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

AGENDA
REGULAR VILLAGE BOARD MEETING
Village Hall - Public Meeting Room
Monday, July 11, 2016
Immediately following Special Committee of the Meeting
(Approximately 7:30 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 27, 2016 Regular Village Board Meeting Minutes

3.0 **REPORTS OF OFFICERS**

3.1 Mayor's Report

3.2 Village Clerk's Report

3.3 Village Treasurer's Report

3.31 Revenues and Expenditures Summary for the Month of June, 2016

3.4 Village Manager's Report

4.0 **PAYMENT OF BILLS**

4.1 Bills Presented for Payment on July 11, 2016 in the amount of $144,122.10

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 Out of Village Water Service Request for 16139 Port Clinton Road (Sou-Jen Chang)

7.2 Approval of Requested Fee Waiver for Site Work Permit for Lincolnshire-Riverwoods Fire Protection District

7.3 Approval of Purchase of a Portable Truck Lift and Auxiliary Jack Stands under the National Joint Powers Alliance contract number (061015-RRL) awarded to Standard Industrial and Auto Equipment, Inc. from Hanover Park, IL in an amount not to exceed $48,666.79 (Village of Lincolnshire)

7.4 Approval of a Professional Service Contract with RJN Group, Inc. for Engineering Services at a Cost Not to Exceed $77,500 (Village of Lincolnshire)

8.0 **ITEMS OF GENERAL BUSINESS**

8.1 Planning, Zoning & Land Use

8.2 Finance and Administration

8.21 Receipt and Presentation of 2015 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**

11.1 Consideration and Support of Mayors United Against Anti-Semitism Initiative

12.0 **ADJOURNMENT**

Return to Agenda

Village of Lincolnshire
One Olde Half Day Road
Lincolnshire, IL 60069
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MINUTES
REGULAR VILLAGE BOARD MEETING
Monday, June 27, 2016

Present:

~~Mayor Brandt~~
Trustee Grujanac
Trustee McDonough
Trustee Leider
Village Attorney Simon
Acting Chief of Police Price
~~Village Treasurer/Finance Director Peterson~~
Economic Development Coordinator Zozulya
~~Trustee Feldman~~
Trustee Hancock
Trustee Servi
Village Clerk Mastandrea
Village Manager Burke
~~Public Works Director Woodbury~~
Assistant Director of Public Works/Village Engineer Dittrich
Sergeant Wrzesinski

ROLL CALL

In Mayor Brandt's absence, Village Clerk Mastandrea called for the appointment of a Temporary Chair. Trustee Servi made the motion to appoint Trustee McDonough as Temporary Chair. Trustee Hancock 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 7:01 p.m.

Village Clerk Mastandrea called the roll.

2.1 Approval of the June 13, 2016 Regular Village Board Meeting Minutes

Trustee Servi moved and Trustee Leider seconded the motion to approve the minutes of the Regular Village Board Meeting of June 13, 2016 as presented. The roll call vote was as follows: AYES: Trustees Hancock, Leider, McDonough, and Servi. NAYS: None. ABSENT: Trustee Feldman. ABSTAIN: Trustee Grujanac. Temporary Chair McDonough declared the motion carried.

3.0 REPORTS OF OFFICERS

3.1 Mayor's Report

3.11 4th of July Celebration

Temporary Chair McDonough noted much preparation has gone into the 4th of July Celebration taking place at Spring Lake Park on July 3rd and 4th. Temporary Chair McDonough stated many old and new residents will be in attendance and invited all to the celebration.

3.2 Village Clerk's Report - None

3.3 Village Treasurer's Report - None

3.4 Village Manager's Report - None

4.0 PAYMENT OF BILLS

4.1 Bills Presented for Payment on June 27, 2016 in the amount of $572,814.69

Village Manager Burke provided a summary of the June 27, 2016 bills prelist presented for payment with the total being $572,814.69. The total amount is based on $177,859.01 for General Fund; $128,020 for Water & Sewer Fund; $35,032.73 for Water & Sewer Improvement Fund; $5,657.36 for Vehicle Maintenance; $24,075 for E911 Fund; $75 for Sedgebrook SSA; and $202,094.84 for the General Capital Fund.

