forest View subdivision
Lincolnshire Forest subdivision
Lincolnshire Downtown area
- Sanitary sewer dedicated to the Village- 2,470 linear feet
Forest View subdivision
Lincolnshire Forest subdivision
Lincolnshire Downtown area

Debt

The Village has two types of debt on its books; (1) Debt in the form of bank loans that it has a direct responsibility of paying, and (2) one municipal bond obligation related to Special Service Area (SSA) project.

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 that became an integral part of the Sedgebrook retirement community. Financing of this debt is through property taxes dedicated exclusively to the Special Service Area.

At the end of the fiscal year, the Village's debt, both direct and SSA related, amounted to \$15.3 million compared to \$16.2 million last year - a decline of 5.6% - as shown in the table below.

OUTSTANDING DEBT AT YEAR END DECEMBER 31, 2013						
Type of Debt	Government Activities		Business Activities		Totals	
	2013	2014	2013	2014	2013	2014
Bank Loans Village	\$ 2,024,548	\$ 1,593,539	\$787,325	\$619,711	\$2,811,873	\$2,213,250
Bond Issue-SSA	\$13,385,000	\$13,060,000			\$13,385,000	\$13,060,000
	\$15,409,548	\$14,653,539	\$787,325	\$619,711	\$16,196,873	\$15,273,250

In FY2014, three bank loans remain consisting of two General Fund and one Water Fund loan. Additionally, FY2014 ended with \$11,320 lease purchase agreements for two multifunction devices located in Administration and the Police Department.

The Village is a home rule community and is, therefore, not limited by State Statute pertaining to debt limit. The Village's outstanding debt (excluding the SSA debt) represents 0.40% 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 its infrastructure with bank-qualified tax-exempt bank loans. The Village's credit status is considered to be comparable to a double A credit rating according to bank officials who have solicited for Village's loans.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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

The Village's commercial occupancy rate (cumulative) for its largest retail centers, Village Green, Lincolnshire Commons & City Park, is 89% for the first quarter of 2015.

Lincolnshire **retail** occupancy rate was 70% in the first quarter of 2015, which is the same as in the first quarter of 2014. Lincolnshire **office** occupancy rate was 83% in the first quarter of 2015, compared to 80% in the first quarter of 2014. Lincolnshire **industrial** occupancy rate was 93% in the first quarter of 2015, compared to 90% in the first quarter of 2014.

In early 2014, the Village finalized the **sale of the Downtown property** (located at the northeast corner of Milwaukee Avenue and Half Day Road) to DK Mallon. The property is currently under contract. The proposed DK Mallon plans include 22,000 square feet in four buildings, with restaurants retail and service uses anchored by the existing 21,000 square feet The Fresh Market store.

Zebra Technologies, innovative bar code and software company, began relocation of various facilities into a single corporate headquarters at 3 Overlook Point in the Lincolnshire Corporate Center in early 2015. Zebra occupies 250,000 square feet of office space. The lease runs through 2026. Approximately 1,000 employees are expected to work out of the new Lincolnshire location in the second quarter of 2015.

General Growth Properties, the former owner of the Lincolnshire Commons Center completed construction of a new 7,000 sq.ft. 3-tenant commercial building south of Kona Grill in 2014. Naf-Naf Grill, Chipotle and Menchie's Frozen Yogurt occupy this building. As of 2014, the center is owned by Next Realty.

Noah's, a 10,000 sq.ft. events venue for business meetings and special events completed building construction at 200 Barclay Boulevard in early 2015 on a vacant lot immediately south of Staybridge Suites Hotel. Lincolnshire is one of only two Noah's locations in Illinois.

CDW, a Fortune 500 technology company, announced the lease of 25 and 75 Tri-State International, encompassing 209,000-square-foot in Lincolnshire's Tri-State International Office Center in early 2015. These two currently vacant buildings will soon be bustling with several hundred employees, relocating from Mettawa and Vernon Hills, in a move to consolidate operations and improve efficiencies. In November, 2014, the Village approved construction of a new 4-story parking deck to accommodate CDW employees. Interior renovations and parking deck construction are scheduled to begin late spring, with occupancy anticipated at the end of 2015.

Medline Industries, a medical products company, purchased a 43-acre office campus at 900-100 Half Day Road in early 2015. The property was most recently occupied by Aon Hewitt. Aon is now located at Lincolnshire's 4 Overlook Point and 475 Bond Street. Medline may relocate several hundred employees to Lincolnshire, with property development or relocation details not yet announced.

Half Day Brewing Company, a restaurant and brewery, leased the 14,500-square foot vacant commercial building at 200 Village Green, Village Green Retail Center. It will be operated by Tap House Grill. The restaurant and brewery is scheduled to open in the fall of 2015. The building has remained vacant since early 2012 when Flatlander's Restaurant & Brewery closed after 16 years in business.

New Businesses in 2014:

- Adorned, 275 Parkway Dr
- Barkat Consulting, 300 Tri-State International
- Chipotle Restaurant, 950 Milwaukee Ave
- Dunkin' Donuts, 435 Milwaukee Ave
- Estes Express Lanes, 316 Roadway Ln
- Fresh Green Light Driving School, 300 Village Green Dr
- Hwacheon Machinery America, 555 Bond St
- Naf Naf Restaurant, 950 Milwaukee Ave
- Rooster's Men's Grooming Center, 275 Parkway Dr
- Talcott Networks, 105 Schelster Rd
- U4G Group, 1 Overlook Pt
- Zaza Salon & Day Spa, 185 Milwaukee Ave

The Village continues to diligently monitor all its major tax and non-tax revenues. This includes following legislative briefings reporting the State of Illinois may reduce taxes shared with local governments in an attempt to solve its fiscal problems. Those plans could potentially have a significant impact on the Village's fiscal status. News outlets report "Newly elected Illinois Governor Bruce Rauner's proposed budget would reduce income tax revenue usually shared with municipal governments from 8 percent to 4 percent for the State's fiscal year 7/1/2015-6/30/2016." If approved Lincolnshire stands to lose \$395,000.

The Village ended FY2014 in a stronger financial position than the start of the year. The depressed real estate market has improved. Lincolnshire's real estate transfer tax stamp sales increased 10.1% for FY14; from \$330,958 in FY13 to \$364,410 FY14.

FY 2014	Real Estate Transfer Stamps Sold	Sales Value
Single Family	88	\$ 558,505
Condo Units	33	\$ 346,975
Townhomes	12	\$ 320,552
Land	8	\$ 438,625
Commercial	5	\$ 10,700,971
TOTALS	146	\$ 12,365,628

- The annual average unemployment rate in 2014 was 6.5% in Lake County. The rate in the State of Illinois for the same time period was 7.1% and the U.S. rate was 6.2%.
- After experiencing six years of declining equalized assessed valuation (EAV) in Lincolnshire, the 2014 EAV increased .3% or \$1.8 million compared to 2013. The 2014 EAV (which is used for the property tax collected in Fiscal Year 2015) was \$563,549,256. The last 10 years of EAV growth can be found on page v.
- According to US Bureau of Labor Statistics Lincolnshire's "Per capita money income in past 12 months (2013 dollars)" was \$68,831.

BUDGET HIGHLIGHTS FOR FISCAL YEAR 2015.

General Fund

Five types of revenue sources account for 81% of the total projected revenues for the FY15 General Fund. These sources and their respective budget increases over FY14 are as follows: State Sales Tax (8.3%), Home Rule Sales Tax (13.4%), Utility Tax (1.9%), Telecommunication Tax (-4.1%) and Rooms & Admissions Tax (-4.4%). Although revenues are expected to rise, there are no actual rate increases planned for FY15. The General Fund FY15 budget anticipates the transfer of \$393,923 to the General Capital Projects Fund. The sales tax increase relates to a change in financial reporting. In prior years, the economic incentive payments (ie: sales tax rebates) were reported as reductions to sales tax revenue. Beginning FY15, Sales Tax Revenue will be reported as gross revenue; while the incentives will appear a Community and Economic Development Department expense

Excluding transfers and debt service, the General Fund Expense budget has increased \$892,390 (11%) from \$8.12 million in FY14 to \$9.01 million in FY15. The General Fund transfers include a \$393,923 transfer to General Capital Fund.

Major Changes in Budget format for 2015

- **Additional Line Items:** The FY2015 Budget reports Gross Sales Tax Revenue and includes the addition of 01-08-63-9501 Sales Tax Rebates (Economic Incentives). Prior budgets reported Sales Tax Revenue net of Sales Tax Rebate payments.

The Fiscal Year 2015 Budget contemplates implementation of \$2,817,150 in capital improvement projects. The Village continues to increase its level of capital improvements from recent years; however, levels remain below capital spending from pre-recession years.

- The Village will maintain its long-standing policy of levying a property tax ONLY to fund employee pensions and not for operational purposes.

Water/Sewer Fund

As part of the FY2015 budget the Village increased its water usage fees 1.6%, while sanitary sewer fees have remained unchanged since January 1, 2011. No changes have been made to the rate structure; specifically the minimum charges, senior discounts, and the in & out of town rates. At the start of FY15 the Water/Sewer unrestricted Net Position was 53.4% of the FY15 operating budget expenses. The unrestricted Net Position includes WS Operations (Fund 02) and WS Improvements (Fund 07). Water/Sewer Operating expenses have a 2.9% increase with no changes to the staffing levels. The vast majority of this increase relates to water purchase and contractual service costs.

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 at mpeterson@lincolnshireil.gov or accessing the Village's website at www.village.lincolnshire.il.us. A copy of this Comprehensive Annual Financial Report (CAFR) can be found on the website.

VILLAGE OF LINCOLNSHIRE, ILLINOIS

STATEMENT OF NET POSITION

December 31, 2014

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
Cash and cash equivalents	\$ 5,200,939	\$ 1,383,714	\$ 6,584,653
Investments	9,953,099	897,256	10,850,355
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	2,517,987	-	2,517,987
Other taxes	2,086,757	-	2,086,757
Accounts	51,587	524,918	576,505
Accrued interest	3,424	-	3,424
Other	46,619	21,976	68,595
Prepaid expenses	775	330	1,105
Land held for resale	1,305,000	-	1,305,000
Net pension asset	5,017,750	-	5,017,750
Capital assets not being depreciated	43,434,978	161,654	43,596,632
Capital assets (net of accumulated depreciation)	27,968,796	35,503,861	63,472,657
Total assets	97,587,711	38,493,709	136,081,420
LIABILITIES			
Accounts payable	1,203,399	516,308	1,719,707
Accrued payroll	155,802	17,012	172,814
Deposits payable	1,007,776	-	1,007,776
Accrued interest payable	311,337	12,632	323,969
Other payables	25,036	-	25,036
Unearned revenue	23,318	-	23,318
Noncurrent liabilities			
Due within one year	859,030	182,731	1,041,761
Due in more than one year	14,082,279	479,657	14,561,936
Total liabilities	17,667,977	1,208,340	18,876,317
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue	2,517,987	-	2,517,987
Total liabilities and deferred inflows of resources	20,185,964	1,208,340	21,394,304
NET POSITION			
Net investment in capital assets	69,798,415	35,045,804	104,844,219
Restricted for			
Debt service	2,067,817	-	2,067,817
Maintenance of roadways	196,935	-	196,935
Employee retirement	140,159	-	140,159
Public safety	255,219	-	255,219
Unrestricted	4,943,202	2,239,565	7,182,767
TOTAL NET POSITION	\$ 77,401,747	\$ 37,285,369	\$ 114,687,116

See accompanying notes to financial statements.

VILLAGE OF LINCOLNSHIRE, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2014

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 2,837,978	\$ 328,654	\$ -	\$ -
Public safety	3,921,903	866,101	25,512	-
Community and economic development	562,297	364,734	-	-
Public works	1,912,541	17,370	248,950	67,904
Parks and open spaces	2,000,840	38,082	88,127	-
Interest	890,093	-	-	-
Total governmental activities	12,125,652	1,614,941	362,589	67,904
Business-Type Activities				
Water and sewer	5,501,426	4,001,441	-	473,595
TOTAL PRIMARY GOVERNMENT	17,627,078	\$ 5,616,382	\$ 362,589	\$ 541,499

	Net (Expense) Revenue and Change in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	\$ (2,509,324)	\$ -	\$ (2,509,324)
	(3,030,290)	-	(3,030,290)
	(197,563)	-	(197,563)
	(1,578,317)	-	(1,578,317)
	(1,874,631)	-	(1,874,631)
	(890,093)	-	(890,093)
	<u>(10,080,218)</u>	<u>-</u>	<u>(10,080,218)</u>
	<u>-</u>	<u>(1,026,390)</u>	<u>(1,026,390)</u>
	<u>(10,080,218)</u>	<u>(1,026,390)</u>	<u>(11,106,608)</u>
General Revenues			
Taxes			
Property	2,589,086	-	2,589,086
Sales	2,633,762	-	2,633,762
Local use	135,719	-	135,719
Utility	1,427,191	-	1,427,191
Telecommunications	1,041,159	-	1,041,159
Room and admissions	1,831,416	-	1,831,416
Real estate transfer	364,410	-	364,410
Home rule sales tax	1,231,097	-	1,231,097
Income tax	688,959	-	688,959
Investment income	(38,994)	5,503	(33,491)
Gain on sale of capital assets	19,665	-	19,665
Miscellaneous	51,699	-	51,699
Transfers in (out)	(96,297)	96,297	-
Total	<u>11,878,872</u>	<u>101,800</u>	<u>11,980,672</u>
CHANGE IN NET POSITION	<u>1,798,654</u>	<u>(924,590)</u>	<u>874,064</u>
NET POSITION, JANUARY 1	75,088,521	38,209,959	113,298,480
Prior period adjustment	<u>514,572</u>	<u>-</u>	<u>514,572</u>
NET POSITION, JANUARY 1 (RESTATED)	<u>75,603,093</u>	<u>38,209,959</u>	<u>113,813,052</u>
NET POSITION, DECEMBER 31	<u>\$ 77,401,747</u>	<u>\$ 37,285,369</u>	<u>\$ 114,687,116</u>

See accompanying notes to financial statements.

VILLAGE OF LINCOLNSHIRE, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2014

	General Corporate	Retirement	General Capital Projects	Nonmajor Governmental	Total
ASSETS					
Cash and cash equivalents	\$ 3,286,061	\$ 142,623	\$ 176,251	\$ 1,494,361	\$ 5,099,296
Investments	5,656,803	-	2,951,387	1,344,909	9,953,099
Receivables (net, where applicable, of allowances for uncollectibles)					
Property taxes	623,300	735,000	-	1,159,687	2,517,987
Other taxes	2,013,622	-	-	73,135	2,086,757
Accounts	45,504	-	4	6,079	51,587
Accrued interest	3,424	-	-	-	3,424
Other	46,619	-	-	-	46,619
Prepaid items	775	-	-	-	775
Land held for resale	1,305,000	-	-	-	1,305,000
TOTAL ASSETS	\$ 12,981,108	\$ 877,623	\$ 3,127,642	\$ 4,078,171	\$ 21,064,544

	General Corporate	Retirement	General Capital Projects	Nonmajor Governmental	Total
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 536,838	\$ 2,463	\$ 370,609	\$ 265,250	\$ 1,175,160
Accrued payroll	151,245	-	-	68	151,313
Deposits payable	1,007,775	1	-	-	1,007,776
Other payables	25,036	-	-	-	25,036
Unearned revenue	23,318	-	-	-	23,318
Total liabilities	1,744,212	2,464	370,609	265,318	2,382,603
DEFERRED INFLOWS OF RESOURCES					
Unavailable tax revenue	623,300	735,000	-	1,159,687	2,517,987
Total liabilities and deferred inflows of resources	2,367,512	737,464	370,609	1,425,005	4,900,590
FUND BALANCES					
Nonspendable in form - prepaid items	775	-	-	-	775
Restricted for debt service	-	-	-	2,067,817	2,067,817
Restricted for maintenance of roadways	-	-	-	196,935	196,935
Restricted for employee retirement	-	140,159	-	-	140,159
Restricted for public safety	-	-	-	255,219	255,219
Unrestricted					
Assigned for capital projects	-	-	2,757,033	133,195	2,890,228
Unassigned - General Fund	10,612,821	-	-	-	10,612,821
Total fund balances	10,613,596	140,159	2,757,033	2,653,166	16,163,954
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
	\$ 12,981,108	\$ 877,623	\$ 3,127,642	\$ 4,078,171	\$ 21,064,544

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, 2014

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 16,163,954
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	71,403,774
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Notes payable	(1,593,539)
Capital leases	(11,820)
SSA bonds payable	(13,060,000)
Compensated absences	(275,950)
Less internal service funds	<u>17,616</u>
	(258,334)
Accrued interest on long-term liabilities is shown as a liability on the statement of net position	(311,337)
The net pension assets of the police pension fund are included in the governmental activities in the statement of net position	5,017,750
The net position of the internal service fund is included in the governmental activities in the statement of net position	<u>51,299</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 77,401,747</u></u>

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, 2014

	General Corporate	Retirement	General Capital Projects	Nonmajor Governmental	Total
REVENUES					
Property taxes	\$ 664,769	\$ 763,060	\$ -	\$ 1,161,257	\$ 2,589,086
Other taxes	9,353,713	-	-	-	9,353,713
Licenses, permits and fees	748,840	-	-	-	748,840
Fines and forfeitures	333,321	-	-	-	333,321
Charges for services	-	-	-	21,714	21,714
Intergovernmental	203,456	-	67,744	582,232	853,432
Investment income	(57,260)	484	-	17,782	(38,994)
Donations	-	-	20,000	-	20,000
Miscellaneous	27,003	1,669	3,027	88,127	119,826
Total revenues	11,273,842	765,213	90,771	1,871,112	14,000,938
EXPENDITURES					
Current					
General government	1,635,284	832,980	40,677	13,901	2,522,842
Public safety	3,499,283	-	-	300,245	3,799,528
Community development	486,420	-	-	-	486,420
Public works	1,306,404	-	-	-	1,306,404
Parks and recreation	1,244,687	-	-	-	1,244,687
Capital outlay	-	-	1,758,476	185,919	1,944,395
Debt service					
Principal retirement	431,009	-	-	325,000	756,009
Interest and fiscal charges	51,867	-	-	826,406	878,273
Total expenditures	8,654,954	832,980	1,799,153	1,651,471	12,938,558
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,618,888	(67,767)	(1,708,382)	219,641	1,062,380

	General Corporate	Retirement	General Capital Projects	Nonmajor Governmental	Total
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ -	\$ 115,197	\$ 4,465,415	\$ -	\$ 4,580,612
Transfers (out)	(4,652,715)	-	-	-	(4,652,715)
Sale of capital assets	19,665	-	-	-	19,665
Total other financing sources (uses)	(4,633,050)	115,197	4,465,415	-	(52,438)
NET CHANGE IN FUND BALANCES	(2,014,162)	47,430	2,757,033	219,641	1,009,942
FUND BALANCES, JANUARY 1	12,113,186	92,729	-	2,433,525	14,639,440
Prior period adjustment	514,572	-	-	-	514,572
FUND BALANCES, JANUARY 1 (RESTATED)	12,627,758	92,729	-	2,433,525	15,154,012
FUND BALANCES, DECEMBER 31	<u>\$ 10,613,596</u>	<u>\$ 140,159</u>	<u>\$ 2,757,033</u>	<u>\$ 2,653,166</u>	<u>\$ 16,163,954</u>

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, 2013

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 1,009,942
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	
Capital assets purchased	1,717,558
Loss on disposal of capital assets	(14,940)
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	
Notes payable	431,009
SSA bonds	325,000
Capital Leases	2,540
Governmental funds report capital lease proceeds as an other financing source, however, they are reported as debt on the statement of net position	(14,360)
Some expenses in the statement of activities (e.g., depreciation) do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	(1,627,601)
The change in net position of internal service fund is reported as an increase of expense on the statement of activities	(75,601)
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	
Decrease in accrued compensated absences	9,433
Increase in police pension net pension asset	35,674
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 1,798,654</u>

See accompanying notes to financial statements.

VILLAGE OF LINCOLNSHIRE, ILLINOIS

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS

December 31, 2014

	Business-Type Activities	Governmental Activities
	Water and Sanitary Sewer	Internal Service
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,383,714	\$ 101,643
Investments	897,256	-
Receivables		
Accounts - billed	287,098	-
Accounts - unbilled	237,820	-
Other receivables	21,976	-
Prepaid expenses	330	-
	<hr/>	<hr/>
Total current assets	2,828,194	101,643
CAPITAL ASSETS		
Nondepreciable	161,654	-
Depreciable, net of accumulated depreciation	35,503,861	-
	<hr/>	<hr/>
Net capital assets	35,665,515	-
	<hr/>	<hr/>
Total assets	38,493,709	101,643
CURRENT LIABILITIES		
Accounts payable	516,308	28,239
Accrued payroll	17,012	4,489
Accrued interest payable	12,632	-
Due to other funds	#REF!	-
Compensated absences payable	10,669	4,404
Current portion of notes payable	172,062	-
	<hr/>	<hr/>
Total current liabilities	#REF!	37,132
LONG-TERM LIABILITIES		
Compensated absences payable	32,008	13,212
Notes payable	447,649	-
	<hr/>	<hr/>
Total long-term liabilities	479,657	13,212
	<hr/>	<hr/>
Total liabilities	#REF!	50,344
NET POSITION		
Net investment in capital assets	35,045,804	-
Unrestricted	2,239,565	51,299
	<hr/>	<hr/>
TOTAL NET POSITION	\$ 37,285,369	\$ 51,299

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, 2014

	Business-Type Activities	Governmental Activities
	Water and Sanitary Sewer	Internal Service
OPERATING REVENUES		
Charges for services	\$ 3,848,445	\$ 380,000
Miscellaneous	25,193	-
Total operating revenues	<u>3,873,638</u>	<u>380,000</u>
OPERATING EXPENSES		
Administration	493,433	-
Operations	3,154,962	-
Repairs and maintenance	202,098	431,407
Total operating expenses	<u>3,850,493</u>	<u>431,407</u>
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	23,145	(51,407)
DEPRECIATION	<u>1,631,256</u>	-
OPERATING INCOME (LOSS)	<u>(1,608,111)</u>	<u>(51,407)</u>
NON-OPERATING REVENUES (EXPENSES)		
Investment income	5,503	-
Interest expense	(19,677)	-
Connection fees	127,803	-
Total non-operating revenues (expenses)	<u>113,629</u>	<u>-</u>
NET INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>(1,494,482)</u>	<u>(51,407)</u>
CONTRIBUTIONS		
Contributions of capital assets	<u>473,595</u>	-
Total contributions	<u>473,595</u>	<u>-</u>
TRANSFERS		
Transfers in	187,300	-
Transfers (out)	<u>(91,003)</u>	<u>(24,194)</u>
Total transfers	<u>96,297</u>	<u>(24,194)</u>
CHANGE IN NET POSITION	(924,590)	(75,601)
NET POSITION, JANUARY 1	<u>38,209,959</u>	<u>126,900</u>
NET POSITION, DECEMBER 31	<u>\$ 37,285,369</u>	<u>\$ 51,299</u>

See accompanying notes to financial statements.

VILLAGE OF LINCOLNSHIRE, ILLINOIS

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS

For the Year Ended December 31, 2014

	Business-Type Activities	Governmental Activities
	Water and Sanitary Sewer	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 3,700,143	\$ -
Receipts from interfund services	-	380,000
Payments to suppliers	(3,444,356)	(271,198)
Payments to employees	(497,228)	(154,494)
Other income	25,193	-
Net cash from operating activities	<u>(216,248)</u>	<u>(45,692)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers	96,297	(24,194)
Decrease of interfund balances	85	-
Net cash from noncapital financing activities	<u>96,382</u>	<u>(24,194)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital assets purchased	(87,777)	-
Capital assets sold	-	-
Connection fees	127,803	-
Note principal payments	(167,614)	-
Note interest payments	(19,677)	-
Net cash from capital and related financing activities	<u>(147,265)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment securities	(127,994)	-
Interest received	5,503	-
Net cash from investing activities	<u>(122,491)</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(389,622)	(69,886)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>1,773,336</u>	<u>171,529</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u><u>\$ 1,383,714</u></u>	<u><u>\$ 101,643</u></u>

(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, 2014

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
	<u>Water and Sanitary Sewer</u>	<u>Internal Service</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income (loss)	\$ (1,608,111)	\$ (51,407)
Adjustments to reconcile operating income (loss) to net cash from operating activities		
Depreciation	1,631,256	-
(Increase) decrease in		
Receivables	(148,302)	-
Prepaid expense	(245)	-
Increase (decrease) in		
Accounts payable	(87,051)	9,258
Accrued payroll	(3,681)	(3,634)
Compensated absences payable	(114)	91
	<u>\$ (216,248)</u>	<u>\$ (45,692)</u>
NET CASH FROM OPERATING ACTIVITIES		
	<u>\$ (216,248)</u>	<u>\$ (45,692)</u>
NONCASH TRANSACTIONS		
Capital asset contributions	<u>\$ 473,595</u>	<u>\$ -</u>

See accompanying notes to financial statements.

VILLAGE OF LINCOLNSHIRE, ILLINOIS

**STATEMENT OF FIDUCIARY NET POSITION
POLICE PENSION TRUST FUND**

December 31, 2014

ASSETS

Cash and cash equivalents	\$ 16,861
Investments	
U.S. Treasury obligations	2,033,741
U.S. agencies securities	1,217,595
Equity mutual funds	11,333,383
Money market mutual funds	224,851
Corporate bonds	2,714,832
Municipal bonds	265,142
Equities	1,294,185
Negotiable certificates of deposit	302,221
Receivables	
Accrued interest	46,900
Prepaid expense	<u>13,658</u>
 Total assets	 <u>19,463,369</u>

LIABILITIES

Accounts payable	<u>11,088</u>
 Total liabilities	 <u>11,088</u>

**NET POSITION HELD IN TRUST
FOR PENSION BENEFITS**

\$ 19,452,281

See accompanying notes to financial statements.

VILLAGE OF LINCOLNSHIRE, ILLINOIS

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
POLICE PENSION TRUST FUND**

For the Year Ended December 31, 2014

ADDITIONS

Contributions - employer	\$ 589,303
Contributions - employee	232,179
Other contributions	<u>10</u>
Total contributions	<u>821,492</u>
Investment income	
Net appreciation (depreciation) in fair value of investments	(11,456)
Interest earned on investments	<u>549,456</u>
Total investment income	538,000
Less investment expense	<u>(68,913)</u>
Net investment income	<u>469,087</u>
Total additions	<u>1,290,579</u>

DEDUCTIONS

Benefits	977,078
Administrative	<u>22,328</u>
Total deductions	<u>999,406</u>

NET INCREASE 291,173

**NET POSITION HELD IN TRUST
FOR PENSION BENEFITS**

January 1	<u>19,161,108</u>
December 31	<u><u>\$ 19,452,281</u></u>

See accompanying notes to financial statements.

VILLAGE OF LINCOLNSHIRE, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

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 operates under a Council-Manager form of government. 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:

Pension Trust Fund

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, or on behalf of other funds within the Village. 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. Agency funds are used to account for funds that the Village holds on behalf of others as their agent.

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 Retirement Fund is a special revenue fund used to disburse the Village's employer contributions to the Illinois Municipal Retirement Fund, which provides pension and disability benefits for civilian village employees working over 1,000 hours per year. The Village has elected to report this fund as major.

The General 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 fund, which is the Village's only enterprise fund:

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

VILLAGE OF LINCOLNSHIRE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

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 Funds

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

These funds are reported as governmental activities on the government-wide financial statements.

The Village reports a pension trust fund as a Fiduciary Fund 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. 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.

VILLAGE OF LINCOLNSHIRE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

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 and non-negotiable certificates of deposit 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 based on prices listed on national exchanges as of December 31, 2014 for debt and equity securities.

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."

VILLAGE OF LINCOLNSHIRE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

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. 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, individual cost in excess of \$200,000 for infrastructure assets, \$100,000 for land and improvements and building and improvements and more than \$5,000 for all other capital asset classifications.

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 valued at their estimated fair market value on the date received.

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.

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

	<u>Years</u>
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.

VILLAGE OF LINCOLNSHIRE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Capital Assets (Continued)

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

	<u>Years</u>
Buildings	45
Underground water and sewerage system	10-75
Furniture, machinery and equipment	5-15

k. Compensated Absences

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.

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.

l. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. 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. 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.

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 long-term debt principal outstanding issued to construct capital assets.

n. 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.

VILLAGE OF LINCOLNSHIRE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o. Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, 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.

p. 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. 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 only one type of 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.

2. DEPOSITS AND INVESTMENTS

The Village maintains a cash and investment pool that is available for use by all funds, except the pension trust fund. Each fund'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 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 Illinois Funds.

VILLAGE OF LINCOLNSHIRE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

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.

a. 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.

b. Village Investments

The following table presents the investments and maturities of the Village’s investments as of December 31, 2014:

	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
IMET 1-3 Year Fund	\$ 100,992	\$ -	\$ 100,992	\$ -	\$ -
TOTAL	\$ 100,992	\$ -	\$ 100,992	\$ -	\$ -

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 limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by requiring annual approval of allowable investments. Additionally, the funds are primarily invested in government securities and other secure investments. The Illinois Metropolitan Investment Fund (IMET) is rated AAA.

VILLAGE OF LINCOLNSHIRE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

b. 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.

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

3. RECEIVABLES - TAXES

Property taxes for 2014 attach as an enforceable lien on January 1, 2014 on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about May 1, 2015 and August 1, 2015 and are payable in two installments, on or about June 1, 2015 and September 1, 2015. The County collects such taxes and remits them periodically. As the 2014 tax levy is intended to fund expenditures for the 2015 fiscal year, these taxes are deferred as of December 31, 2014.

VILLAGE OF LINCOLNSHIRE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 27,421,013	\$ -	\$ -	\$ 27,421,013
Right of way	14,845,412	186,000	-	15,031,412
Easements	698,235	275,600	-	973,835
Construction in progress	184,788	8,718	184,788	8,718
Total capital assets not being depreciated	43,149,448	470,318	184,788	43,434,978
Capital assets being depreciated				
Land improvements	7,624,446	-	-	7,624,446
Buildings and improvements	8,138,937	21,085	-	8,160,022
Infrastructure	42,952,499	1,094,946	-	44,047,445
Machinery and equipment	3,337,359	315,997	256,781	3,396,575
Total capital assets being depreciated	62,053,241	1,432,028	256,781	63,228,488
Less accumulated depreciation for				
Land improvements	3,433,615	317,732	-	3,751,347
Buildings and improvements	3,844,293	214,571	-	4,058,864
Infrastructure	24,363,856	858,317	-	25,222,173
Machinery and equipment	2,232,168	236,981	241,841	2,227,308
Total accumulated depreciation	33,873,932	1,627,601	241,841	35,259,692
Total capital assets being depreciated, net	28,179,309	(195,573)	14,940	27,968,796
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET				
	\$ 71,328,757	\$ 274,745	\$ 199,728	\$ 71,403,774
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 36,325	\$ 70,508	\$ -	\$ 106,833
Construction in progress	79,233	54,821	79,233	54,821
Total capital assets not being depreciated	115,558	125,329	79,233	161,654
Capital assets being depreciated				
Buildings	1,580,063	-	-	1,580,063
Underground water and sewerage system	81,796,229	482,320	-	82,278,549
Furniture, machinery and equipment	1,165,961	32,785	77,864	1,120,882
Total capital assets being depreciated	84,542,253	515,105	77,864	84,979,494
Less accumulated depreciation for				
Buildings	951,172	34,431	-	985,603
Underground water and sewerage system	46,213,644	1,520,317	-	47,733,961
Furniture, machinery and equipment	757,425	76,508	77,864	756,068
Total accumulated depreciation	47,922,241	1,631,256	77,864	49,475,633
Total capital assets being depreciated, net	36,620,012	(1,116,151)	-	35,503,861
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET				
	\$ 36,735,570	\$ (990,822)	\$ 79,233	\$ 35,665,515

VILLAGE OF LINCOLNSHIRE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS (Continued)

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

GOVERNMENTAL ACTIVITIES	
General government	\$ 511,618
Public safety	149,796
Community development	75,306
Public works	7,745
Parks and recreation	<u>883,136</u>
DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	<u>\$ 1,627,601</u>

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, is purchased.

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 determines the general government policies which include approval of the annual budget.

High-Level Excess Liability Pool (HELP)

The Village participates in the High-Level Excess Liability Pool (HELP). HELP is a public entity risk pool established by certain municipalities (the Members) in Illinois to provide excess liability coverage (\$11,000,000 of coverage after the \$2,000,000 self-insurance retention). The Village's payments to HELP are displayed on the financial statements as expenditures/expenses in appropriate funds.

HELP was organized on April 1, 1987. The purpose of HELP is to act as a joint self-insurance pool for the purpose of seeking the prevention or lessening of liability claims for injuries to persons or property or claims for errors and omissions made against the Members and other parties included within the scope of coverage of HELP.

HELP is governed by a Board of Directors, which consists of one appointed representative from each member municipality. Each director has an equal vote. The officers of HELP are appointed by the Board of Directors. The Board of Directors determines the general policy of HELP; makes all appropriations; approves contracts; adopts resolutions providing for the issuance of debt by HELP; adopts by-laws, rules and regulations and exercises such powers and performs such duties as may be prescribed in the Agency Agreement or the by-laws.

VILLAGE OF LINCOLNSHIRE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. RISK MANAGEMENT (Continued)

The Village does not exercise any control over the activities of HELP beyond its representation on the Board of Directors.

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					
Notes payable	\$ 2,024,548	\$ -	\$ 431,009	\$ 1,593,539	\$ 442,445
Special service area bonds	13,385,000	-	325,000	13,060,000	345,000
Capital lease	-	14,360	2,540	11,820	2,597
Compensated absences*	267,767	57,509	66,942	258,334	64,584
Compensated absences - internal service*	17,525	4,472	4,381	17,616	4,404
TOTAL GOVERNMENTAL ACTIVITIES	\$ 15,694,840	\$ 76,341	\$ 829,872	\$ 14,941,309	\$ 859,030

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

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					
Promissory notes payable	\$ 787,325	\$ -	\$ 167,614	\$ 619,711	\$ 172,062
Compensated absences	42,791	10,584	10,698	42,677	10,669
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 830,116	\$ 10,584	\$ 178,312	\$ 662,388	\$ 182,731

VILLAGE OF LINCOLNSHIRE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

b. Notes Payable

Issue	Fund Debt Retired By	Balances January 1	Additions	Reductions	Balances December 31	Current Portion
GOVERNMENTAL ACTIVITIES						
2011A Note Payable - Refunding (\$3,060,000 dated January 28, 2011; maturing January 1, 2018; payable in semiannual installments of \$240,791; interest rate 2.6%).	General Fund	\$ 2,024,548	\$ -	\$ 431,009	\$ 1,593,539	\$ 442,445
TOTAL GOVERNMENTAL ACTIVITIES		\$ 2,024,548	\$ -	\$ 431,009	\$ 1,593,539	\$ 442,445
BUSINESS-TYPE ACTIVITIES						
2011A Note Payable - Refunding (\$1,190,000 dated January 28, 2011; maturing January 1, 2018; payable in semiannual installments of \$90,926; interest rate 2.6%).	Water and Sewer Fund	\$ 787,325	\$ -	\$ 167,614	\$ 619,711	\$ 172,062
TOTAL BUSINESS-TYPE ACTIVITIES		\$ 787,325	\$ -	\$ 167,614	\$ 619,711	\$ 172,062

Annual debt service requirements to maturity for notes payable are as follows:

Year Ending December 31,	Notes Payable					
	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2015	\$ 442,445	\$ 39,136	\$ 481,581	\$ 172,062	\$ 15,220	\$ 187,282
2016	454,118	27,463	481,581	176,602	10,680	187,282
2017	466,235	15,346	481,581	181,314	5,968	187,282
2018	230,741	3,066	233,807	89,733	1,193	90,926
TOTAL	\$ 1,593,539	\$ 85,011	\$ 1,678,550	\$ 619,711	\$ 33,061	\$ 652,772

VILLAGE OF LINCOLNSHIRE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

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 Capital Projects Fund	\$ 13,385,000	\$ -	\$ 325,000	\$ 13,060,000	\$ 345,000
TOTAL		<u>\$ 13,385,000</u>	<u>\$ -</u>	<u>\$ 325,000</u>	<u>\$ 13,060,000</u>	<u>\$ 345,000</u>

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

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2015	\$ 345,000	\$ 816,250	\$ 1,161,250
2016	365,000	794,687	1,159,687
2017	390,000	771,875	1,161,875
2018	415,000	747,500	1,162,500
2019	440,000	721,563	1,161,563
2020	470,000	694,062	1,164,062
2021	495,000	664,688	1,159,688
2022	530,000	633,750	1,163,750
2023	560,000	600,625	1,160,625
2024	595,000	565,625	1,160,625
2025	635,000	528,438	1,163,438
2026	675,000	488,750	1,163,750
2027	715,000	446,562	1,161,562
2028	760,000	401,875	1,161,875
2029	805,000	354,375	1,159,375
2030	860,000	304,063	1,164,063
2031	910,000	250,312	1,160,312
2032	970,000	193,438	1,163,438
2033	1,030,000	132,812	1,162,812
2034	1,095,000	68,438	1,163,438
TOTAL	<u>\$ 13,060,000</u>	<u>\$ 10,179,688</u>	<u>\$ 23,239,688</u>

VILLAGE OF LINCOLNSHIRE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

c. Special Service Area Bonds (Continued)

Annual debts service to maturity on capital leases is as follows:

Fiscal Year	Principal	Interest
2015	\$ 2,597	\$ 1,060
2015	2,867	791
2016	3,165	492
2017	3,191	161
TOTAL	\$ 11,820	\$ 2,504

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.