Village Manager Burke noted there was an error in a check allocated to a particular vender which will not change the overall total. Village Manager Burke noted Belmonte Printing Company for a total of $6,078.41 should have been paid to GovHR which has since been corrected.

Trustee Grujanac moved and Trustee Servi seconded the motion to approve the bills prelist with the change from Belmonte Printing Company to GovHR. The roll call vote was as follows: AYES: Trustees McDonough, Servi, Leider, Grujanac, and Hancock. NAYS: None. ABSENT: Trustee Feldman. 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 Amending Title 5, Chapter 4 of the Village of Lincolnshire Plumbing Code to Require WaterSaver Fixtures (Village of Lincolnshire)

7.2 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)

7.3 Approval of a Professional Services Contract with Bolinger Lach & Associates for Water Main Replacement and Roadway Rehabilitation Design, Permits, and Bidding Services (Pembroke Drive from Dover Circle to Astor Court) at a Cost not to Exceed $108,881.68 (Village of Lincolnshire)

7.4 Approval of an Ordinance Amending Section 3-3-2-14 of Title 3, Chapter 3 (Liquor Control) of the Lincolnshire Village Code Regarding Owner/Manager Residency Requirements (Village of Lincolnshire)

7.5 Approval of a Resolution Approving the Dissolution of the Emergency Telephone System Board (ETSB)

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

8.0 ITEMS OF GENERAL BUSINESS

8.1 Planning, Zoning & Land Use
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

11.1 Consideration and Support of Mayors United Against Anti-Semitism Initiative

Temporary Chair McDonough noted Trustee Feldman brought this issue up for consideration and she is not in attendance. Temporary Chair recommended this item be tabled until Mayor Brandt and Trustee Feldman are in attendance.

It was the consensus of the Board to bring this item back at the July 11, 2016 Regular Village Board Meeting for discussion due to Mayor Brandt's and Trustee Feldman's absence.

12.0 EXECUTIVE SESSION

13.0 ADJOURNMENT

Trustee Grujanac moved and Trustee Leider seconded the motion to adjourn. The voice vote was unanimous and Temporary Chair McDonough declared the meeting adjourned at 7:06 p.m.

Respectfully submitted,
VILLAGE OF LINCOLNSHIRE

Barbara Mastandrea
Village Clerk

Return to Agenda

Village of Lincolnshire
Incorporated 1957

Agenda Item 3.31

VILLAGE OF LINCOLNSHIRE **PERIOD ENDING 6/30/2016**
REVENUE / EXPENSE BUDGET SUMMARY **FISCAL YEAR 2016**

	2015 Year-To-Date			2016 Year-To-Date		
	Revenue	Expense	OVER/(UNDER)	REVENUE	EXPENSE	OVER/(UNDER)
GENERAL FUND						
Revenue	5,674,553			5,084,680		
Administration		140,665			140,452	
Finance		134,104			134,138	
Police		1,547,281			1,567,842	
Community & Economic Dev.		335,504			346,329	
Insurance & Common		624,529			619,638	
PW: Administration		83,179			117,414	
PW: Streets		432,684			446,363	
PW: Parks & Open Space		550,661			591,234	
Buildings & Grounds		58,076			59,180	
Debt & Transfers		598,941			240,791	
TOTAL GENERAL FUND	**$ 5,674,553**	**$ 4,505,625**	**$ 1,168,928**	**$ 5,084,680**	**$ 4,263,381**	**$ 821,299**
ENTERPRISE FUNDS						
Water & Sewer Revenue	1,722,502			1,997,697		
Water & Sewer Administration		329,527			672,678	
Public Works Operating		1,266,450			1,390,388	
Water & Sewer Improvements	399,526	553,686		680,079	186,616	
TOTAL ENTERPRISE FUNDS	**$ 2,122,029**	**$ 2,149,664**	**$ (27,635)**	**$ 2,677,776**	**$ 2,249,682**	**$ 428,094**
NON-OPERATING FUNDS						
Motor Fuel Tax	88,346	-	88,346	95,255	-	95,255
Retirement	431,110	331,295	99,815	348,814	281,621	67,194
Fraud Alcohol Drug Enforcement	8,270	2,397	5,873	4,200	2,083	2,117
Vehicle Maintenance	276,875	192,800	84,075	286,049	178,220	107,829
E-911	182,148	169,016	13,132	106,986	237,719	(130,734)
Park Development	115	-	115	132	11,606	(11,474)
Traffic Signals SSA	9	1,220	(1,211)	13	-	13
General Capital	-	393,565	(393,565)	11,657	381,551	(369,894)
TOTAL NON-OPERATING FUNDS	**$ 986,872**	**$ 1,090,292**	**$ (103,420)**	**$ 853,106**	**$ 1,092,799**	**$ (239,694)**
TRUST FUNDS						
Police Pension Fund**	872,196	517,596	354,599	568,550	440,258	128,292
Sedgebrook SSA	588,748	754,886	(166,139)	786,226	763,924	22,303
TOTAL TRUST FUNDS	**$ 1,460,943**	**$ 1,272,483**	**$ 188,460**	**$ 1,354,777**	**$ 1,204,182**	**$ 150,595**

***The Police Pension Board contracts their accounting services resulting in a reporting delay. Amounts are as of 05/31/2016.*

Return to Agenda

VILLAGE OF LINCOLNSHIRE
REVENUES AND EXPENSES BY FUND
June 30, 2016
50.0% of Fiscal Year is Complete

	Annual Budget	Year-to-Date	% Used	Significant Facts	
GENERAL FUND					
REVENUES					
Taxes	10,549,550	4,397,772	41.7%	Room & Adm	50.2%
				Sales Tax	40.6%
				Real Estate Transfer	65.7%
Licenses & Fees	652,400	361,636	55.4%	Bldg Permits	$112,039
				Bldg Permits % of Licenses & Fees	31.0%
Fines & Forfeitures	285,000	120,086	42.1%		
Allotments, Grants & Reimbursements	207,060	98,547	47.6%		
Miscellaneous	24,000	58,646	244.4%		
Other Income	22,000	47,992	218.1%		
TOTAL REVENUES	**$ 11,740,010**	**$ 5,084,680**	**43.3%**		
EXPENSES					
Personnel Expenses	260,000	123,142	47.4%		
Contractual Services	5,500	0	0.0%		
Other Charges	35,900	17,310	48.2%		
Administration	**301,400**	**140,452**	**46.6%**		
Personnel Expenses	245,700	121,529	49.5%		
Contractual Services	21,180	11,769	55.6%		
Other Charges	5,425	840	15.5%		
Finance	**272,305**	**134,138**	**49.3%**		
Personnel Expenses	3,534,550	1,343,632	38.0%		
Contractual Services	186,430	63,010	33.8%		
Commodities	17,200	8,893	51.7%		
Other Charges	95,950	52,166	54.4%		
Transfers Out	171,670	100,141	58.3%		
Police	**4,005,800**	**1,567,842**	**39.1%**		
Personnel Expenses	471,000	164,266	34.9%		
Contractual Services	171,200	50,135	29.3%		
Other Charges	550,250	129,069	23.5%		
Transfers Out	4,900	2,858	58.3%		
Community & Economic Dev.	**1,197,350**	**346,329**	**28.9%**		
Contractual Services	1,288,590	597,015	46.3%		
Commodities	15,840	7,066	44.6%		
Other Charges	93,260	15,408	16.5%		
Other Expenses	0	149	100%		
Insurance & Common	**1,397,690**	**619,638**	**44.3%**		
Public Works					
Personnel Expenses	152,000	76,140	50.1%		
Contractual Services	45,800	37,548	82.0%		
Other Charges	7,925	3,726	47.0%		
Admin	**205,725**	**117,414**	**57.1%**		
Personnel Expenses	463,000	227,620	49.2%		
Contractual Services	344,900	72,686	21.1%		
Commodities	109,400	52,147	47.7%		
Other Charges	15,525	8,101	52.2%		
Transfers Out	147,100	85,808	58.3%		
Streets	**1,079,925**	**446,363**	**41.3%**		