“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.

VILLAGE OF LINCOLNSHIRE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. INTERFUND ASSETS/LIABILITIES

a. Transfers

Interfund transfers during the year ended December 31, 2014 consisted of the following:

Fund	Transfers In	Transfers Out
Major Governmental Funds		
General Corporate Fund	\$ -	\$ 4,652,715
General Capital Fund	4,465,415	-
Retirement Fund	115,197	-
Total Major Governmental Funds	4,580,612	4,652,715
Nonmajor Governmental Funds		
Vehicle Maintenance	-	24,195
Total Nonmajor Governmental Funds	-	24,195
Enterprise Funds		
Water and Sanitary Sewer Revenue	-	91,003
Water and Sanitary Sewer Improvements	187,300	-
Total Enterprise Funds	187,300	91,003
TOTAL	\$ 4,767,912	\$ 4,767,913

The purpose of significant transfers is as follows:

- \$4,465,415 transferred from the General Corporate Fund to the General Capital Fund to fund capital improvements. This amount will not be repaid.
- \$187,300 transferred from the General Corporate Fund to the Water and Sanitary Sewer Improvements Fund to assist in operational costs of the Water and Sanitary Sewer Improvements Fund. This amount will not be repaid.
- \$115,197 transferred from the Water and Sewer Revenue Fund (\$91,003) and Vehicle Maintenance Fund (\$24,195) to the IMRF Fund to fund the Village's share of Social Security, Medicare, and IMRF costs. These amounts 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. As of the date of this report, the Village attorney has reported no pending or threatened litigation.

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 (HELP)

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.

d. Economic Incentive Agreement

In May 2010, the Village entered into a ten-year sales tax rebate program with a company. The Village is required to rebate 50% of the first \$500,000 of sales tax revenue generated annually by this company and 66.67% of any sales tax revenue generated annually above this amount. During 2014, the Village rebated approximately \$100,147 to this company.

In November 2010, the Village entered into a ten-year sales tax rebate program with a company. The Village is required to rebate 50% of any sales tax revenue generated; provided annual sales exceed \$100,000. During 2014, the Village rebated approximately \$133,965 to this company.

In August 2012, the Village entered into a 20-year sales tax rebate program with a company. The Village is required to rebate 40% of any municipal sales tax generated in that quarter; not to exceed \$100,000 per sales tax year. The agreement ends when \$700,000 is rebated or December 31, 2023, whichever comes first. During 2014, the Village rebated approximately \$26,270 to this company.

9. OTHER POSTEMPLOYMENT BENEFITS

The Village allows employees, who retire through one of the Village's two pension plans disclosed in Note 10, the option to continue in the Village's health insurance plan as required by ILCS, but the retiree pays the full premium for the health insurance. This has not created an implicit subsidy as defined by GASB Statement No. 45 (GASB S-45), *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as the Village's health insurance plan is considered a community rated plan. The Village entered into this plan effective January 1, 2011. In addition, the Village has no explicit subsidy as defined in GASB S-45.

10. EMPLOYEE RETIREMENT SYSTEMS

a. Plan Descriptions and Provisions

Illinois Municipal Retirement Fund

The Village contributes to the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local governments and school districts in Illinois (other than those covered by the Police Pension Plan).

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. 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. The individual pensions are calculated based upon the final rate of earnings defined as the average of the highest 48 months in the last ten years of service.

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. The individual pensions are calculated based upon the final rate of earnings defined as the average of the highest 96 months in the last ten years of service.

VILLAGE OF LINCOLNSHIRE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions and Provisions (Continued)

Illinois Municipal Retirement Fund (Continued)

IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Participating members are required to contribute 4.5% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution for 2014 was 14.82% of covered payroll, respectively.

IMRF issues a separate financial report which may be obtained online at www.imrf.org. This report contains information for IMRF as a whole, but not by individual employer.

Police Pension Plan

Plan Administration

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

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

Plan Membership

At December 31, 2014, the Police Pension Plan membership consisted of:

Inactive plan members currently receiving benefits	16
Inactive plan members entitled to benefits but not yet receiving them	-
Active plan members	
Vested	14
Nonvested	9
	<hr/>
TOTAL	<u>39</u>

The following is a summary of the Police Pension Plan as provided for in ILCS.

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions and Provisions (Continued)

Police Pension Plan (Continued)

Benefits Provided

The Police Pension Plan provides retirement benefits through two tiers of 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 $\frac{1}{2}$ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years 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 a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

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 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 \$110,004 for 2014, plus the amount automatically increases by the lesser of $\frac{1}{2}$ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years 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., $\frac{1}{2}\%$ 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 $\frac{1}{2}$ of the change in the Consumer Price Index for the proceeding calendar year.

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions and Provisions (Continued)

Police Pension Plan (Continued)

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 employer contribution for the fiscal year ended December 31, 2014 was 28.30% of covered payroll.

The Police Pension Plan does not issue a separate financial report.

Investment Policy

The Police Pension Fund (the Fund) also requires investments to be made in accordance with ILCS and the Fund's investment policy, which allows the Fund to invest in the same securities as the Village, plus the following: certain non-U.S. obligations (corporate debt securities), Illinois municipal corporations tax anticipation warrants, veterans' loans, obligations of the State of Illinois and its political divisions, Illinois insurance company general and separate accounts, mutual funds and equity securities (not to exceed 55% of the total assets of the Fund).

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in September 2013 in which best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major assets class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates or arithmetic real rates of return excluding inflation for each major asset class included in the Fund's target asset allocation as of December 31, 2014 are listed in the table below.

Concentration of credit risk - The Fund's investment policy provides diversification guidelines on the amount of the portfolio that can be invested in any one investment vehicle. Diversification by security is as follows:

VILLAGE OF LINCOLNSHIRE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions and Provisions (Continued)

Police Pension Plan (Continued)

Investment Policy (Continued)

Asset Class	Minimum	Preferred	Maximum	Long-Term Expected Real Rate of Return
Large cap growth	5.0%	10.0%	11.0%	5.2%
Large cap value	5.0%	10.0%	11.0%	4.9%
Small mid cap growth	2.5%	5.0%	6.5%	6.0%
Small mid cap value	2.5%	5.0%	6.5%	5.7%
Multi class	10.0%	20.0%	15.0%	1.8%
International growth	5.0%	7.5%	10.0%	5.3%
International value	5.0%	7.5%	10.0%	5.3%
Fixed income and cash	35.0%	35.0%	45.0%	0.5%

Small and temporary variations from the above are allowed for by the policy.

The Fund's investment policy prohibits short selling, securities lending, financial futures, margins, options, nonmarketable securities, commodities, speculative real estate or other specialized derivative investments.

Investment Valuations

All investments in the plan are stated at fair value and are recorded as of the trade date. Fair value is based on quoted market prices at December 31 for debt securities, equity securities and mutual funds and contract values for insurance contracts. Investment income is recognized as earned. Gains and losses on sales and exchanges of fixed income securities are recognized on the transaction date.

Investment Concentrations

There are no significant investments (other than U.S. Government guaranteed obligations) in any one organization that represent 5% or more of plan net assets for the Police Pension Plan.

At December 31, 2014, the Fund had greater than 5% of its fixed income portfolio invested in obligations of the U.S. Treasury notes (10.61%), U.S. Agency Securities (6.35%), Equity Mutual Funds (59.15%), Corporate Equity Securities (6.75%), and corporate bonds (11.89%). The investment policy does not include any limitations on how much U.S. Treasury or agency securities can be held in the portfolio.

VILLAGE OF LINCOLNSHIRE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions and Provisions (Continued)

Police Pension Plan (Continued)

Investment Rate of Return

For the year ended December 31, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 2.53%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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 Fund's deposits may not be returned to them. The Fund's investment policies do not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the Fund's deposits with financial institutions.

Interest Rate Risk

The following table presents the investments and maturities of the Fund's debt securities as of December 31, 2014:

	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-3	4-6	Greater than 6
U.S. Treasury notes	\$ 2,033,741	\$ 405,599	\$ 939,950	\$ 308,537	\$ 379,655
FFCB notes	149,512	-	149,512	-	-
FHLMC notes	356,372	-	-	143,356	213,016
FNMA notes	668,624	140,366	-	-	528,258
GNMA notes	22,574	-	-	-	22,574
SBA	20,513	-	-	-	20,513
Corporate bonds	2,714,832	235,018	554,307	843,771	1,081,736
Municipal bonds	265,142	20,139	103,105	84,373	57,525
Negotiable certificates of deposit	302,221	198,026	-	104,195	-
TOTAL	\$ 6,533,533	\$ 999,148	\$ 1,746,874	\$ 1,484,232	\$ 2,303,277

In accordance with its investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio into an equity portion and fixed income portion to allow the fund to maximize current returns while allowing stability of the fund and providing for long-term return on investment.

VILLAGE OF LINCOLNSHIRE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions and Provisions (Continued)

Police Pension Plan (Continued)

Credit Risk

The Fund 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 quarterly review of the returns of the equity portion of investments to address any standard deviations and by requiring 35% investment in secure fixed income investments, primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government. The FHLB, FHMLC, FFCB, FNMA, SBA, money market mutual funds, municipal bonds, corporate bonds and negotiable certificates of deposit range in rating from not rated to AAA as of December 31, 2014.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Fund will not be able to recover the value of its investments that are in possession of an outside party. The Fund's policy requires reporting and monitoring of investment managers and custodians. To additionally limit its exposure, the Fund prepares all 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 Fund's agent separate from where the investment was purchased in the Fund's name.

Net Pension Liability

The components of the net pension liability of the Police Pension Plan as of December 31, 2014 calculated in accordance with GASB Statement No. 67 were as follows:

Total pension liability	\$	23,974,642
Plan fiduciary net position		19,452,281
Village's net pension liability		4,522,361
Plan fiduciary net position as a percentage of the total pension liability		81.14%

See the schedule of changes in the employer's net pension liability and related ratios in the required supplementary information for additional information related to the funded status of the Fund.

VILLAGE OF LINCOLNSHIRE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions and Provisions (Continued)

Police Pension Plan (Continued)

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2014 using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2014
Actuarial cost method	Entry-age normal level dollar
Assumptions	
Inflation	2.50%
Salary increases	3.62% to 7.69%
Interest rate	6.50%
Cost of living adjustments	3.00%
Asset valuation method	Market

Mortality rates were based on the RP-2000 Combined Mortality Table (BCA, +1M, -4F, 2x>105). The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated September 26, 2012.

Discount Rate

The discount rate used to measure the total pension liability was 6.5%. The projection of cash flows used to determine the discount rate assumed that plan members 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 related and the member rate. Based on these assumptions, the pension 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 pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

VILLAGE OF LINCOLNSHIRE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions and Provisions (Continued)

Police Pension Plan (Continued)

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate of 6.5% 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 (5.5%) or 1 percentage point higher (7.5%) than the current rate:

	1% Decrease (5.5%)	Current Discount Rate (6.5%)	1% Increase (7.5%)
Net pension liability	\$ 8,171,867	\$ 4,522,361	\$ 1,554,465

b. Summary of Significant Accounting Policies and Plan Asset Matters

Related Party Transactions: There were no securities of the employer or any other related parties included in plan assets, including any loans.

Administrative costs for the Police Pension Plan are financed primarily through investment earnings.

c. Annual Pension Cost

	Illinois Municipal Retirement	Police Pension
Actuarial valuation date	December 31, 2012	January 1, 2014
Actuarial cost method	Entry-age normal	Entry-age normal level dollar
Asset valuation method	5 year smoothed market	5 year smoothed market
Amortization method	Level percentage of payroll	Level percentage of payroll
Amortization period	29 years, open	15 years, closed

VILLAGE OF LINCOLNSHIRE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

c. Annual Pension Cost (Continued)

	Illinois Municipal Retirement	Police Pension
Significant actuarial assumptions		
a) Rate of return on present and future assets	7.50% compounded annually	6.50% compounded annually
b) Projected salary increase - attributable to inflation	4.00% compounded annually	4.50% compounded annually
c) Additional projected salary increases - seniority/merit	0.40% to 10.00%	3.00%
d) Postretirement benefit increases	3.00%	3.00%

Employer annual pension cost (APC) actual contributions and the net pension obligation (NPO) are as follows. The NPO is the cumulative difference between the APC and the contributions actually made.

	For Fiscal Year	Illinois Municipal Retirement	Police Pension
Annual pension cost (APC)	2012	\$ 397,037	\$ 545,957
	2013	415,118	527,434
	2014	427,047	553,629
Actual contribution	2012	\$ 397,037	\$ 961,521
	2013	415,118	1,059,747
	2014	427,047	589,303
Percentage of APC contributed	2012	100.00%	176.12%
	2013	100.00%	200.93%
	2014	100.00%	106.44%
NPO (asset)	2012	\$ -	\$ (4,449,763)
	2013	-	(4,982,076)
	2014	-	(5,017,750)

VILLAGE OF LINCOLNSHIRE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

c. Annual Pension Cost (Continued)

The Village's annual pension cost and net pension obligation (asset) for the Police Pension Plan for December 31, 2014 are as follows:

	<u>Police Pension</u>
Annual required contribution	\$ 540,123
Interest on net pension obligation (asset)	(289,235)
Adjustment to annual required contribution	<u>302,741</u>
Annual pension cost	553,629
Contributions made	<u>(589,303)</u>
Increase in net pension obligation	(35,674)
Net pension obligation (asset), beginning of year	<u>(4,982,076)</u>
NET PENSION OBLIGATION (ASSET), END OF YEAR	<u>\$ (5,017,750)</u>

d. Funded Status and Funding Progress

The funded status of the plans as of December 31, 2014 were as follows. The actuarial assumptions used to determine the funded status of the Police Pension Plan are the same actuarial assumptions used to determine the employer APC of the plan as disclosed above.

	<u>Illinois Municipal Retirement</u>	<u>Police Pension</u>
Actuarial accrued liability (AAL)	\$ 9,830,961	\$ 20,954,665
Actuarial value of plan assets	6,017,704	18,385,680
Unfunded actuarial accrued liability (UAAL)	3,813,257	2,568,985
Funded ratio (actuarial value of plan assets/AAL)	61.21%	87.74%
Covered payroll (active plan members)	\$ 2,881,558	\$ 2,082,705
UAAL as a percentage of covered payroll	132.33%	123.35%

See the schedules of funding progress in the required supplementary information immediately following the notes to financial statements for additional information related to the funded status of the plans.

11. PRIOR PERIOD ADJUSTMENT

The Village restated fund balance and net position of the General Fund and governmental activities by \$514,572 as of January 1, 2014 to correct the treatment of an interfund transfer and write off an old outstanding liability.

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, 2014

	Original Budget	Final Budget	Actual
REVENUES			
Property taxes	\$ 65,500	\$ 65,500	\$ 664,769
Other taxes	9,292,000	9,292,000	9,353,713
Licenses, permits and fees	550,200	550,200	748,840
Fines and forfeitures	495,000	495,000	333,321
Intergovernmental	189,000	189,000	203,456
Investment income	22,000	22,000	(57,260)
Miscellaneous	34,000	34,000	27,003
	<hr/>	<hr/>	<hr/>
Total revenues	10,647,700	10,647,700	11,273,842
EXPENDITURES			
Current			
General government	1,818,585	1,818,585	1,635,284
Public safety	3,089,795	3,089,795	3,499,283
Community and economic development	497,150	497,150	486,420
Public works	1,300,925	1,300,925	1,306,404
Parks and open spaces	1,414,300	1,414,300	1,244,687
Debt service			
Principal retirement	431,009	431,009	431,009
Interest and fiscal charges	50,573	50,573	51,867
	<hr/>	<hr/>	<hr/>
Total expenditures	8,602,337	8,602,337	8,654,954
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<hr/>	<hr/>	<hr/>
	2,045,363	2,045,363	2,618,888
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(4,107,300)	(6,907,300)	(4,652,715)
Sale of capital assets	20,000	20,000	19,665
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(4,087,300)	(6,887,300)	(4,633,050)
NET CHANGE IN FUND BALANCE	<hr/>	<hr/>	<hr/>
	\$ (2,041,937)	\$ (4,841,937)	(2,014,162)
FUND BALANCE, JANUARY 1			12,113,186
Prior period adjustment			<hr/> 514,572
FUND BALANCE, JANUARY 1 (RESTATED)			<hr/> 12,627,758
FUND BALANCE, DECEMBER 31			<hr/> \$ 10,613,596 <hr/>

(See independent auditor's report.)

VILLAGE OF LINCOLNSHIRE, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
RETIREMENT FUND**

For the Year Ended December 31, 2014

	<u>Original and Final Budget</u>	<u>Actual</u>
REVENUES		
Taxes		
Property	\$ 961,100	\$ 763,060
Investment income	155	484
Miscellaneous		
Other income	-	1,669
		<u>1,669</u>
Total revenues	<u>961,255</u>	<u>765,213</u>
EXPENDITURES		
General government		
Personnel services	1,129,800	827,370
Contractual services	-	2,100
Other charges	6,400	3,510
	<u>6,400</u>	<u>3,510</u>
Total expenditures	<u>1,136,200</u>	<u>832,980</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(174,945)</u>	<u>(67,767)</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	<u>174,945</u>	<u>115,197</u>
Total other financing sources (uses)	<u>174,945</u>	<u>115,197</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	47,430
FUND BALANCE, JANUARY 1		<u>92,729</u>
FUND BALANCE, DECEMBER 31		<u>\$ 140,159</u>

(See independent auditor's report.)

VILLAGE OF LINCOLNSHIRE, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
ILLINOIS MUNICIPAL RETIREMENT FUND

December 31, 2014

Schedule of Funding Progress

Actuarial Valuation Date December 31,	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Percentage Funded (1) / (2)	(4) Unfunded (AAL) (2) - (1)	(5) Covered Payroll	(6) (UAAL) as a Percentage of Covered Payroll (4) / (5)
2009	\$ 8,369,831	\$ 11,524,211	72.63%	\$ 3,154,380	\$ 3,918,015	80.51%
2010	9,265,070	11,982,550	77.32%	2,717,480	3,554,650	76.45%
2011	8,234,931	11,179,561	73.66%	2,944,630.00	3,280,203	89.77%
2012	6,420,360	10,126,176	63.40%	3,705,816	3,173,754	116.76%
2013	5,492,452	9,314,031	58.97%	3,821,579	3,084,090	123.91%
2014	6,017,704	9,830,961	61.21%	3,813,257	2,881,558	132.33%

Schedule of Employer Contributions

Calendar Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2009	\$ 421,970	\$ 421,970	100.00%
2010	421,226	425,136	99.08%
2011	412,322	412,322	100.00%
2012	397,037	401,115	98.98%
2013	415,118	415,118	100.00%
2014	427,047	427,047	100.00%

(See independent auditor's report.)