Return to Agenda

	Annual Budget	Year-to-Date	% Used	Significant Facts
Personnel Expenses	516,700	224,740	43.5%	
Contractual Services	686,200	254,982	37.2%	Includes Insurance Covered Exp
Commodities	54,600	32,578	59.7%	
Other Charges	23,225	13,134	56.5%	
Transfers Out	112,800	65,800	58.3%	
Parks & Open Space	**1,393,525**	**591,234**	**42.4%**	
Contractual Services	110,500	47,797	43.3%	
Commodities	19,500	7,210	37.0%	
Other Charges	4,500	1,315	29.2%	
Transfers Out	4,900	2,858	58.3%	
Buildings & Grounds	**139,400**	**59,180**	**42.5%**	
Capital Outlay	481,582	240,791	50.0%	
Transfers Out	2,553,636	0	0.0%	
Debt & Transfers	**3,035,218**	**240,791**	**7.9%**	
TOTAL EXPENSES	**$ 13,028,338**	**$ 4,263,381**	**32.7%**	

WATER & SEWER FUND

REVENUES

Licenses & Fees	4,505,000	1,990,157	44.2%
Miscellaneous Revenue	6,000	6,125	102.1%
Other Income	1,500	1,415	94.3%
TOTAL REVENUES	**$ 4,512,500**	**$ 1,997,697**	**44.3%**

EXPENSES

Personnel Expenses	201,400	99,177	49.2%
Contractual Services	312,760	161,901	51.8%
Commodities	1,760	785	44.6%
Other Charges	49,765	23,845	47.9%
Other Expenses	0	2	100%
Transfers Out	549,665	386,968	70.4%
Administration	**1,115,350**	**672,678**	**60.3%**
Personnel Expenses	433,000	199,451	46.1%
Contractual Services	2,854,200	1,140,808	40.0%
Commodities	27,150	17,904	65.9%
Other Charges	33,800	3,642	10.8%
Transfers Out	49,000	28,583	58.3%
Operating	**3,397,150**	**1,390,388**	**40.9%**
TOTAL EXPENSES	**$ 4,512,500**	**$ 2,063,066**	**45.7%**

WATER & SEWER IMPROVEMENT FUND

REVENUES

Licenses & Fees	100,000	339,171	339.2%
Miscellaneous Revenue	0	0	100%
Other Income	2,000	899	45.0%
Transfers In	453,345	340,009	75.0%
TOTAL REVENUES	**$ 555,345**	**$ 680,079**	**122.5%**

EXPENSES

Capital Outlay	1,121,800	186,616	16.6%
TOTAL EXPENSES	**$ 1,121,800**	**$ 186,616**	**16.6%**

Return to Agenda

	Annual Budget	Year-to-Date	% Used	Significant Facts
MOTOR FUEL TAX FUND				
REVENUES				
Allotments, Grants & Reimbursements	173,000	95,006	54.9%	
Other Income	200	249	124.7%	
TOTAL REVENUES	**$ 173,200**	**$ 95,255**	**55.0%**	
EXPENSES				
Capital Projects	175,000	0	0.0%	
TOTAL EXPENSES	**$ 175,000**	**$ -**	**0.0%**	
RETIREMENT FUND				
REVENUES				
Taxes	591,950	295,077	49.8%	Property Taxes
Other Income	400	134	33.5%	
Transfers In	118,680	53,603	45.2%	Employer Contributions from other funds
TOTAL REVENUES	**$ 711,030**	**$ 348,814**	**49.1%**	
EXPENSES				
Other Charges	711,030	281,621	39.6%	
TOTAL EXPENSES	**$ 711,030**	**$ 281,621**	**39.6%**	
FRAUD, ALCOHOL & DRUG ENFORCEMENT FUND				
REVENUES				
Other Income	0	4,200	100%	
TOTAL REVENUES	**$ -**	**$ 4,200**	**100%**	
EXPENSES				
Other Charges	70,067	2,083	3.0%	
TOTAL EXPENSES	**$ 70,067**	**$ 2,083**	**3.0%**	
VEHICLE MAINTENANCE FUND				
REVENUES				
Transfers In	490,370	286,049	58.3%	
TOTAL REVENUES	**$ 490,370**	**$ 286,049**	**58.3%**	
EXPENSES				
Personnel Expenses	144,000	69,705	48.4%	
Contractual Services	125,060	54,785	43.8%	
Commodities	175,800	38,187	21.7%	
Other Charges	20,610	8,899	43.2%	
Transfers Out	22,360	6,644	29.7%	
TOTAL EXPENSES	**$ 487,830**	**$ 178,220**	**36.5%**	
E911 FUND				
REVENUES				
Licenses & Fees	375,000	106,862	28.5%	
Other Income	200	123	61.6%	
TOTAL REVENUES	**$ 375,200**	**$ 106,986**	**28.5%**	
EXPENSES				
Contractual Services	310,900	144,282	46.4%	
Other Charges	151,000	93,437	61.9%	
TOTAL EXPENSES	**$ 461,900**	**$ 237,719**	**51.5%**	
PARK DEVELOPMENT FUND				
REVENUES				
Other Income	236,100	132	0.1%	
TOTAL REVENUES	**$ 236,100**	**$ 132**	**0.1%**	
EXPENSES				
Other Charges	188,500	11,606	6.2%	
TOTAL EXPENSES	**$ 188,500**	**$ 11,606**	**6.2%**	

Return to Agenda

	Annual Budget	Year-to-Date	% Used	Significant Facts
TRAFFIC SIGNAL SSA				
REVENUES				
Other Income	0	13	100%	
TOTAL REVENUES	**$ -**	**$ 13**	**100%**	
EXPENSES				
Contractual Services	4,880	0	0.0%	
TOTAL EXPENSES	**$ 4,880**	**$ -**	**0.0%**	
GENERAL CAPITAL				
REVENUES				
Grants	430,000	0	0.0%	
Other Income	1,200,000	11,657	1.0%	
Transfers In	2,553,636	0	0.0%	
TOTAL REVENUES	**$ 4,183,636**	**$ 11,657**	**0.3%**	
EXPENSES				
Facilities	748,000	72,255	9.7%	
Equipment	278,000	24,744	8.9%	
Furniture & Fixtures	50,000	22,411	44.8%	
Storm Sewer & Water	253,000	19,864	7.9%	
Parks	807,020	122,847	15.2%	
Roadways	260,005	6,165	2.4%	
Vehicles	228,000	113,265	49.7%	
Miscellaneous Capital	27,000	0	0.0%	
TOTAL EXPENSES	**$ 2,651,025**	**$ 381,551**	**14.4%**	
POLICE PENSION FUND**				
REVENUES				
Taxes	833,550	20,238	2.4%	Property Taxes
Employee Contributions	216,700	88,646	40.9%	
Other Income	105,450	459,666	435.9%	Investment Income
TOTAL REVENUES	**$ 1,155,700**	**$ 568,550**	**49.2%**	
EXPENSES				
Contractual Services	107,600	36,001	33.5%	
Other Charges	1,048,100	404,257		
TOTAL EXPENSES	**$ 1,155,700**	**$ 440,258**	**38.1%**	

***The Police Pension Board contracts their accounting services resulting in a reporting delay. Amounts are as of 05/31/2016.*