VILLAGE OF LINCOLNSHIRE, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
POLICE PENSION FUND

December 31, 2014

Schedule of Funding Progress

Actuarial Valuation Date December 31,	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Percentage Funded (1) / (2)	(4) Unfunded (AAL) (2) - (1)	(5) Covered Payroll	(6) (UAAL) as a Percentage of Covered Payroll (4) / (5)
2009	\$ 12,608,420	\$ 14,971,380	84.22%	\$ 2,362,960	\$ 2,029,959	116.40%
2010	14,027,490	16,369,535	85.69%	2,342,045	2,010,449	116.49%
2011	14,444,202	17,465,335	82.70%	3,021,133.00	1,902,849	158.77%
2012	15,569,270	18,975,763	82.05%	3,406,493	1,923,608	177.09%
2013	16,819,911	19,916,882	84.45%	3,096,971	2,058,866	150.42%
2014	18,385,680	20,954,665	87.74%	2,568,985	2,082,705	123.35%

(See independent auditor's report.)

VILLAGE OF LINCOLNSHIRE, ILLINOIS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND

Last Ten Fiscal Years

	<u>2006*</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Actuarially determined contribution	\$ 452,196	\$ 321,728	\$ 483,226	\$ 497,262	\$ 454,383	\$ 563,551	\$ 514,585	\$ 545,957	\$ 527,434	\$ 692,133
Contribution in relation to the actuarially determined contribution	550,323	587,154	1,111,733	1,063,146	1,101,333	1,012,592	1,032,840	961,521	1,059,747	589,303
CONTRIBUTION DEFICIENCY (Excess)	\$ (98,127)	\$ (265,426)	\$ (628,507)	\$ (565,884)	\$ (646,950)	\$ (449,041)	\$ (518,255)	\$ (415,564)	\$ (532,313)	\$ 102,830
Covered-employee payroll	\$ 1,667,247	\$ 1,723,909	N/A	\$ 1,945,491	\$ 2,029,959	\$ 2,010,449	\$ 1,902,849	\$ 1,923,608	\$ 2,058,866	\$ 2,082,705
Contributions as a percentage of Covered-employee payroll	33.01%	34.06%	N/A	54.65%	54.25%	50.37%	54.28%	49.99%	51.47%	28.30%

* The Village changed from a April 30 to a December 31 year end for the fiscal year ended December 31, 2006.

N/A - Information not available.

The information directly above is formatted to comply with the requirements of GASB Statement No. 67

<u>Year Ended December 31,</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2009	\$ 1,101,333	\$ 454,383	242.38%
2010	1,012,592	563,551	179.68%
2011	1,032,840	514,585	200.71%
2012	961,521	545,957	176.12%
2013	1,059,747	527,434	200.93%
2014	589,303	540,123	109.11%

Notes to Required Supplementary Information:

This information directly above is presented in accordance with GASB Statement No. 25. 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 15 years; the asset valuation method was at market value and the significant actuarial assumptions were an investment rate of return at 6.50% annually, projected salary increases assumption of 4.50% 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

December 31, 2014

TOTAL PENSION LIABILITY	
Service cost	\$ 543,025
Interest	1,466,549
Changes of benefit terms	-
Differences between expected and actual experience	434,345
Changes of assumptions	-
Benefit payments, including refunds of member contributions	<u>(977,078)</u>
Net change in total pension liability	1,466,841
Total pension liability - beginning	<u>22,507,801</u>
TOTAL PENSION LIABILITY - ENDING	<u><u>\$ 23,974,642</u></u>
PLAN FIDUCIARY NET POSITION	
Contributions - employer	\$ 589,303
Contributions - member	232,179
Contributions - other	10
Net investment income	469,087
Benefit payments, including refunds of member contributions	(977,078)
Administrative expense	<u>(22,328)</u>
Net change in plan fiduciary net position	291,173
Plan fiduciary net position - beginning	<u>19,161,108</u>
PLAN FIDUCIARY NET POSITION - ENDING	<u><u>\$ 19,452,281</u></u>
EMPLOYER'S NET PENSION LIABILITY	<u><u>\$ 4,522,361</u></u>
Plan fiduciary net position as a percentage of the total pension liability	81.14%
Covered-employee payroll	\$ 2,082,705
Employer's net pension liability as a percentage of covered-employee payroll	217.14%

(See independent auditor's report.)

VILLAGE OF LINCOLNSHIRE, ILLINOIS

**SCHEDULE OF INVESTMENT RETURNS
POLICE PENSION FUND**

December 31, 2014

	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	2.53%

(See independent auditor's report.)

VILLAGE OF LINCOLNSHIRE, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2014

BUDGETS

Annual budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for all governmental and proprietary funds, with the exception of the Fraud, Alcohol and Drug Fund and Park Development Capital Projects Fund. The annual appropriated budget is legally enacted and provides for a legal level of control at the fund level. All annual appropriations lapse at fiscal year end.

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

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

The following funds actual expenditures exceed budgeted expenditures are:

Fund	Budget	Actual
General Corporate	\$ 8,602,337	\$ 8,654,954
Motor Fuel Tax	170,000	170,049
Special Service Area Debt Service	1,163,500	1,165,307

**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, 2014

	Original Budget		Final Budget		Actual
OTHER TAXES					
Property tax - Police Pension Fund	-	\$	-	\$	589,303
Road and bridge	65,500		65,500		75,466
	<hr/>		<hr/>		<hr/>
Total property taxes	65,500		65,500		664,769
OTHER TAXES					
State income	660,000		660,000		688,959
Sales	2,700,000		2,700,000		2,633,762
Home rule sales	1,230,000		1,230,000		1,231,097
Utility	1,350,000		1,350,000		1,427,191
Telecommunication	1,236,000		1,236,000		1,041,159
Room and admissions	1,800,000		1,800,000		1,831,416
Real estate transfer	200,000		200,000		364,410
State use	116,000		116,000		135,719
	<hr/>		<hr/>		<hr/>
Total other taxes	9,292,000		9,292,000		9,353,713
LICENSES AND PERMITS					
SWALCO rebate	-		-		57,492
Liquor licenses	62,000		62,000		64,785
Beach tags	7,100		7,100		7,290
Park user fees	30,000		30,000		30,792
Amusement devices	4,100		4,100		2,950
Application fees	5,000		5,000		8,603
Engineering fees	12,000		12,000		14,440
Planner fees	2,500		2,500		4,979
Plan review fees	35,000		35,000		51,300
Building permit fees	200,000		200,000		287,188
Acreage impact fees	19,500		19,500		9,464
Forester fees	1,000		1,000		3,200
Tree revenues	5,000		5,000		-
Miscellaneous licenses and fees	20,000		20,000		21,588
Cable TV franchise fees	145,000		145,000		166,064
Yardwaste refuse stickers	-		-		2,930
Taste of Lincolnshire	-		-		14,225
Waste hauler fees	2,000		2,000		1,550
	<hr/>		<hr/>		<hr/>
Total licenses and permits	550,200		550,200		748,840

(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, 2014

	Original Budget	Final Budget	Actual
FINES AND FORFEITURES			
Court fines	\$ 390,000	\$ 390,000	\$ 292,296
False alarm fines and fees	5,000	5,000	3,575
Administrative tow fees	100,000	100,000	37,450
	<hr/>	<hr/>	<hr/>
Total fines and forfeitures	495,000	495,000	333,321
	<hr/>	<hr/>	<hr/>
INTERGOVERNMENTAL			
Police grants	6,500	6,500	13,903
Police training reimbursements	-	-	188
Miscellaneous grants	182,500	182,500	189,365
	<hr/>	<hr/>	<hr/>
Total intergovernmental	189,000	189,000	203,456
	<hr/>	<hr/>	<hr/>
INVESTMENT INCOME	22,000	22,000	(57,260)
	<hr/>	<hr/>	<hr/>
MISCELLANEOUS			
Lease proceeds	-	-	14,360
Miscellaneous income	34,000	34,000	12,643
	<hr/>	<hr/>	<hr/>
Total miscellaneous	\$ 34,000	34,000	27,003
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	<u>\$ 10,647,700</u>	<u>\$ 10,647,700</u>	<u>\$ 11,273,842</u>

(See independent auditor's report.)

VILLAGE OF LINCOLNSHIRE, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL CORPORATE FUND

For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT			
Administration services			
Personnel services			
Regular salaries	\$ 219,400	\$ 219,400	\$ 216,319
Part time wages	7,500	7,500	6,521
Overtime salaries	2,000	2,000	183
Total personnel services	228,900	228,900	223,023
Contractual services			
Equipment maintenance	500	500	240
Professional services	1,500	1,500	595
Total contractual services	2,000	2,000	835
Capital outlay			
Copier purchase	-	-	14,360
Total capital outlay	-	-	14,360
Other charges			
Memberships	9,000	9,000	10,872
Vehicle expenditures	4,800	4,800	4,177
Professional development	4,200	4,200	5,842
Publications	600	600	720
Classified advertisements	2,000	2,000	2,193
Boards and commissions	2,300	2,300	4,059
Business expenditures	5,600	5,600	4,984
Total other charges	28,500	28,500	32,847
Total administrative services	259,400	259,400	271,065
Finance			
Personnel services			
Regular salaries	245,000	245,000	236,907
Total personnel services	245,000	245,000	236,907
Contractual services			
Printing	800	800	-
Equipment maintenance	200	200	382
Professional services	18,580	18,580	18,078
Legal notices	900	900	384
Outside services	100	100	-
Total contractual services	20,580	20,580	18,844

(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, 2014

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT (Continued)			
Finance (Continued)			
Commodities			
Licensing supplies	\$ 400	\$ 400	\$ 906
Total commodities	400	400	906
Other charges			
Memberships	700	700	865
Professional development	4,000	4,000	1,884
Publications	300	300	-
Minor equipment	300	300	885
Business expenditures	400	400	358
Total other charges	5,700	5,700	3,992
Total finance	271,680	271,680	260,649
Insurance and common			
Contractual services			
Telephone	57,560	57,560	29,680
Printing	18,900	18,900	12,215
Equipment maintenance	1,300	1,300	1,224
Professional services	89,600	89,600	67,282
Data systems	54,893	54,893	35,162
Postage	7,750	7,750	5,900
Duplicating	8,510	8,510	7,756
Medical insurance	641,400	641,400	610,658
General insurance	207,732	207,732	187,916
Outside services	186,260	186,260	120,014
Total contractual services	1,273,905	1,273,905	1,077,807
Commodities			
Office supplies	12,600	12,600	12,771
Total commodities	12,600	12,600	12,771
Other charges			
Minor equipment	-	-	11,435
Total other charges	-	-	11,435
Capital outlay			
Office equipment	1,000	1,000	1,557
Total capital outlay	1,000	1,000	1,557
Total insurance and common	1,287,505	1,287,505	1,103,570
Total general government	1,818,585	1,818,585	1,635,284

(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, 2014

	Original Budget	Final Budget	Actual
PUBLIC SAFETY			
Police			
Personnel services			
Regular salaries	\$ 2,409,000	\$ 2,409,000	\$ 2,341,184
Overtime salaries	110,000	110,000	148,182
Overtime contract services	95,000	95,000	49,140
Retirement reserves	-	-	589,303
Total personnel services	2,614,000	2,614,000	3,127,809
Contractual services			
Printing	4,500	4,500	2,517
Equipment maintenance	63,250	63,250	60,994
Professional services	107,900	107,900	79,627
Data systems	12,845	12,845	9,167
Total contractual services	188,495	188,495	152,305
Commodities			
Maintenance materials	18,000	18,000	13,900
Total commodities	18,000	18,000	13,900
Other charges			
Memberships	2,100	2,100	2,085
Vehicle expenditures	500	500	682
Professional development	35,000	35,000	22,060
Publications	600	600	839
Uniforms	30,000	30,000	28,136
Community programs	4,500	4,500	3,956
Officer testing	1,000	1,000	4,723
Equipment - furniture	2,400	2,400	2,503
Vehicle maintenance contributions	185,200	185,200	132,910
Minor equipment	4,500	4,500	3,575
Business expenditures	3,500	3,500	3,800
Total other charges	269,300	269,300	205,269
Total public safety	3,089,795	3,089,795	3,499,283
COMMUNITY AND ECONOMIC DEVELOPMENT			
Administration			
Personnel services			
Regular salaries	412,000	412,000	406,725
Part time wages	42,000	42,000	40,241
Overtime salaries	1,500	1,500	109
Total personnel services	455,500	455,500	447,075

(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, 2014

	Original Budget	Final Budget	Actual
COMMUNITY AND ECONOMIC DEVELOPMENT (Continued)			
Contractual services			
Printing	\$ 600	\$ 600	\$ 261
Equipment maintenance	100	100	-
Professional services	-	-	851
Legal notices	200	200	490
Outside services	3,700	3,700	1,243
Total contractual services	4,600	4,600	2,845
Other charges			
Memberships	18,400	18,400	19,332
Professional development	6,700	6,700	4,240
Publications	450	450	480
Board and commissions	200	200	40
Business expenditures	800	800	1,247
Economic development initiatives	5,000	5,000	7,181
Equipment and clothing	200	200	180
Vehicle maintenance contributions	5,300	5,300	3,800
Total other charges	37,050	37,050	36,500
Total community and economic development	497,150	497,150	486,420
PUBLIC WORKS			
Administration			
Personnel services			
Regular salaries	155,500	155,500	138,788
Overtime salaries	5,800	5,800	2,329
Total personnel services	161,300	161,300	141,117
Contractual services			
Professional services	6,000	6,000	17,219
Legal notices	1,200	1,200	1,010
Outside services	6,900	6,900	15,861
Total contractual services	14,100	14,100	34,090
Other charges			
Memberships	1,100	1,100	482
Vehicle expenditures	6,000	6,000	4,500
Professional development	3,400	3,400	2,988
Publications	200	200	-
Business expenditures	1,800	1,800	555
Total other charges	12,500	12,500	8,525
Total administration	187,900	187,900	183,732

(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, 2014

	Original Budget	Final Budget	Actual
PUBLIC WORKS (Continued)			
Streets			
Personnel services			
Regular salaries	\$ 367,000	\$ 367,000	\$ 345,628
Overtime salaries	46,300	46,300	69,603
Total personnel services	413,300	413,300	415,231
Contractual services			
Equipment maintenance	1,000	1,000	222
Electric utilities	15,000	15,000	12,151
Pavement maintenance	37,500	37,500	101,277
Outside services	222,600	222,600	199,420
Total contractual services	276,100	276,100	313,070
Commodities			
Maintenance materials	11,000	11,000	15,379
Repair and restoration	11,300	11,300	14,257
Construction materials	3,600	3,600	4,414
Snow and ice control	54,600	54,600	64,072
Total commodities	80,500	80,500	98,122
Other charges			
Memberships	200	200	161
Vehicle expenditures	-	-	1,125
Professional development	800	800	530
Uniforms	3,200	3,200	2,311
Minor equipment	16,500	16,500	15,006
Business expenditures	600	600	447
Vehicle maintenance contributions	158,900	158,900	114,040
Total other charges	180,200	180,200	133,620
Total streets	950,100	950,100	960,043
Buildings and grounds			
Personnel services			
Regular salaries	35,300	35,300	34,103
Overtime salaries	2,000	2,000	779
Total personnel services	37,300	37,300	34,882
Contractual services			
Equipment maintenance	1,825	1,825	987
Outside services	92,800	92,800	100,430
Total contractual services	94,625	94,625	101,417

(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, 2014

	Original Budget	Final Budget	Actual
PUBLIC WORKS (Continued)			
Buildings and grounds (Continued)			
Commodities			
Maintenance materials	\$ 17,600	\$ 17,600	\$ 15,580
Repair and restoration	1,600	1,600	1,045
Construction materials	2,900	2,900	1,738
Total commodities	22,100	22,100	18,363
Other charges			
Professional development	200	200	-
Minor equipment	1,300	1,300	1,358
Business expenditures	2,100	2,100	2,809
Vehicle maintenance contributions	5,300	5,300	3,800
Total other charges	8,900	8,900	7,967
Total buildings and grounds	162,925	162,925	162,629
Total public works	1,300,925	1,300,925	1,306,404
PARKS AND OPEN SPACES			
Parks and grounds			
Personnel services			
Regular salaries	490,000	490,000	388,078
Part time wages	79,300	79,300	81,837
Overtime salaries	30,000	30,000	27,721
Total personnel services	599,300	599,300	497,636
Contractual services			
Equipment maintenance	2,500	2,500	3,905
Professional services	73,000	73,000	69,230
Permits	100	100	-
Software maintenance - tree inventory	2,100	2,100	-
Gas utilities	3,000	3,000	3,225
Electric utilities	28,000	28,000	26,000
Outside services	94,600	94,600	73,273
Lighting maintenance	7,200	7,200	2,225
Landscape maintenance	338,100	338,100	340,883
Wildlife maintenance	9,000	9,000	5,925
Special events	65,000	65,000	73,538
Total contractual services	622,600	622,600	598,204
Commodities			
Maintenance materials	43,000	43,000	40,539
Repair and restoration	3,700	3,700	3,271
Construction materials	5,100	5,100	6,905
Total commodities	51,800	51,800	50,715

(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, 2014

	Original Budget	Final Budget	Actual
PARKS AND OPEN SPACES (Continued)			
Parks and grounds (Continued)			
Other charges			
Memberships	\$ 1,700	\$ 1,700	\$ 1,495
Vehicle expenditures	-	-	1,125
Professional development	8,700	8,700	1,024
Publications	200	200	-
Uniforms	4,600	4,600	3,644
Minor equipment	2,900	2,900	2,893
Business expenditures	700	700	541
Vehicle maintenance contributions	121,800	121,800	87,410
	<hr/>	<hr/>	<hr/>
Total other charges	140,600	140,600	98,132
	<hr/>	<hr/>	<hr/>
Total parks and open spaces	1,414,300	1,414,300	1,244,687
	<hr/>	<hr/>	<hr/>
Debt service			
Principal retirement	431,009	431,009	431,009
Interest and fiscal charges	50,573	50,573	51,867
	<hr/>	<hr/>	<hr/>
Total debt service	481,582	481,582	482,876
	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	\$ 8,602,337	\$ 8,602,337	\$ 8,654,954

(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, 2014

	Original and Final Budget	Actual
REVENUES		
Intergovernmental		
Grants	\$ 431,250	\$ 67,744
Investment income	3,000	-
Donations	-	20,000
Miscellaneous		
Other income	1,150,000	3,027
	<hr/>	<hr/>
Total revenues	1,584,250	90,771
EXPENDITURES		
General government		
Contractual services	1,810	40,677
Capital outlay	3,226,250	1,758,476
	<hr/>	<hr/>
Total expenditures	3,228,060	1,799,153
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		
	<hr/>	<hr/>
	(1,643,810)	(1,708,382)
OTHER FINANCING SOURCES (USES)		
Transfers in	3,020,000	4,465,415
	<hr/>	<hr/>
Total other financing sources (uses)	3,020,000	4,465,415
NET CHANGE IN FUND BALANCE		
	<hr/>	<hr/>
	\$ 1,376,190	2,757,033
FUND BALANCE, JANUARY 1		
		<hr/>
		-
FUND BALANCE, DECEMBER 31		
		<hr/>
		\$ 2,757,033
		<hr/>

(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.

DEBT SERVICE FUND

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

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 may find appropriate.

2012 1A Westminster Signal - to account for the financial resources used for the acquisition or construction of major capital assets in the special service area.

VILLAGE OF LINCOLNSHIRE, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2014

	Special Revenue Funds			Debt	Capital Projects			Total	
	Motor Fuel Tax	Fraud, Alcohol and Drug	Enhanced 911	Special Service Area Debt Service	Park Development Capital Projects	2012 1A Westminster Signal	Total Capital Projects		
ASSETS									
Cash and cash equivalents	\$ 173,934	\$ 300,597	\$ 115,019	\$ 589,550	\$ 766,469	\$ 120,404	\$ 17,938	\$ 138,342	\$ 1,494,361
Investments	4,551	-	37,018	41,569	1,303,340	-	-	-	1,344,909
Receivables									
Property taxes	-	-	-	-	1,159,687	-	-	-	1,159,687
Other taxes	18,320	-	54,815	73,135	-	-	-	-	73,135
Other receivable	130	1,051	1,054	2,235	3,844	-	-	-	6,079
TOTAL ASSETS	\$ 196,935	\$ 301,648	\$ 207,906	\$ 706,489	\$ 3,233,340	\$ 120,404	\$ 17,938	\$ 138,342	\$ 4,078,171

	Special Revenue Funds			Debt	Capital Projects			Total	
	Motor Fuel Tax	Fraud, Alcohol and Drug	Enhanced 911	Special Service Area Debt Service	Park Development Capital Projects	2012 1A Westminster Signal	Total Capital Projects		
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES									
LIABILITIES									
Accounts payable	\$ -	\$ 229,993	\$ 24,274	\$ 254,267	\$ 5,836	\$ 5,147	\$ -	\$ 5,147	\$ 265,250
Accrued payroll	-	68	-	68	-	-	-	-	68
Total liabilities	-	230,061	24,274	254,335	5,836	5,147	-	5,147	265,318
DEFERRED INFLOWS OF RESOURCES									
Deferred property taxes	-	-	-	-	1,159,687	-	-	-	1,159,687
Total liabilities and deferred inflows of resources	-	230,061	24,274	254,335	1,165,523	5,147	-	5,147	1,425,005
FUND BALANCES									
Restricted for debt service	-	-	-	-	2,067,817	-	-	-	2,067,817
Restricted for maintenance of roadways	196,935	-	-	196,935	-	-	-	-	196,935
Restricted for public safety	-	71,587	183,632	255,219	-	-	-	-	255,219
Unrestricted									
Assigned for capital projects	-	-	-	-	-	115,257	17,938	133,195	133,195
Total fund balances	196,935	71,587	183,632	452,154	2,067,817	115,257	17,938	133,195	2,653,166
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES									
	\$ 196,935	\$ 301,648	\$ 207,906	\$ 706,489	\$ 3,233,340	\$ 120,404	\$ 17,938	\$ 138,342	\$ 4,078,171

(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, 2014

	Special Revenue Funds			Debt Service	Capital Projects			Total	
	Motor Fuel Tax	Fraud, Alcohol and Drug	Enhanced 911	Total Special Revenue	Special Service Area Debt Service	Park Development Capital Projects	2012 1A Westminster Signal		Total Capital Projects
REVENUES									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,161,257	\$ -	\$ -	\$ -	\$ 1,161,257
Intergovernmental	249,110	-	333,122	582,232	-	-	-	-	582,232
Charges for services	-	21,714	-	21,714	-	-	-	-	21,714
Investment income	393	-	260	653	16,867	243	19	262	17,782
Other income	-	-	-	-	-	88,127	-	88,127	88,127
Total revenues	249,503	21,714	333,382	604,599	1,178,124	88,370	19	88,389	1,871,112
EXPENDITURES									
Current									
General government	-	-	-	-	13,901	-	-	-	13,901
Public safety	-	13,130	287,115	300,245	-	-	-	-	300,245
Capital outlay	170,049	-	-	170,049	-	14,650	1,220	15,870	185,919
Debt service									
Principal retirement	-	-	-	-	325,000	-	-	-	325,000
Interest and fiscal charges	-	-	-	-	826,406	-	-	-	826,406
Total expenditures	170,049	13,130	287,115	470,294	1,165,307	14,650	1,220	15,870	1,651,471
NET CHANGE IN FUND BALANCES	79,454	8,584	46,267	134,305	12,817	73,720	(1,201)	72,519	219,641
FUND BALANCES, JANUARY 1	117,481	63,003	137,365	317,849	2,055,000	41,537	\$ 19,139	60,676	2,433,525
FUND BALANCES, DECEMBER 31	\$ 196,935	\$ 71,587	\$ 183,632	\$ 452,154	\$ 2,067,817	\$ 115,257	\$ 17,938	\$ 133,195	\$ 2,653,166

(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, 2014

	<u>Original and Final Budget</u>	<u>Actual</u>
REVENUES		
Intergovernmental		
Allotments earned	\$ 171,000	\$ 249,110
Investment income	200	393
	<hr/>	<hr/>
Total revenues	171,200	249,503
	<hr/>	<hr/>
EXPENDITURES		
Capital outlay	170,000	170,049
	<hr/>	<hr/>
Total expenditures	170,000	170,049
	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ 1,200</u>	79,454
FUND BALANCES, JANUARY 1		<hr/> 117,481
FUND BALANCES, DECEMBER 31		<u>\$ 196,935</u>

(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, 2014

	Original and Final Budget	Actual
REVENUES		
Other taxes		
E911 surcharges	\$ 312,000	\$ 333,122
Investment income	200	260
	<hr/>	<hr/>
Total revenues	312,200	333,382
	<hr/>	<hr/>
EXPENDITURES		
Public safety		
Contractual services	299,090	287,115
	<hr/>	<hr/>
Total expenditures	299,090	287,115
	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ 13,110</u>	46,267
FUND BALANCES, JANUARY 1		<hr/> 137,365
FUND BALANCES, DECEMBER 31		<u><u>\$ 183,632</u></u>

(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, 2014

	Original and Final Budget	Actual
REVENUES		
Property taxes	\$ 1,145,500	\$ 1,161,257
Investment income	18,000	16,867
	<hr/>	<hr/>
Total revenues	1,163,500	1,178,124
	<hr/>	<hr/>
EXPENDITURES		
General government		
Contractual services	1,900	13,901
Debt service		
Principal	335,194	325,000
Interest and fiscal charges	826,406	826,406
	<hr/>	<hr/>
Total expenditures	1,163,500	1,165,307
	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	12,817
FUND BALANCES, JANUARY 1		<u>2,055,000</u>
FUND BALANCES, DECEMBER 31		<u>\$ 2,067,817</u>

(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, 2014

	Original and Final Budget	Actual
REVENUES		
Investment income	\$ -	\$ 243
Park donations	-	88,127
		<hr/>
Total revenues	-	88,370
		<hr/>
EXPENDITURES		
Capital Outlay	25,000	14,650
		<hr/>
Total expenditures	25,000	14,650
		<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ (25,000)</u>	73,720
FUND BALANCES, JANUARY 1		<hr/> 41,537
FUND BALANCES, DECEMBER 31		<u><u>\$ 115,257</u></u>

(See independent auditor's report.)

VILLAGE OF LINCOLNSHIRE, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
2012 1A WESTMINSTER SIGNAL**

For the Year Ended December 31, 2014

	Original and Final Budget	Actual
REVENUES		
Investment income	\$ -	\$ 19
Total revenues	<u>-</u>	<u>19</u>
EXPENDITURES		
Contractual Services	<u>5,000</u>	<u>1,220</u>
Total expenditures	<u>5,000</u>	<u>1,220</u>
CHANGE IN NET POSITION	<u>\$ (5,000)</u>	<u>(1,201)</u>
FUND BALANCES, JANUARY 1		<u>19,139</u>
FUND BALANCES, DECEMBER 31		<u><u>\$ 17,938</u></u>

(See independent auditor's report.)

ENTERPRISE FUNDS

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.

VILLAGE OF LINCOLNSHIRE, ILLINOIS

COMBINING SCHEDULE OF NET POSITION
WATER AND SANITARY SEWER FUND

December 31, 2014

	Revenue Account	Improvement Account	Total
CURRENT ASSETS			
Cash and cash equivalents	\$ 759,045	\$ 624,669	\$ 1,383,714
Investments	591,624	305,632	897,256
Receivables			
Accounts - billed	287,098	-	287,098
Accounts - unbilled	237,820	-	237,820
Other receivables	16,839	5,137	21,976
Prepaid expenses	330	-	330
 Total current assets	 1,892,756	 935,438	 2,828,194
CAPITAL ASSETS			
Nondepreciable	161,654	-	161,654
Depreciable, net of accumulated depreciation	35,503,861	-	35,503,861
 Net capital assets	 35,665,515	 -	 35,665,515
 Total assets	 37,558,271	 935,438	 38,493,709
CURRENT LIABILITIES			
Accounts payable	411,127	105,181	516,308
Accrued payroll	17,012	-	17,012
Accrued interest payable	12,632	-	12,632
Compensated absences payable	10,669	-	10,669
Current portion of notes payable	172,062	-	172,062
 Total current liabilities	 623,502	 105,181	 728,683
LONG-TERM LIABILITIES			
Compensated absences payable	32,008	-	32,008
Notes payable	447,649	-	447,649
 Total long-term liabilities	 479,657	 -	 479,657
 Total liabilities	 1,103,159	 105,181	 1,208,340
NET POSITION			
Net investment in capital assets	35,045,804	-	35,045,804
Unrestricted	1,409,308	830,257	2,239,565
 TOTAL NET POSITION	 \$ 36,455,112	 \$ 830,257	 \$ 37,285,369

(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, 2014

	Revenue Account	Improvement Account	Eliminations	Total
OPERATING REVENUES				
Charges for services	\$ 3,848,445	\$ -	\$ -	\$ 3,848,445
Miscellaneous	18,693	6,500	-	25,193
Total operating revenues	3,867,138	6,500	-	3,873,638
OPERATING EXPENSES				
Administration	493,433	-	-	493,433
Operations	3,154,962	-	-	3,154,962
Capital outlay	-	202,098	-	202,098
Total operating expenses	3,648,395	202,098	-	3,850,493
OPERATING INCOME				
BEFORE DEPRECIATION	218,743	(195,598)	-	23,145
Depreciation	1,631,256	-	-	1,631,256
OPERATING INCOME (LOSS)	(1,412,513)	(195,598)	-	(1,608,111)
NON-OPERATING REVENUES (EXPENSES)				
Investment income	2,682	2,821	-	5,503
Connection fees	-	127,803	-	127,803
Interest expense	-	(19,677)	-	(19,677)
Total non-operating revenues (expenses)	2,682.00	110,947	-	113,629
NET INCOME (LOSS) BEFORE				
CONTRIBUTIONS AND TRANSFERS	(1,409,831)	(84,651)	-	(1,494,482)
CONTRIBUTIONS				
Contributions of capital assets	473,595	-	-	473,595
Total contribution revenue	473,595	-	-	473,595
TRANSFERS				
Transfers in	255,220	187,300	(255,220)	187,300
Transfers (out)	(91,003)	(255,220)	255,220	(91,003)
Total transfers	164,217	(67,920)	-	96,297
CHANGE IN NET POSITION	(772,019)	(152,571)	-	(924,590)
NET POSITION, JANUARY 1	37,227,131	982,828	-	38,209,959
NET POSITION, DECEMBER 31	\$36,455,112	\$ 830,257	\$ -	\$ 37,285,369

(See independent auditor's report.)

VILLAGE OF LINCOLNSHIRE, ILLINOIS

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

For the Year Ended December 31, 2014

	<u>Original and Final Budget</u>	<u>Actual</u>
OPERATING REVENUES		
Charges for services		
Water and sanitary sewer fees	\$ 3,955,800	\$ 3,826,365
Licenses, permits, fees	-	22,080
Miscellaneous		
Other	6,000	18,693
	<hr/>	<hr/>
Total operating revenues	3,961,800	3,867,138
	<hr/>	<hr/>
OPERATING EXPENSES		
Administration	497,363	493,433
Operations	3,443,600	3,154,962
	<hr/>	<hr/>
Total operating expenses excluding depreciation	3,940,963	3,648,395
	<hr/>	<hr/>
OPERATING INCOME BEFORE DEPRECIATION	20,837	218,743
Depreciation	-	1,631,256
	<hr/>	<hr/>
OPERATING INCOME (LOSS)	20,837	(1,412,513)
	<hr/>	<hr/>
NON-OPERATING REVENUES (EXPENSES)		
Investment income	2,500	2,682
	<hr/>	<hr/>
Total non-operating revenues (expenses)	2,500	2,682
	<hr/>	<hr/>
NET INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	23,337	(1,409,831)
	<hr/>	<hr/>
CONTRIBUTIONS		
Contributions of capital assets	-	473,595
	<hr/>	<hr/>
Total contribution revenue	-	473,595
	<hr/>	<hr/>
TRANSFERS		
Transfers in	281,000	255,220
Transfers (out)	(133,700)	(91,003)
	<hr/>	<hr/>
Total transfers	147,300	164,217
	<hr/>	<hr/>
CHANGE IN NET POSITION	<u>\$ 170,637</u>	<u>\$ (772,019)</u>
NET POSITION, JANUARY 1		<u>37,227,131</u>
NET POSITION, DECEMBER 31		<u><u>\$ 36,455,112</u></u>

(See independent auditor's report.)

VILLAGE OF LINCOLNSHIRE, ILLINOIS

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

For the Year Ended December 31, 2014

	<u>Original and Final Budget</u>	<u>Actual</u>
OPERATING REVENUES		
Miscellaneous	\$ -	\$ 6,500
Total operating revenues	-	6,500
OPERATING EXPENSES		
Capital outlay	303,000	202,098
Total operating expenses	303,000	202,098
OPERATING INCOME (LOSS)	(303,000)	(195,598)
NON-OPERATING REVENUES (EXPENSES)		
Investment income	1,000	2,821
Connection fees	191,000	127,803
Interest expense	(801,000)	(19,677)
Total non-operating revenues (expenses)	(609,000)	110,947
NET INCOME (LOSS) BEFORE TRANSFERS	(912,000)	(84,651)
TRANSFERS		
Transfers in	1,087,300	187,300
Transfers (out)	-	(255,220)
Total transfers	1,087,300	(67,920)
CHANGE IN NET POSITION	<u>\$ 175,300</u>	<u>(152,571)</u>
NET POSITION, JANUARY 1		<u>982,828</u>
NET POSITION, DECEMBER 31		<u><u>\$ 830,257</u></u>

(See independent auditor's report.)

VILLAGE OF LINCOLNSHIRE, ILLINOIS

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL
WATER AND SANITARY SEWER FUND - REVENUE ACCOUNT

For the Year Ended December 31, 2014

	Original and Final Budget	Actual
ADMINISTRATION		
Personnel services		
Regular salaries	\$ 208,600	\$ 176,904
Part time wages	-	22,624
Overtime salaries	500	966
	<hr/>	<hr/>
Total personnel services	209,100	200,494
	<hr/>	<hr/>
Contractual services		
Telephone	34,840	17,557
Printing	2,100	1,192
Professional services	29,400	24,220
Data processing	6,057	3,875
Postage	7,750	5,420
Duplicating	950	1,009
Medical insurance	97,800	94,200
General insurance	92,676	83,840
Outside services	11,290	11,808
	<hr/>	<hr/>
Total contractual services	282,863	243,121
	<hr/>	<hr/>
Commodities		
Office supplies	1,400	1,401
	<hr/>	<hr/>
Total commodities	1,400	1,401
	<hr/>	<hr/>
Other charges		
Memberships	500	-
Vehicle expense	3,000	3,294
Professional development	300	35
Publications	100	-
FICA	-	44,793
Business expense	100	295
	<hr/>	<hr/>
Total other charges	4,000	48,417
	<hr/>	<hr/>
Total administration	497,363	493,433
	<hr/>	<hr/>

(This schedule is continued on the following page.)

VILLAGE OF LINCOLNSHIRE, ILLINOIS

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL (Continued)
WATER AND SANITARY SEWER FUND - REVENUE ACCOUNT

For the Year Ended December 31, 2014

	Original and Final Budget	Actual
OPERATIONS		
Personnel services		
Regular salaries	\$ 385,000	\$ 369,739
Part time wages	8,000	-
Overtime salaries	34,500	28,144
	<hr/>	<hr/>
Total personnel services	427,500	397,883
	<hr/>	<hr/>
Contractual services		
Equipment maintenance	30,500	32,759
Gas utilities	4,500	3,911
Electric utilities	81,500	71,591
Outside services	42,800	29,746
System maintenance	89,900	75,278
Water purchases	1,164,400	1,094,095
Sanitary sewer charges	1,509,000	1,377,504
Sanitary sewer transmission fees	8,000	7,784
	<hr/>	<hr/>
Total contractual services	2,930,600	2,692,668
	<hr/>	<hr/>
Commodities		
Maintenance materials	22,300	10,383
Water meters	4,500	9,447
	<hr/>	<hr/>
Total commodities	26,800	19,830
	<hr/>	<hr/>
Other charges		
Memberships	600	604
Professional development	600	264
Uniforms	2,200	2,159
Minor equipment	1,300	1,094
Business expense	1,000	2,420
Vehicle maintenance contributions	53,000	38,040
	<hr/>	<hr/>
Total other charges	58,700	44,581
	<hr/>	<hr/>
Total operations	3,443,600	3,154,962
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	\$ 3,940,963	\$ 3,648,395

(See independent auditor's report.)