SEDGEBROOK SSA				
REVENUES				
Taxes	1,159,700	777,113	67.0%	
Other Income	15,000	9,114	60.8%	Interest Income
TOTAL REVENUES	**$ 1,174,700**	**$ 786,226**	**66.9%**	
EXPENSES				
Contractual Services	15,000	1,355	9.0%	
Capital Outlay	1,159,700	762,569	65.8%	
TOTAL EXPENSES	**$ 1,174,700**	**$ 763,924**	**65.0%**	

Return to Agenda

Village of Lincolnshire
Incorporated 1957

Agenda Item 4.1

VILLAGE OF LINCOLNSHIRE

BILLS PRESENTED FOR PAYMENT

July 11, 2016

General Fund	$	77,976.64
Water & Sewer Fund	$	14,423.88
Motor Fuel Tax		
Retirement Fund	$	42,493.91
Water & Sewer Improvement Fund		
Fraud, Alcohol, Drug Enforcement		
Vehicle Maintenance Fund	$	3,693.78
E 911 Fund		
Park Development Fund		
Sedgebrook SSA		
SSA Traffic Signal		
General Capital Fund	$	5,533.89
GRAND TOTAL	$	144,122.10

Brad Burke, Village Manager

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06/30/2016 12:51 PM
User: npanos
DB: Lincolnshire

CUSTOM INVOICE REPORT FOR VILLAGE OF LINCOLNSHIRE
INVOICE DUE DATES 06/28/2016 - 07/11/2016
JOURNALIZED
BOTH OPEN AND PAID

INVOICE NUMBER	DESCRIPTION	AMOUNT
VENDOR NAME: ADVANCED BUSINESS GR		
000019562	June 2016 T1 Line, ABG Svc. Charge, VPN On De	537.16
TOTAL VENDOR ADVANCED BUSINESS GR		537.16
VENDOR NAME: AJILON PROFESSIONAL STAFFING		
7977486	CED Temporary Carol Fritz 6/13 - 6/17	852.28
TOTAL VENDOR AJILON PROFESSIONAL STAFFING		852.28
VENDOR NAME: ALLDATA		
2016 Subscription	Subscription renewal for 2016 for Vehicle Maint. soft	1,500.00
TOTAL VENDOR ALLDATA		1,500.00
VENDOR NAME: AMERICAN VACTOR SERVICES		
20272	Emergency storm sewer cleaning at 13 Mayfair Ln-s	1,625.00
TOTAL VENDOR AMERICAN VACTOR SERVICES		1,625.00
VENDOR NAME: AMERICAN WELDING & G		
04106022	Propane fuel	38.18
TOTAL VENDOR AMERICAN WELDING & G		38.18
VENDOR NAME: ARAMARK		
2080611718	Uniform rental	72.73
2080621323	Uniform rental-includes additional charges for set up	133.80
TOTAL VENDOR ARAMARK		206.53
VENDOR NAME: ARENA SPORTS U.S.A.		
1609151	Uniform tee shirts, sweat shirts, hats etc for Public	5,624.41
TOTAL VENDOR ARENA SPORTS U.S.A.		5,624.41
VENDOR NAME: ARLINGTON HEIGHTS FORD		
764165	Element asy-air for #730	76.90
764772	Element asy-air for #730 -Return	(76.90)
764771	Element asy-air for #730-RETURN	(76.90)
764120	Element asy-air and filter asy-oil for #730	104.62
764600	Jet kit for truck #232	11.14
764162	Element for truck #730	30.52
TOTAL VENDOR ARLINGTON HEIGHTS FORD		69.38
VENDOR NAME: B & F CONSTRUCTION CODE SERVICES		
44223	Permit Review - Pulte Townhomes - 341 Camberley	200.00
44217	Permit Review - Pulte Townhomes - 343 Camberley	200.00
44215	Permit Review - Pulte Townhomes - 248 Belmont	200.00
44216	Permit Review - Pulte Townhomes - 252 Belmont	200.00
44212	Permit Review - Pulte Townhomes - 254 Belmont	200.00
44225	Permit Review - Pulte Townhomes - 256 Belmont	200.00
44209	Permit Review - Pulte Townhomes - 321 Camberley	200.00
44221	Permit Review - Pulte Townhomes - 323 Camberley	200.00
44220	Permit Review - Pulte Townhomes - 325 Camberley	200.00
44224	Permit Review - Pulte Townhomes - 242 Belmont	200.00
44214	Permit Review - Pulte Townhomes - 244 Belmont	200.00
44213	Permit Review - Pulte Townhomes - 246 Belmont	200.00
44210	Permit Review - Pulte Townhomes - 329 Camberley	200.00
44211	Permit Review - Pulte Townhomes - 331 Camberley	200.00
44218	Permit Review - Pulte Townhomes - 333 Camberley	200.00
44222	Permit Review - Pulte Townhomes - 335 Camberley	200.00
44219	Permit Review - Pulte Townhomes - 339 Camberley	200.00
TOTAL VENDOR B & F CONSTRUCTION CODE SERVIC		3,400.00
VENDOR NAME: BADE PAPER PRODUCTS		
201863-00	Paper products	354.16
TOTAL VENDOR BADE PAPER PRODUCTS		354.16
VENDOR NAME: BAXTER & WOODMAN INC		
0186676	Emer. repair SCADA computer 6/15/16	1,435.14