VILLAGE OF LINCOLNSHIRE, ILLINOIS

**SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL
WATER AND SANITARY SEWER FUND - IMPROVEMENT ACCOUNT**

For the Year Ended December 31, 2014

	Original and Final Budget	Actual
OPERATING EXPENSES		
Capital outlay		
Exhaust ventilation	\$ 16,500	\$ 10,385
Door replacement	25,000	24,470
Rehab trucks	25,000	21,113
Wheel balancer	1,000	454
Meter read system	100,500	105,470
Survey	25,000	6,209
Hydrant replacement	45,000	9,430
Hydraulic water model	40,000	10,743
Sanitary sewer repair	25,000	13,824
	<hr/>	<hr/>
Total capital outlay	303,000	202,098
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	\$ 303,000	\$ 202,098

(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
VEHICLE MAINTENANCE AND OPERATIONS FUND

For the Year Ended December 31, 2014

	Original and Final Budget	Actual
OPERATING REVENUES		
Interfund services		
General Fund	476,500	341,960
Water and Sanitary Sewer Fund	53,000	38,040
	<u>529,500</u>	<u>380,000</u>
Total operating revenues		
OPERATING EXPENSES		
Personnel services		
Regular salaries	145,100	143,793
Overtime salaries	5,000	7,158
	<u>150,100</u>	<u>150,951</u>
Total personnel services		
Professional services		
Equipment maintenance	1,800	362
Medical insurance	25,200	22,820
General insurance	19,174	17,346
Outside services	60,100	52,546
	<u>106,274</u>	<u>93,074</u>
Total professional services		
Commodities		
Maintenance materials	6,400	5,542
Gasoline	102,000	72,186
Diesel	48,000	36,902
Oil and antifreeze	4,900	2,946
Vehicle tires	17,000	16,340
Vehicle maintenance parts	38,300	35,390
	<u>216,600</u>	<u>169,306</u>
Total commodities		
Other charges		
Memberships	100	30
Professional development	8,000	1,170
Publications	4,200	3,589
Uniforms	1,500	965
FICA	-	12,322
	<u>13,800</u>	<u>18,076</u>
Total other charges		
Total operating expenses	<u>486,774</u>	<u>431,407</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>42,726</u>	<u>(51,407)</u>
OTHER FINANCING SOURCES (USES)		
Transfers (out)	(41,245)	(24,194)
Total other financing sources (uses)	<u>(41,245)</u>	<u>(24,194)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 1,481</u>	(75,601)
NET POSITION, JANUARY 1		<u>126,900</u>
NET POSITION, DECEMBER 31		<u>\$ 51,299</u>

(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, 2014

	Original and Final Budget	Actual
ADDITIONS		
Contributions - employer	\$ 586,000	\$ 589,303
Contributions - employee	216,000	232,179
Other contributions	-	10
Total contributions	802,000	821,492
Investment income		
Net appreciation (depreciation) in fair value of investments	-	(11,456)
Interest earned on investments	339,000	549,456
Total investment income	339,000	538,000
Less investment expense	-	(68,913)
Net investment income	339,000	469,087
Total additions	1,141,000	1,290,579
DEDUCTIONS		
Benefits	1,030,000	977,078
Administrative	30,000	22,328
Total deductions	1,060,000	999,406
NET INCREASE	\$ 81,000	291,173
NET POSITION HELD IN TRUST FOR PENSION BENEFITS		
January 1		19,161,108
December 31		\$ 19,452,281

(See independent auditor's report.)

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
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.	83-92
Revenue Capacity These schedules contain information to help the reader assess the Village's most significant local revenue source, the sales tax.	93-95
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.	96-99
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.	100-101
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.	102-104

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

VILLAGE OF LINCOLNSHIRE, ILLINOIS

NET POSITION BY COMPONENT

Last Ten Fiscal Years

Fiscal Year	2006	2006 (1)	2007	2008
GOVERNMENTAL ACTIVITIES				
Net investment in capital assets	\$ 47,313,273	\$ 68,424,957	\$ 66,725,834	\$ 66,259,268
Restricted	2,126,303	1,731,077	2,344,362	2,244,875
Unrestricted	2,925,079	(2,526,351)	(2,215,238)	(1,159,963)
TOTAL GOVERNMENTAL ACTIVITIES	52,364,655	\$ 67,629,683	\$ 66,854,958	\$ 67,344,180
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	\$ 36,828,116	\$ 38,752,353	\$ 42,314,239	\$ 41,517,419
Unrestricted	2,288,281	3,766,210	1,629,463	1,143,932
TOTAL BUSINESS-TYPE ACTIVITIES	39,116,397	\$ 42,518,563	\$ 43,943,702	\$ 42,661,351
PRIMARY GOVERNMENT				
Net investment in capital assets	\$ 84,141,389	\$ 107,177,310	\$ 109,040,073	\$ 107,776,687
Restricted	2,126,303	1,731,077	1,927,055	1,888,107
Restricted for enabling legislation	-	491,640	417,307	356,768
Unrestricted	5,213,360	748,219	(585,775)	(16,031)
TOTAL PRIMARY GOVERNMENT	\$ 91,481,052	\$ 110,148,246	\$ 110,798,660	\$ 110,005,531

Note: (1) The Village changed its fiscal year end from April 30 to December 31 in 2006.

The column labeled 2006(1) is for the eight-month period ended December 31, 2006.

Data Source

Audited Financial Statements

2009	2010	2011	2012	2013	2014
\$ 68,808,108	\$ 68,687,377	\$ 68,420,057	\$ 70,013,193	\$ 69,304,209	\$ 69,798,415
2,044,365	8,637,570	9,917,234	9,168,024	2,465,578	2,660,130
(7,094,159)	(6,201,507)	(3,308,622)	(566,152)	3,318,734	4,943,202
\$ 63,758,314	\$ 71,123,440	\$ 75,028,669	\$ 78,615,065	\$ 75,088,521	\$ 77,401,747
\$ 40,888,121	\$ 39,673,213	\$ 38,521,272	\$ 37,256,118	\$ 35,948,245	\$ 35,045,804
1,077,519	1,049,886	1,134,494	1,704,160	2,261,714	2,239,565
\$ 41,965,640	\$ 40,723,099	\$ 39,655,766	\$ 38,960,278	\$ 38,209,959	\$ 37,285,369
\$ 109,696,229	\$ 108,360,590	\$ 106,941,329	\$ 107,269,311	\$ 105,252,454	\$ 104,844,219
2,044,365	8,637,570	9,917,234	9,168,024	2,465,578	2,660,130
-	-	-	-	-	-
(6,016,640)	(5,151,621)	(2,174,128)	1,138,008	5,580,448	7,182,767
\$ 105,723,954	\$ 111,846,539	\$ 114,684,435	\$ 117,575,343	\$ 113,298,480	\$ 114,687,116

VILLAGE OF LINCOLNSHIRE, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	2006	2006 (1)	2007	2008
EXPENSES				
Governmental Activities				
General government	\$ 3,902,410	\$ 3,096,531	\$ 4,303,055	\$ 2,829,284
Public safety	2,685,220	2,293,286	3,383,714	2,775,446
Community and economic development	548,118	429,049	717,748	2,276,158
Public works	2,923,034	1,998,279	2,920,066	2,904,543
Parks and open spaces	1,970,013	1,417,736	2,344,980	2,119,915
Interest	1,282,499	841,042	309,746	1,193,095
Total governmental activities expenses	13,311,294	10,075,923	13,979,309	14,098,441
Business-Type Activities				
Water and sewer	4,816,263	3,158,763	5,096,183	5,289,730
Total business-type activities expenses	4,816,263	3,158,763	5,096,183	5,289,730
TOTAL PRIMARY GOVERNMENT EXPENSES	\$ 18,127,557	\$ 13,234,686	\$ 19,075,492	\$ 19,388,171
PROGRAM REVENUES				
Governmental Activities				
Charges for services				
General government	\$ 227,240	\$ 169,318	\$ 184,410	\$ 252,265
Public safety	599,781	559,274	713,250	645,929
Community development	833,928	374,803	529,232	631,173
Public works	36,334	12,816	65,713	64,735
Parks and recreation	285,456	131,600	131,562	181,221
Operating grants and contributions	402,817	499,051	604,711	573,931
Capital grants and contributions	480,979	17,365,707	208,504	14,988
Total governmental activities program revenues	2,866,535	19,112,569	2,437,382	2,364,242
Business-Type Activities				
Charges for services				
Water and sewer	4,221,203	2,425,316	3,649,917	3,397,643
Capital grants and contributions	-	1,224,733	201,000	209,000
Total business-type activities program revenues	4,221,203	3,650,049	3,850,917	3,606,643
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	\$ 7,087,738	\$ 22,762,618	\$ 6,288,299	\$ 5,970,885
NET (EXPENSE) REVENUE				
Governmental activities	\$ (10,444,759)	\$ 9,036,646	\$ (11,541,927)	\$ (11,734,199)
Business-type activities	(595,060)	491,286	(1,245,266)	(1,683,087)
TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE	\$ (11,039,819)	\$ 9,527,932	\$ (12,787,193)	\$ (13,417,286)

	2009	2010	2011	2012	2013	2014
\$	2,639,170	\$ 2,378,638	\$ 2,196,916	\$ 2,055,391	\$ 2,037,465	\$ 2,837,978
	3,984,062	3,848,717	3,668,986	3,852,925	4,244,795	3,921,903
	1,084,935	647,593	495,050	449,878	82,073	562,297
	2,633,796	2,969,518	2,962,313	3,115,710	4,551,630	1,912,541
	2,015,026	1,395,391	1,260,614	1,234,268	1,496,702	2,000,840
	1,195,047	1,204,731	1,048,532	983,387	973,071	890,093
	13,552,036	12,444,588	11,632,411	11,691,559	13,385,736	12,125,652
	5,345,812	5,451,207	5,409,266	5,534,271	5,729,624	5,501,426
	5,345,812	5,451,207	5,409,266	5,534,271	5,729,624	5,501,426
\$	18,897,848	\$ 17,895,795	\$ 17,041,677	\$ 17,225,830	\$ 19,115,360	\$ 17,627,078
\$	193,159	\$ 201,502	\$ 230,252	\$ 232,775	\$ 239,339	\$ 328,654
	979,293	1,012,535	1,076,488	1,109,826	981,973	866,101
	318,812	224,543	149,539	271,050	199,557	364,734
	7,955	9,596	13,553	11,885	12,500	17,370
	130,847	114,357	46,981	53,421	58,098	38,082
	319,096	259,611	263,528	241,520	257,382	362,589
	2,870,480	941,209	806,418	-	-	67,904
	4,819,642	2,763,353	2,586,759	1,920,477	1,748,849	2,045,434
	3,825,386	3,850,997	3,877,146	4,111,584	3,882,816	4,001,441
	605,000	197,679	213,015	36,145	-	473,595
	4,430,386	4,048,676	4,090,161	4,147,729	3,882,816	4,475,036
\$	9,250,028	\$ 6,812,029	\$ 6,676,920	\$ 6,068,206	\$ 5,631,665	\$ 6,520,470
\$	(8,732,394)	\$ (9,681,235)	\$ (9,045,652)	\$ (9,771,082)	\$ (11,636,887)	\$ (10,080,218)
	(915,426)	(1,402,531)	(1,319,105)	(1,386,542)	(1,846,808)	(1,026,390)
\$	(9,647,820)	\$ (11,083,766)	\$ (10,364,757)	\$ (11,157,624)	\$ (13,483,695)	\$ (11,106,608)

VILLAGE OF LINCOLNSHIRE, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

Fiscal Year	2006	2006 (1)	2007	2008
GENERAL REVENUES AND OTHER				
CHANGES IN NET POSITION				
Governmental Activities				
Taxes				
Property	\$ 2,333,283	\$ 2,525,276	\$ 3,664,251	\$ 3,845,433
Home rule sales tax	-	-	-	-
Utility	1,224,971	823,909	1,257,584	1,205,004
Telecommunications	816,150	611,741	982,319	1,030,772
Room and admissions	1,690,670	1,343,633	1,946,854	1,845,849
Real estate transfer	1,491,390	542,911	503,004	189,438
Other	340,638	67,396	70,516	74,713
Intergovernmental	3,787,845	2,568,006	3,999,735	3,655,286
Investment income	452,253	536,929	566,567	388,314
Miscellaneous	1,959,106	51,768	273,372	335,612
Gain (loss) on sale of capital assets	-	(6,187)	-	-
Transfers in (out)	(197,000)	(2,837,000)	(2,497,000)	(347,000)
Special item - loss on sale of land	-	-	-	-
Total governmental activities	13,899,306	6,228,382	10,767,202	12,223,421
Business-Type Activities				
Investment income	87,485	73,880	149,892	53,736
Miscellaneous	15,959	-	-	-
Gain (loss) on sale of capital assets	-	-	23,513	-
Transfers in	197,000.00	2,837,000	2,497,000	347,000
Total business-type activities	300,444	2,910,880	2,670,405	400,736
TOTAL PRIMARY GOVERNMENT	\$ 14,199,750	\$ 9,139,262	\$ 13,437,607	\$ 12,624,157
CHANGE IN NET POSITION				
Governmental activities	\$ 3,454,547	\$ 15,265,028	\$ (774,725)	\$ 489,222
Business-type activities	(294,616)	3,402,166	1,425,139	(1,282,351)
TOTAL PRIMARY GOVERNMENT	\$ 3,159,931	\$ 18,667,194	\$ 650,414	\$ (793,129)

Note: (1) The Village changed its fiscal year end from April 30 to December 31 in 2006.
The column labeled 2006(1) is for the eight-month period ended December 31, 2006.

Data Source

Audited Financial Statements

	2009	2010	2011	2012	2013	2014
\$	4,393,892	\$ 4,395,930	\$ 4,430,090	\$ 4,380,298	\$ 4,355,002	\$ 2,589,086
	-	-	1,126,189	1,184,487	1,256,668	1,231,097
	1,195,317	1,189,008	1,275,799	1,203,500	1,318,577	1,427,191
	958,357	979,003	1,210,032	1,336,167	1,219,285	1,041,159
	1,476,402	1,538,248	1,604,652	1,709,251	1,733,789	1,831,416
	174,273	224,958	240,916	921,597	330,958	364,410
	-	-	-	-	-	-
	2,866,996	2,680,252	3,211,415	3,247,452	3,204,481	3,458,440
	179,703	87,199	39,767	45,339	46,530	(38,994)
	71,155	40,133	44,964	13,074	84,015	51,699
	86,070	-	12,057	16,313	47,679	19,665
	(197,000)	(147,000)	(245,000)	(700,000)	(1,090,400)	(96,297)
	-	-	-	-	(4,396,241)	-
	11,205,165	10,987,731	12,950,881	13,357,478	8,110,343	11,878,872
	13,880	11,438	3,218	4,404	4,089	5,503
	-	-	-	-	-	-
	8,835	1,552	3,554	(13,350)	2,000	-
	197,000	147,000	245,000	700,000	1,090,400	96,297
	219,715	159,990	251,772	691,054	1,096,489	101,800
\$	11,424,880	\$ 11,147,721	\$ 13,202,653	\$ 14,048,532	\$ 9,206,832	\$ 11,980,672
\$	2,472,771	\$ 1,306,496	\$ 3,905,229	\$ 3,586,396	\$ (3,526,544)	\$ 1,798,654
	(695,711)	(1,242,541)	(1,067,333)	(695,488)	(750,319)	(924,590)
\$	1,777,060	\$ 63,955	\$ 2,837,896	\$ 2,890,908	\$ (4,276,863)	\$ 874,064

VILLAGE OF LINCOLNSHIRE, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2006	2006 (1)	2007	2008
GENERAL FUND				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Reserved/restricted	180,409	95,453	345,453	460,517
Assigned	-	-	-	-
Unreserved/unassigned	11,505,785	10,576,229	9,066,518	8,890,704
TOTAL GENERAL FUND	\$ 11,686,194	\$ 10,671,682	\$ 9,411,971	\$ 9,351,221
ALL OTHER GOVERNMENTAL FUNDS				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Reserved/restricted	6,422,115	4,301,221	4,301,221	4,301,221
Unreserved/assigned, reported in				
Special Revenue Funds	54,824.00	491,640	417,307	1,281,040
Capital Project Funds	87,783	1,825,729	2,327,949	911,810
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 6,564,722	\$ 6,618,590	\$ 7,046,477	\$ 6,494,071

Notes: (1) The Village changed its fiscal year end from April 30 to December 31 in 2006.
The column labeled 2006(1) is for the eight-month period ended December 31, 2006.
(2) The Village implemented GASB Statement 54 for the year ended December 31, 2011.

Data Source

Audited Financial Statements

2009	2010	2011 (2)	2012	2013	2014
\$ -	\$ -	\$ 99,653	\$ 65,294	\$ 9,461	\$ 775
1,105,569	288,853	-	-	-	-
-	-	-	-	-	-
7,332,889	7,861,442	9,590,075	11,612,467	12,103,725	10,612,821
<u>\$ 8,438,458</u>	<u>\$ 8,150,295</u>	<u>\$ 9,689,728</u>	<u>\$ 11,677,761</u>	<u>\$ 12,113,186</u>	<u>\$ 10,613,596</u>
\$ -	\$ -	\$ 3,801	\$ 1,903	\$ -	\$ -
8,346,918	8,638,063	9,917,234	7,138,131	2,465,578	2,660,130
-	-	-	-	-	-
86,830	54,792	27,163	33,815	60,676	2,890,228
<u>\$ 8,433,748</u>	<u>\$ 8,692,855</u>	<u>\$ 9,948,198</u>	<u>\$ 7,173,849</u>	<u>\$ 2,526,254</u>	<u>\$ 5,550,358</u>

VILLAGE OF LINCOLNSHIRE, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2006	2006 (1)	2007	2008
REVENUES				
Property taxes	\$ 2,271,319	\$ 2,525,276	\$ 3,664,251	\$ 3,845,433
Other taxes	9,413,628	5,957,596	8,760,012	8,001,062
Licenses and permits	1,382,958	717,470	868,217	1,085,034
Fines and penalties	395,938	310,687	530,857	506,275
Charges for services	856,578	1,240,875	995,608	728,573
Intergovernmental	430,386	536,929	618,968	401,688
Investment income	167,106	117,963	187,685	202,308
Donations	-	-	-	-
Miscellaneous	530,032	62,984	273,372	335,612
Total revenues	15,447,945	11,469,780	15,898,970	15,105,985
EXPENDITURES				
General government	4,254,994	2,550,339	3,748,842	3,425,042
Public safety	2,484,277	2,310,605	3,754,819	3,863,789
Community and economic development	461,100.00	384,292	619,540	801,403
Public works	1,930,749.00	1,195,976	2,030,522	2,067,826
Parks and open spaces	1,431,206	1,107,299	1,737,321	1,664,338
Capital outlay	515,440	1,035,948	1,451,198	1,724,118
Debt service				
Principal	1,282,499	635,540	378,634	653,958
Interest	3,765,834	138,525	316,940	1,210,679
Total expenditures	16,126,099	9,358,524	14,037,816	15,411,153
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(678,154)	2,111,256	1,861,154	(305,168)
OTHER FINANCING SOURCES (USES)				
Transfers in	762,550	200,000	1,284,925	1,713,875
Transfers (out)	(959,550)	(3,037,000)	(3,781,925)	(2,060,875)
Issuance of notes	3,300,000	-	-	-
Issuance of SSA bonds	-	-	-	-
Gain on sale of land	1,559,531	-	-	-
Refunding of bonds	(38,333)	-	-	-
Refunding of notes	-	-	-	-
Sale of capital assets	-	-	-	-
Total other financing sources (uses)	4,624,198	(2,837,000)	(2,497,000)	(347,000)
NET CHANGE IN FUND BALANCES	\$ 3,946,044	\$ (725,744)	\$ (635,846)	\$ (652,168)
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES				
	32.3%	8.4%	5.2%	12.7%

Note: (1) The Village changed its fiscal year end from April 30 to December 31 in 2006.
The column labeled 2006(1) is for the eight-month period ended December 31, 2006.