INVOICE NUMBER	DESCRIPTION	AMOUNT
VENDOR NAME: BAXTER & WOODMAN INC		
TOTAL VENDOR BAXTER & WOODMAN INC		1,435.14
VENDOR NAME: BOLLINGER, LACH & ASSOC		
17943	Eng. & bid docs Cumberland drainage impr	5,227.50
TOTAL VENDOR BOLLINGER, LACH & ASSOC		5,227.50
VENDOR NAME: BURKE, CHRISTOPHER		
129732	Pocket Park engineering thru 5-28-16	923.58
TOTAL VENDOR BURKE, CHRISTOPHER		923.58
VENDOR NAME: CL GRAPHICS		
64049	4th of July Ticket Strips	676.80
TOTAL VENDOR CL GRAPHICS		676.80
VENDOR NAME: CLESEN, INC.		
315795	Fieldmarker and packing clay for fields at North Par	628.20
315939	Roundup	150.00
TOTAL VENDOR CLESEN, INC.		778.20
VENDOR NAME: COMED		
3427049011-07-11-16	Streetlighting master account electric service	793.71
TOTAL VENDOR COMED		793.71
VENDOR NAME: DEERFIELD LOCKSMITH CO INC		
032790	Repl. restroom locks at SLP pavilion	865.90
TOTAL VENDOR DEERFIELD LOCKSMITH CO INC		865.90
VENDOR NAME: DOOR SYSTEMS		
825063	Overhead door repair at 45 Londonderry	284.00
TOTAL VENDOR DOOR SYSTEMS		284.00
VENDOR NAME: DURABILT FENCE II, INC.		
10277	Fence for North Park to be LSA reimbursed	2,620.00
TOTAL VENDOR DURABILT FENCE II, INC.		2,620.00
VENDOR NAME: FEDEX OFFICE		
105800007787	Laminate 6 large event schedule signs for 7-3 and 7	103.36
TOTAL VENDOR FEDEX OFFICE		103.36
VENDOR NAME: FIORE COMPANY		
192575	Plantings	487.50
TOTAL VENDOR FIORE COMPANY		487.50
VENDOR NAME: FIRST COMMUNICATIONS		
4820893	T-1 Line / 06 2016	278.26
TOTAL VENDOR FIRST COMMUNICATIONS		278.26
VENDOR NAME: GARVEY'S OFFICE PRODUCTS		
PINV1169431	Appointment book	18.49
PINV1170286	Laminating & misc supplies	48.33
TOTAL VENDOR GARVEY'S OFFICE PRODUCTS		66.82
VENDOR NAME: GEWALT HAMILTON ASSOCIATES		
3794.100-15	Misc engineering services thru 5/22/16	788.50
TOTAL VENDOR GEWALT HAMILTON ASSOCIATES		788.50
VENDOR NAME: GRAINGER, INC		
91450113968	US Flags.	510.75
9141055005	Insect spray and rodent killer for water stations	60.45
TOTAL VENDOR GRAINGER, INC		571.20