Data Source

Audited Financial Statements

	2009	2010	2011	2012	2013	2014
\$	4,317,091	\$ 4,317,252	\$ 4,356,785	\$ 4,308,071	\$ 4,282,221	\$ 2,589,086
	6,748,146	6,690,147	8,742,307	9,674,681	9,136,539	9,353,713
	650,774	549,996	440,325	569,132	509,493	748,840
	549,992	506,933	489,422	492,401	385,465	333,321
	75,923	72,820	98,183	111,791	93,395	21,714
	672,473	692,394	752,412	747,153	760,494	853,432
	179,703	87,199	39,767	45,339	46,530	(38,994)
	-	-	-	-	-	20,000
	71,155	40,133	44,964	13,074	84,015	119,826
	13,265,257	12,956,874	14,964,165	15,961,642	15,298,152	14,000,938
	2,457,974	2,271,606	2,142,444	2,034,704	2,073,589	2,522,842
	4,499,028	4,216,071	4,182,842	4,251,691	4,635,965	3,799,528
	733,343	530,073	448,122	450,213	495,107	486,420
	3,621,871	1,854,289	1,789,093	2,124,293	2,561,912	1,306,404
	1,366,078	879,041	861,796	815,041	1,101,484	1,244,687
	864,303	413,807	255,233	2,142,960	1,623,311	1,944,395
	825,881	1,129,239	1,486,860	1,210,446	2,602,195	756,009
	1,181,525	1,230,151	1,104,802	1,005,030	1,007,690	878,273
	15,550,003	12,524,277	12,271,192	14,034,378	16,101,253	12,938,558
	(2,284,746)	432,597	2,692,973	1,927,264	(803,101)	1,062,380
	1,476,750	965,250	1,364,479	2,082,482	929,253	4,580,612
	(1,673,750)	(1,112,250)	(1,609,479)	(2,782,482)	(2,019,653)	(4,652,715)
	1,540,000	-	5,735,000	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	(5,716,464)	-	-	-
	86,070	1,557	12,057	16,313	(4,348,562)	19,665
	1,429,070	(145,443)	(214,407)	(683,687)	(5,438,962)	(52,438)
\$	(855,676)	\$ 287,154	\$ 2,478,566	\$ 1,243,577	\$ (6,242,063)	\$ 1,009,942
	15.3%	18.91%	21.32%	16.27%	24.03%	14.56%

VILLAGE OF LINCOLNSHIRE, ILLINOIS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Taxpayer	2014			2005		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation
Lincolnshire Senior Care LLC	\$ 28,748,129	1	5.10%			
GA Tri-State Office Park, LLC	26,687,831	2	4.74%			
ARC ACLSH IL001 LLC	16,312,630	3	2.89%			
Property Tax Unit- N16WC	12,022,225	4	2.13%			
Van Vissingen & Company	11,632,932	5	2.06%	51,661,763	1	8.38%
Strategic Hotel Capital Inc.	8,202,808	6	1.46%			
Medline Industries	6,371,479	7	1.13%			
Cole of Lincolnshire IL LLC	5,828,537	8	1.03%			
CFNX Lincolnshire LLC	5,603,976	9	0.99%			
Milbrook, Inc.	4,369,821	10	0.78%	15,237,822	4	2.47%
Hewitt Properties II				26,817,716	2	4.35%
25 TriState (Beacon Properties, L.P.)				18,632,044	3	3.02%
Indian Creek Investments (Strategic Hotel Cap, Inc.)				12,766,276	5	2.07%
ECD Company				9,331,754	6	1.51%
Tunca Properties				7,406,908	7	1.20%
Milbro, Inc.				7,065,960	8	1.15%
Trinent Essential Facilities				2,938,980	9	0.48%
LaSalle Bank/Hawthorn Suites				2,828,132	10	0.46%
TOTAL	<u>\$ 125,780,368</u>		<u>22.31%</u>	<u>\$ 154,687,355</u>		<u>25.09%</u>

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

Vernon Township Assessor

VILLAGE OF LINCOLNSHIRE, ILLINOIS

SALES TAX BY CATEGORY
(in thousands of dollars)

Last Ten Calendar Years

Calendar Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General merchandise	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Food	18	24	26	34	33	16	7	18	59	92
Drinking and eating places	508	590	659	657	574	539	685	956	974	986
Apparel	68	69	80	126	113	111	116	177	159	143
Furniture	530	493	523	439	435	334	406	745	754	623
Lumber, building hardware	475	534	519	135	-	4	23	66	38	41
Automobile and filling stations	58	62	56	60	49	37	70	86	100	80
Drugs and miscellaneous retail	977	893	935	888	491	273	330	431	399	408
Agriculture and all others	454	748	619	735	626	939	1,188	1,818	1,684	1,865
Manufacturers	18	19	29	44	57	64	45	47	36	17
TOTAL	\$ 3,106	\$ 3,432	\$ 3,446	\$ 3,118	\$ 2,378	\$ 2,317	\$ 2,870	\$ 4,344	\$ 4,203	\$ 4,255
Village direct sales tax rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	0.00%
Village home rule rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.50%	0.50%	0.50%	0.00%

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 Tax¹
2006	0.25%	0.25%	1.00%	5.00%	0.00%
2006*	0.25%	0.25%	1.00%	5.00%	0.00%
2007	0.25%	0.25%	1.00%	5.00%	0.00%
2008	0.25%	0.25%	1.00%	5.00%	0.00%
2009	0.50%	0.50%	1.00%	5.00%	0.00%
2010	0.50%	0.50%	1.00%	5.00%	0.00%
2011	0.50%	0.50%	1.00%	5.00%	0.00%
2012	0.50%	0.50%	1.00%	5.00%	0.50%
2013	0.50%	0.50%	1.00%	5.00%	0.50%
2014	0.50%	0.50%	1.00%	5.00%	0.50%

* The Village changed its fiscal year end from April 30 to December 31 in 2006.
The row labeled 2006(1) is for the eight-month period ended December 31, 2006.

¹ Effective January 1, 2012.

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 ²	Per Capita ²
	Special Service Area Bonds	North Park Loan	Schelter Road Loan	Consolidated North Park/Schelter Road Loan	Tax Increment Financing	Utility Line Loan			
2006	\$ 15,000,000	\$ 3,766,000	\$ -	\$ -	\$ 4,000,000	\$ 2,928,000	\$ 25,694,000	6.54%	\$ 3,931
2006 ¹	15,000,000	3,300,000	-	-	4,000,000	2,338,000	24,638,000	6.27%	3,769
2007	15,000,000	2,882,000	-	-	3,900,000	2,029,000	23,811,000	6.06%	3,383
2008	14,765,000	2,589,000	-	-	3,775,000	1,720,000	22,849,000	5.40%	3,247
2009	14,515,000	2,286,000	1,452,000	-	3,590,000	1,405,000	23,248,000	5.49%	3,303
2010	14,255,000	1,970,000	1,319,000	-	3,170,000	1,263,000	21,977,000	4.35%	3,123
2011 ³	13,980,000	-	-	2,853,250	2,419,600	1,109,595	20,362,000	4.52%	2,799
2012	13,690,000	-	-	2,444,415	1,906,965	951,600	18,991,980	4.22%	2,611
2013	13,385,000	-	-	2,024,000	-	787,000	16,196,000	3.60%	2,226
2014	13,060,000	-	-	1,593,539	-	619,711	15,273,250	3.90%	2,099

¹ The Village changed its fiscal year end from April 30 to December 31 in 2006.

The column labeled 2006-1 is for the eight-month period ended December 31, 2006.

² See the schedule of Demographic and Economic Information on page 102 for personal income and population data.

³ North Park, Schelter Road, Utility Lines and TIF Loan were all refinanced in 2011.

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
2006	\$ -	\$ 15,000,000	\$ 15,000,000	0.78%	\$ 2,295
2006*	-	15,000,000	15,000,000	0.78%	2,295
2007	-	15,000,000	15,000,000	0.73%	2,295
2008	-	14,765,000	14,765,000	0.70%	2,259
2009	-	14,515,000	14,515,000	0.70%	2,062
2010	-	14,255,000	14,255,000	0.74%	2,025
2011	-	13,980,000	13,980,000	0.76%	1,922
2012	-	13,690,000	13,690,000	0.81%	1,922
2013	-	13,385,000	13,385,000	0.79%	1,840
2014	-	13,060,000	13,060,000	0.77%	1,795

* The Village changed its fiscal year end from April 30 to December 31 in 2006.
The column labeled 2006* is for the eight-month period ended December 31, 2006.

Data Source

(1) Audited Financial Statements

VILLAGE OF LINCOLNSHIRE, ILLINOIS

**DIRECT AND OVERLAPPING BONDED DEBT -
GOVERNMENTAL ACTIVITIES**

December 31, 2014

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	\$ 76,910,000	2.6%	\$ 2,017,665
Elementary School District No. 102	4,045,000	9.3%	374,978
Elementary School District No. 103	2,480,000	55.6%	1,379,092
Elementary School District No. 106	-	0.9%	-
Deerfield School District No. 109	12,260,000	0.0%	-
Deerfield/ Bannockburn Fire District	-	0.1%	-
Long Grove Fire Protection District	-	2.0%	-
Lincolnshire/ Riverwoods Fire Protection District	-	48.6%	-
High School District No. 113	73,940,000	0.0%	34,864
High School District No. 125	37,865,000	18.3%	6,914,181
Vernon Area Public Library	-	25.1%	-
Buffalo Grove Park District	15,360,000	0.4%	54,579
Township of Vernon	-	16.8%	-
Township of West Deerfield	-	0.1%	-
Lake County	103,460,000	2.5%	2,574,522
Lake County Forest Preserve	274,450,000	2.5%	6,829,477
	<u>600,770,000</u>		<u>20,179,358</u>
Direct debt			
Village of Lincolnshire	<u>2,523,494</u>	100.00%	<u>2,523,494</u>
TOTAL DIRECT AND OVERLAPPING DEBT	<u><u>\$ 603,293,494</u></u>		<u><u>\$ 22,702,852</u></u>

Data Source

Lake County Extension Office

VILLAGE OF LINCOLNSHIRE, ILLINOIS

LEGAL DEBT MARGIN INFORMATION

December 31, 2014

The Village is a home rule municipality.

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

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

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

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

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

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

EQUALIZED ASSESSED VALUATION - 2013*	<u>\$ 563,549,256</u>
Legal Debt Limit - 8.625%	48,606,123.33
Amount of debt applicable to limit:	<u>-</u>
LEGAL DEBT MARGIN	<u>\$ 48,606,123</u>

* 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
2006	6,537	\$ 392,972	\$ 60,115	4.2%
2006*	6,537	392,972	60,115	4.2%
2007	6,537	392,972	60,115	5.0%
2008	6,537	392,972	60,115	6.8%
2009	7,038	423,089	60,115	9.9%
2010	7,038	505,631	71,843	10.6%
2011	7,275	450,403	61,911	9.7%
2012	7,275	450,403	61,911	8.6%
2013	7,275	450,403	61,911	7.9%**
2014	7,275	450,403	61,911	6.6%

**Note: Lake County unemployment rate as of August 2013.

*Note: The Village changed its fiscal year end from April 30 to December 31 in 2006.
The column labeled 2006* is for the eight-month period ended December 31, 2006.

Data Source

Illinois Department of Employment Security (IDES)

VILLAGE OF LINCOLNSHIRE, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Seven Years Ago

Employer	2013			2006		
	Employees	Rank	% of Total Village Population	Employees	Rank	% of Total Village Population
Aon-Hewitt	4,300	1	17.2%	4,079	1	20.4%
Adlai Stevenson High School	1,084	2	4.3%	364	5	1.8%
Walgreens Co.	900	3	3.6%			
Hydraforce, Inc.	670	4	2.7%			
Quill Corporation	496	5	2.0%	1,000	3	5.0%
Marriott's Lincolnshire Resort	415	6	1.7%	650	4	3.3%
Sedgebrook	376	7	1.5%			
Systemx	304	8	1.2%			
Zebra Technologies	300	9	1.2%			
W. W. Grainger	207	10	0.8%	1,100	2	5.5%
TOTAL	9,052		36.2%	7,193		30.5%
Village day time population (est.)			25,000			20,000

Data Source

Village of Lincolnshire Community Development Department (2014)

Village of Lincolnshire-2006 CAFR

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	2006	2006(1)	2007	2008	2009	2010	2011	2012	2013	2014
GENERAL GOVERNMENT										
Administration	3.90	3.90	3.90	3.90	3.90	4.30	3.50	3.50	3.20	3.25
Finance	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	3.50
PUBLIC SAFETY										
Police	31.00	31.00	31.00	31.10	31.10	30.00	28.80	28.80	28.00	29.00
E911	5.00	5.00	5.00	5.40	5.40	5.00	4.20	4.20	4.20	-
COMMUNITY AND ECONOMIC DEVELOPMENT										
Development	6.25	6.25	6.75	7.00	7.00	7.25	6.75	5.75	5.75	5.75
Forestry ¹	1.00	1.00	1.00	1.00	1.00	-	-	-	-	-
PUBLIC WORKS										
Administration	2.50	2.50	2.50	2.50	2.50	1.75	1.75	1.75	2.00	1.75
Streets	5.25	5.25	5.25	5.25	5.25	4.25	4.25	4.25	4.25	4.50
Buildings and grounds	1.00	1.00	1.00	1.00	1.00	0.25	0.50	0.50	0.50	-
Water	8.15	8.15	8.15	8.15	8.15	8.15	8.15	7.75	7.75	6.00
Vehicle Maintenance	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25
Forestry ¹	-	-	-	-	-	2.87	2.87	2.87	-	-
PARKS AND OPEN SPACES										
Parks	9.80	9.80	10.00	10.00	10.00	7.87	8.13	8.13	8.13	10.75
Recreation ²	3.35	3.35	3.35	3.35	3.35	2.35	-	-	-	-
TOTAL	81.85	81.85	82.55	83.30	83.30	78.69	73.55	72.15	68.43	66.75

Note: The Village changed its fiscal year end from April 30 to December 31 in 2006.

The column labeled 2006(1) is for the eight-month period ended December 31, 2006.

¹ Forestry function shared by Public Works and Community Development until fiscal year 06-07.

In FY2010, position was reorganized into Environmental Services

² In 2011, the Recreation division was discontinued.

Data Source

Operating Budget-Personnel Summary by Department-FTE

VILLAGE OF LINCOLNSHIRE, ILLINOIS

OPERATING INDICATORS

Last Ten Calendar Years

Function/Program	2006	2006(1)	2007	2008	2009	2010	2011	2012	2013	2014
GENERAL GOVERNMENT										
Residential mailings	13	9	13	13	14	6	5	5	4	4
Taxable property transfers	176	105	118	98	91	110	117	157	165	145
Fine revenues collected	377,000	230,000	295,000	388,000	442,000	369,000	372,000	406,900	488,200	355,036
POLICE										
Calls for service	46,216	N/A	48,315	46,445	43,003	41,269	33,501	26,797	19,743	14,219
Total reports	2,609	N/A	2,501	2,279	2,002	1,983	1,981	1,766	1,950	1,500
Arrests (includes traffic)	690	N/A	577	572	575	534	134	472	429	231
DUI arrests	100	N/A	88	73	49	54	99	93	85	45
COMMUNITY AND ECONOMIC DEVELOPMENT										
Building permits issued	469	340	435	300	444	301	312	325	356	359
PUBLIC WORKS - GENERAL										
Street resurfacing (miles)	3.01	0.98	1.46	1.61	1.42	1.31	1.11	1.03	1.05	0.95
Project inspections	472	267	500	245	200	200	318	225	251	172
Street cleaned - miles	597	575	500	327	350	314	303	300	340	357
Cubic yards of leaves collected	6,420	5,490	5,930	6,110	6,000	8,340	7,052	6,500	6,500	6,942
PUBLIC WORKS - WATER AND SEWER										
Average daily pumpage metered (millions of gallons)	1.524	1.387	1.488	1.380	1.310	1.310	1.255	1.402	1.390	1.267
JULIE utility locates	3,217	3,305	2,755	2,674	2,905	1,760	2,133	2,013	2,100	2,300
PARKS AND OPEN SPACES										
Trees planted	68	77	87	110	117	110	118	200	205	138
Playground inspection hours	269	194	210	190	235	177	142	26	137	65
Special event hours	484	569	541	595	637	741	727	800	800	840
Number of programs	351	345	194	240	286	389	-	-	-	-
Number of participants	995	860	560	588	541	388	-	-	-	-

N/A - Not available

Note: The Village changed its fiscal year end from April 30 to December 31 in 2006. The column labeled 2006(1) is for the eight-month period ended December 31, 2006.

Data Source

Various village departments

VILLAGE OF LINCOLNSHIRE, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Function/Program	2006	2006(1)	2007	2008	2009	2010	2011	2012	2013	2014
POLICE										
Patrol units	14	14	14	14	15	14	14	14	15	15
Stations	1	1	1	1	1	1	1	1	1	1
PUBLIC WORKS										
Streets (miles)	33	33	34	34	34	35	40	40	40	35
Building facilities maintained	6	6	6	6	6	6	6	6	6	6
PARKS AND RECREATION										
Acreage	307.00	307.0	311.0	311.0	311.0	311.0	311.0	311.0	311.0	311.0
Parks	9	9	9	9	9	9	9	9	9	9
Baseball/softball diamonds	6	6	6	6	6	6	6	6	6	6
WATER - SANITARY SEWER										
Fire hydrants	831	833	835	835	835	846	848	856	854	859
Storage capacity (thousands of gallons)	4,600	4,600	4,600	4,600	4,600	4,600	4,600	4,600	4,600	4,600
Water mains (miles)	59.4	59.5	61.0	61.0	67.0	59.8	67.0	67.0	62.2	61.0
Sanitary sewers (miles)	42.0	43.0	43.0	43.0	45.0	47.3	50.0	50.0	50.0	45.0
Storm sewers (miles)	41.4	43.3	43.3	43.3	43.3	44.6	105.0	105.0	105.0	101.0

Note: The Village changed its fiscal year end from April 30 to December 31 in 2006. The column labeled 2006(1) is for the eight-month period ended December 31, 2006.

Data Source

Various village departments

VILLAGE OF LINCOLNSHIRE, ILLINOIS

**AUDITOR'S COMMUNICATION TO
THE VILLAGE BOARD**

For the Year Ended
December 31, 2014

VILLAGE OF LINCOLNSHIRE, ILLINOIS
AUDITOR’S COMMUNICATION TO THE VILLAGE BOARD
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630.566.8400 // www.sikich.com

1415 W. Diehl Road, Suite 400
Naperville, Illinois 60563

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

June 16 2015

The Honorable Mayor
Members of the Board of Trustees
Village of Lincolnshire
One Olde Half Day Road
Lincolnshire, Illinois 60069-3035

Ladies and Gentlemen:

As part of our audit process we are required to have certain communications with those charged with governance at the beginning of our audit process and at the conclusion of the audit. Those communications include information related to the planned scope and timing of our audit, as well as other information required by audit standards. Our communication at the beginning of our audit process along with our questionnaire regarding consideration of fraud in a financial statement audit was sent to you on December 31, 2014.

In addition, auditing standards require the communication of internal control related matters to those charged with governance. Our management letter, as well as a listing of future pronouncements that may affect the Village, are enclosed within this document.

This information is intended solely for the use of the Mayor, Village Board and management of the Village of Lincolnshire and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

A handwritten signature in black ink, appearing to read 'Sikich LLP'.

Sikich LLP

By: Daniel A. Berg, CPA
Partner



630.566.8400 // www.sikich.com

1415 W. Diehl Road, Suite 400
Naperville, Illinois 60563

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

June 16, 2015

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

Ladies and Gentlemen:

We have audited the 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, for the year ended December 31, 2014. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 12, 2014. Professional standards also require that we communicate to you the following information related to our audit.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Village are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended December 31, 2014, except for the implementation of GASB Statement No. 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*. We noted no transactions entered into by the Village during the year for which there is a lack of authoritative guidance or consensus.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We noted no particularly sensitive estimates made by management during our audit of the financial statements, except for the estimated related to the actuarial valuations.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. We noted no particularly sensitive financial statement disclosures made by management during our audit of the financial statements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedules summarize corrected and uncorrected misstatements of the financial statements. Management has determined that effects of the uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as whole with the exception of Adjusting Journal Entries No. AJE01, AJE02, AJE03, AJE04 and AJE09 as displayed in the next section of this packet.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 16, 2015.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Village's basic financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Village's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual fund financial statements and schedules, which accompanies the financial statements but is not RSI. With respect to the combining and individual fund financial statements and schedules, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the combining and individual fund financial statements and schedules to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the other information, which accompanies the financial statements but is not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Restriction of Use

This information is intended solely for the use of the Mayor, Board of Trustees and management of the Village of Lincolnshire and is not intended to be and should not be used by anyone other than these specified parties.

We appreciate the courtesies extended to us by the Village. If you have any questions regarding the purpose of this letter or the requirement mentioned, please contact us.

Sincerely,



Sikich LLP
By: Daniel A. Berg, CPA
Partner

PASSED ADJUSTMENTS

VILLAGE OF LINCOLNSHIRE

**GENERAL FUND AND
GOVERNMENTAL ACTIVITIES,
(OPINION UNIT)**

For the Year Ended 12/31/2014

All entries posted as Debit (Credit)

Description	Assets	(Liabilities)	(Net Position/Fund Balance)	(Profit) Loss
GENERAL FUND				
Current Effect of Prior Period Passed AJE's that have carried forward to Current Period Local tax receivable not recorded, revenue recognition and accounts payable correction	\$ -	\$ -	\$ -	\$ 39,278
Portion of IMET funds posted as receivable	(46,619)	-	(46,619)	(46,619)
Total General Fund	(46,619)	-	(46,619)	(7,341)
GOVERNMENTAL ACTIVITIES				
Current Effect of Prior Period Passed AJE's that have carried forward to Current Period Local tax receivable not recorded, revenue recognition and accounts payable correction	\$ (46,619)	\$ -	\$ (46,619)	\$ (7,341)

VILLAGE OF LINCOLNSHIRE

Year End: December 31, 2014

Adjusting Journal Entries

Date: 1/1/2014 To 12/31/2014

Number	Date	Name	Account No	Debit	Credit
AJE01	12/31/2014	NET POSITION- UNRESTRICTED	02-00-65-2997 WSO-02	473,595.00	
AJE01	12/31/2014	CONTRIBUTED FIXED ASSETS	02-00-95-4700 WSO-02		-473,595.00
To correct contributed fixed assets posted to fund balance					
AJE02	12/31/2014	UNAPPROPRIATED PRIOR YEAR	01-00-65-2980 GF-01		-314,028.10
AJE02	12/31/2014	TRANSFER OUT- GENERAL CAP	01-26-98-5100 GF-01	314,028.10	
AJE02	12/31/2014	FUND BALANCE- ASSIGN TREE BANK	51-00-65-2981 GCF-51	314,028.10	
AJE02	12/31/2014	TRANSFER IN-GENERAL FUND	51-00-98-0100 GCF-51		-314,028.10
To record tree bank revenue as transfer in General Capital Fund and show PPA in General Fund					
AJE03	12/31/2014	TAXES RECEIVABLE	01-00-20-1310 GF-01	125,221.80	
AJE03	12/31/2014	ROOM & ADMISSION TAX	01-00-70-4040 GF-01		-125,221.80
Adjust Room & Admissions revenue/receivable to actual					
AJE04	12/31/2014	A/R WS YEAR END	02-00-15-1231 WSO-02	111,290.00	
AJE04	12/31/2014	A/R WS YEAR END	02-00-15-1231 WSO-02	126,530.00	
AJE04	12/31/2014	A/R WS YEAR END	02-00-15-1231 WSO-02		-104,702.00
AJE04	12/31/2014	A/R WS YEAR END	02-00-15-1231 WSO-02	111,290.00	
AJE04	12/31/2014	A/R WS YEAR END	02-00-15-1231 WSO-02	126,530.00	
AJE04	12/31/2014	A/R WS YEAR END	02-00-15-1231 WSO-02		-104,702.00
AJE04	12/31/2014	W/S USER FEES	02-00-75-4180 WSO-02		-111,290.00
AJE04	12/31/2014	W/S USER FEES	02-00-75-4180 WSO-02		-126,530.00
AJE04	12/31/2014	W/S USER FEES	02-00-75-4180 WSO-02	104,702.00	
AJE04	12/31/2014	W/S USER FEES	02-00-75-4180 WSO-02		-111,290.00
AJE04	12/31/2014	W/S USER FEES	02-00-75-4180 WSO-02		-126,530.00
AJE04	12/31/2014	W/S USER FEES	02-00-75-4180 WSO-02	104,702.00	
Entry to adjust reversal of prior year W/S Unbilled receivable and accrual of CY W/S unbilled receivable which were recorded backwards					
AJE05	12/31/2014	DEFERRED REVENUE	01-00-50-2410 GF-01		-23,318.40
AJE05	12/31/2014	MEDICAL PREMIUMS- HEALTH	01-12-61-8701 GF-01	23,318.40	
To adjust for deferred revenue from prepayment of insurance premiums related to retired employees					
AJE06	12/31/2014	TAXES RECEIVABLE	17-00-20-1310 911-17	11,430.00	
AJE06	12/31/2014	E911 SURCHARGE	17-00-70-4076 911-17		-8,520.00
AJE06	12/31/2014	E911 WIRELESS SURCHARGE	17-00-70-4077 911-17		-2,910.00
Entry to reverse journal entry for change in E911 Surcharge receivable revenues booked in reverse					
AJE07	12/31/2014	PREPAID EXPENSES	51-00-25-1420 GCF-51		-12,830.00
AJE07	12/31/2014	MISC- PROJECT RETAINAGE	51-21-80-9002 GCF-51	12,830.00	
Sikich entry to remove amount recorded as prepaid. Payment made in January 2015 for work completed in 2014 - move to Accounts Payable					

Number	Date	Name	Account No	Debit	Credit
AJE08	12/31/2014	FURNITURE & EQUIPMENT	13-00-25-3000 G-13		-33,565.94
AJE08	12/31/2014	ACCUM DEPR- FURN & EQ	13-00-25-3500 G-13		-231,740.64
AJE08	12/31/2014	Gain On Sale Of Asset	13-00-95-4515 G-13	33,565.94	
AJE08	12/31/2014	DEPRECIATION EXPENSE	13-01-63-9600 G-13	231,740.64	

To correct depreciation expense, and disposals for furniture, fixtures, and equipment. Removal of accumulated depreciation for disposals was entered twice. The disposal was netted against depreciation expense when recording current year depreciation. The same amount was also removed out of accumulated depreciation when recording the disposal. Client also calculated the gain on disposal incorrectly. Proceeds from the sale of assets should be recorded in the general fund, and the net book value remaining should be recorded as loss on disposal in Fund 13. Client therefore did not record the disposal of the asset at cost (amount was reduced by the gain on sale).

AJE09	12/31/2014	ACCOUNTS PAYABLE	01-00-40-2030 GF-01	200,546.27	
AJE09	12/31/2014	UNAPPROPRIATED PRIOR YEAR	01-00-65-2980 GF-01		-200,546.27

Prior period adjustment to write off old accounts payable recorded in prior years for the Village's portion of State of Illinois project.

VILLAGE OF LINCOLNSHIRE, ILLINOIS

MANAGEMENT LETTER

December 31, 2014



1415 W. Diehl Road, Suite 400
Naperville, Illinois 60563

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

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

In planning and performing our audit of the 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, 2014, in accordance with auditing standards generally accepted in the United States of America, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

This report is intended solely for the information and use of the Board of Trustees, management and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script, appearing to read 'Sikich LLP'.

Naperville, Illinois
June 16, 2015

SIGNIFICANT DEFICIENCIES

1. Fund Balances

The Village opened the General Capital Fund with a beginning fund balance of \$314,028. This opening balance related to funds transferred from the General Corporate Fund to the General Capital Fund. We recommended, and the Village recorded, an entry to show this amount as a transfer in to the General Capital Fund. In the General Corporate Fund, this amount was previously shown as restricted fund balance, and should have been presented as revenue; therefore a prior period adjustment was made in the General Corporate Fund for this amount.

Additionally, contributed capital assets were recorded as an adjustment to fund balance in the Water and Sewer Revenue fund, rather than being recorded as contribution revenue. We recommend the Village perform a reconciliation of fund balances to ensure no adjustments were incorrectly made to affect fund balance.

2. Revenue/Receivables

During testing of revenues and related receivables, we noted that a number of entries reversing prior year receivables were posted backwards. This resulted in several revenue and receivable accounts being misstated. Adjusting journal entries AJE03, 04 and 06 were recorded to correct the misstated balances. We recommend the Village carefully review the journal entries posted to record year end accruals, and compare the final adjusted balances to the supporting workpapers, to ensure entries are being posted correctly.

3. Accounts Payable

During review of the Other Accounts Payable account, Sikich noted that the Village does not prepare a schedule listing out the liabilities recorded in the account. Upon further review, Sikich noted that one of the liabilities recorded in the account related to an old outstanding item that was no longer a liability at December 31, 2014, and should have been reversed in prior years. This resulted in the Village recording a prior period adjustment of \$200,546 to write off the old payable. Sikich recommend that the Village maintain a list of items supporting the Other Accounts Payable, and perform regular reconciliations to ensure the balances recorded are accurate and all items accrued for are liabilities of the Village.

4. Capital Assets

During testing of Capital Assets, we noted that the balances recorded on the trial balance did not agree to the schedules provided by the Village. Upon further review, Sikich determined the capital assets schedules were accurate, and the journal entries recorded were not recorded properly. We recommend the Village reconcile balances recorded to supporting schedules, to ensure journal entries are being recorded properly and the balances are accurately stated.

Sikich Snapshot

Organization

Sikich is a dynamic professional services firm specializing in accounting, technology, investment banking and advisory services. Founded in 1982, we are now one of the country's Top 35 largest CPA firms and among the top 1 percent of all enterprise resource planning solution partners in the world.

Industries

Sikich provides services and solutions to a wide range of industries. We have devoted substantial resources to develop a significant base of expertise and experience in:

- › Agriculture
- › Construction & Real Estate
- › Government
- › Manufacturing & Distribution
- › Not-for-Profit
- › Oilfield Services

Statistics

2014 Revenues \$106.5M

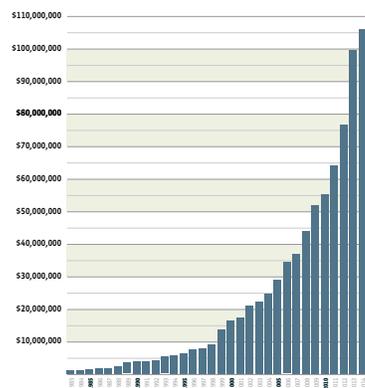
Total Partners 92

Total Employees 573

Total Personnel 665

Personnel count as of February 17, 2015

Sikich Total Revenues



Awards

- › *Accounting Today* Top 100 Firms: ranked 34th nationally, 2014
- › *Accounting Today* Regional Leaders – Top Firms: Great Lakes: ranked 4th, 2014
- › *Inc. Magazine's* Inc. 500|5000: ranked 4,627th fastest-growing private company nationally, 2013
- › *INSIDE Public Accounting* Top 50 Largest Accounting Firms: ranked 32nd nationally, 2014
- › Microsoft Dynamics Inner Circle and President's Club, 2014
- › *Milwaukee Business Journal* Largest Management Consulting Firms: ranked 12th, 2014
- › Best Places to Work in Indiana, 2014
- › Best Places to Work in Illinois, 2014
- › *Accounting Today* Top 100 Value Added Reseller: ranked 9th, 2014
- › Bob Scott's Top 100 Value Added Reseller, 2014
- › *Bob Scott's Insights* Value Added Reseller Stars, 2014
- › *Crain's Chicago Business* Fast Fifty: ranked 49th, 2013
- › Alfred P. Sloan Award for Excellence in Workplace Effectiveness & Flexibility, 2013
- › *Daily Herald Business Ledger* Book of Lists: ranked 5th, "Accounting Firms;" Chicago Western Suburbs, 2013
- › *Springfield Business Journal* Book of Lists: ranked 1st, "Accounting Firms;" Springfield, Illinois, 2013
- › *Chicago Tribune's* Chicago's Top Workplaces, 2013
- › *Crain's Chicago Business* Top 25 Firms: ranked 11th in Chicagoland, 2013

SERVICES

- › Accounting & Assurance
- › Business Valuation
- › Dispute Advisory
- › ERP & CRM Software
- › Executive Search & Staffing
- › Human Resources Consulting
- › Insurance Services
- › Investment Banking & Corporate Finance
- › IT Services
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- › Retirement Planning
- › Supply Chain
- › Tax Planning
- › Wealth Management



877.279.1900 | info@sikich.com
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Sikich Snapshot

Certifications

All professional accounting staff with more than one year of experience have earned or are working toward earning the Certified Public Accountant designation. Sikich is a member of the American Institute of Certified Public Accountants' Governmental Audit Quality Center and the Employee Benefit Plan Audit Quality Center. We adhere to the strict requirements of membership which assure we meet the highest standards of audit quality. In 2014, Sikich LLP received its 9th consecutive unmodified ("pass") peer review report, the highest level of recognition conferred upon a public accounting firm for its quality control systems.



Microsoft Partner

Gold Enterprise Resource Planning

Microsoft Partner

Sikich has earned a Microsoft ERP Gold competency; ranked among the top 1 percent of all Microsoft Dynamics partners worldwide; and carries the following certifications:

- ▶ Microsoft Small Business Specialist
- ▶ MCP (Microsoft Certified Professional)
- ▶ MCSE (Microsoft Certified System Engineer)
- ▶ CCNA (Cisco Certified Network Associate)
- ▶ CCDA (Certified Cisco Design Associate)
- ▶ CCEA (Citrix Certified Enterprise Administrator)
- ▶ MRMS (Microsoft Retail Management Systems)
- ▶ CISA (Certified Information Systems Auditor)
- ▶ CNE (Certified Novell Engineer)
- ▶ MS CSM (Microsoft Customer Service Manager)
- ▶ MS CAE (Microsoft Certified Account Executive)
- ▶ MCDBA (Microsoft Certified Database Admin.)



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Sikich is proud to be part of the Leading Edge Alliance

The Leading Edge Alliance (LEA) is the second largest international association of independent accounting firms.* The LEA is an international professional association of independently-owned accounting and consulting firms. Members are top quality firms who share an entrepreneurial spirit and a drive to be the premier provider of professional services in their chosen markets. The Alliance provides Sikich with an unbeatable combination: the comprehensive size and scope of a large multinational company while offering their clients the continuity, consistency, and quality service of a local firm.

**International Accounting Bulletin, 2011*



Sikich is proud to be part of PrimeGlobal

PrimeGlobal is one of the top five largest associations of independent accounting firms in the world, providing a wide range of tools and resources to help member firms furnish superior accounting, auditing, and management services to clients around the globe.

Securities are offered through Sikich Corporate Finance LLC, a registered broker dealer with the Securities Exchange Commission and a member of FINRA/SIPC. Advisory services offered through Sikich Financial, a Registered Investment Advisor. General securities offered through Triad Advisors, Member FINRA/SIPC. Triad Advisors and Sikich Financial are not affiliated.

LOCATIONS:

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St. Louis, MO

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VILLAGE OF LINCOLNSHIRE, ILLINOIS

TAX INCREMENT FINANCING DISTRICT

REPORT ON COMPLIANCE
WITH PUBLIC ACT 85-1142

For the Year Ended
December 31, 2014

**INDEPENDENT ACCOUNTANT'S REPORT ON
MANAGEMENT'S ASSERTION OF COMPLIANCE**

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

We have examined management's assertion, included in its representation letter dated June 16, 2015, that the Village of Lincolnshire, Illinois (the Village) complied with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) during the year ended December 31, 2014. Management is responsible for the Village's assertion and for compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the Village's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Village's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Village's compliance with statutory requirements.

In our opinion, management's assertion that the Village of Lincolnshire, Illinois complied with the aforementioned requirements for the year ended December 31, 2014 is fairly stated, in all material respects.

This report is intended solely for the information and use of the Board of Trustees, management, Illinois Department of Revenue, the Illinois State Comptroller's Office and the joint review boards is not intended to be and should not be used by anyone other than these specified parties.

Naperville, Illinois
June 16, 2015

VILLAGE OF LINCOLNSHIRE, ILLINOIS

MANAGEMENT LETTER

December 31, 2014



630.566.8400 // www.sikich.com

1415 W. Diehl Road, Suite 400
Naperville, Illinois 60563

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

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

In planning and performing our audit of the 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, 2014, in accordance with auditing standards generally accepted in the United States of America, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses.

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Naperville, Illinois
June 16, 2015

SIGNIFICANT DEFICIENCIES

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During testing of revenues and related receivables, we noted that a number of entries reversing prior year receivables were posted backwards. This resulted in several revenue and receivable accounts being misstated. Adjusting journal entries #AJE03, AJE04, and AJE06 were recorded to correct the misstated balances. We recommend the Village carefully review the journal entries posted to record year end accruals, and compare the final adjusted balances to the supporting workpapers, to ensure entries are being posted correctly.

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During review of the Other Accounts Payable account, we noted that the Village does not prepare a schedule listing out the liabilities recorded in the account. Upon further review, we noted that one of the liabilities recorded in the account related to an old outstanding item that was no longer a liability at December 31, 2014, and should have been reversed in prior years. This resulted in the Village recording a prior period adjustment of \$200,546 to write off the old payable. We recommend that the Village maintain a list of items supporting the Other Accounts Payable, and perform regular reconciliations to ensure the balances recorded are accurate and all items accrued for are liabilities of the Village.

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During testing of Capital Assets, Sikich noted that the balances recorded on the trial balance did not agree to the schedules provided by the Village. Upon further review, we determined the capital assets schedules were accurate, and the journal entries recorded were not recorded properly. We recommend the Village reconcile balances recorded to supporting schedules, to ensure journal entries are being recorded properly and the balances are accurately stated.