INVOICE NUMBER	DESCRIPTION	AMOUNT
VENDOR NAME: GUGGENHEIM PARTNERS, LLC		
B15-0020EP	BD Bond - Noah's Engineering Deposit - 200 Barcla	13,000.00
TOTAL VENDOR GUGGENHEIM PARTNERS, LLC		13,000.00
VENDOR NAME: HAMPTON, LENZINI AND RENWICK, INC		
20160735	VOL share of Pt Clinton bridge deck repairs thru 4/3	3,857.87
TOTAL VENDOR HAMPTON, LENZINI AND RENWICK, IN		3,857.87
VENDOR NAME: ILLINOIS ENVIRONMENT		
ILR400375(A)	Annual NPDES fee 7/1/16 to 6/30/17	1,000.00
TOTAL VENDOR ILLINOIS ENVIRONMENT		1,000.00
VENDOR NAME: ILMO PRODUCTS CO.		
793355	Refillable BAC Cylinder	94.00
TOTAL VENDOR ILMO PRODUCTS CO.		94.00
VENDOR NAME: IMRF		
23815	Jun 2016 Member & Employer Contributions	42,493.91
TOTAL VENDOR IMRF		42,493.91
VENDOR NAME: JOHNNY ROCKETS FIREWORKS DISPLAY CO		
07042016	July 4th fireworks display	30,000.00
TOTAL VENDOR JOHNNY ROCKETS FIREWORKS DISP		30,000.00
VENDOR NAME: LDT, LLC		
B16-0001B	BD Escrow Refund - Simon Lin's Roof Matl. Change	261.78
TOTAL VENDOR LDT, LLC		261.78
VENDOR NAME: LIBERTYVILLE CHEVROLET		
895255	Seal for truck #249	42.52
TOTAL VENDOR LIBERTYVILLE CHEVROLET		42.52
VENDOR NAME: LIFEGUARD STORE,		
INV438930	Uniform and equip. for new guard	89.89
TOTAL VENDOR LIFEGUARD STORE,		89.89
VENDOR NAME: MANKOFF INDUSTRIES		
3905	Inspections for PW, 45 Londonderry, ESR	445.00
TOTAL VENDOR MANKOFF INDUSTRIES		445.00
VENDOR NAME: MCMASTER-CARR SUPPLY		
656.8189	Foam strip for water dept.	15.27
TOTAL VENDOR MCMASTER-CARR SUPPLY		15.27
VENDOR NAME: MICHAEL MERANDA JR.		
162406	6/21/16 ARB Meeting	120.00
160107	6/27/16 RVB/COW Meeting	120.00
TOTAL VENDOR MICHAEL MERANDA JR.		240.00
VENDOR NAME: MID-AMERICA SPORTS ADVANTAGE		
349554-01	Pump parts	56.80
TOTAL VENDOR MID-AMERICA SPORTS ADVANTAGE		56.80
VENDOR NAME: MIDWEST METER INC		
0078842-IN	Water Meters	6,546.50
TOTAL VENDOR MIDWEST METER INC		6,546.50
VENDOR NAME: MULCH CENTER		
15407	Mulch	76.00
TOTAL VENDOR MULCH CENTER		76.00

INVOICE NUMBER	DESCRIPTION	AMOUNT
VENDOR NAME: NORTH SHORE GAS		
7500010814062-07-16	Westsite reservoir gas utiltiy 5/17/16 to 6/20/16	39.94
TOTAL VENDOR NORTH SHORE GAS		39.94
VENDOR NAME: O'HERRON CO INC		
1635807-IN	Uniform Shirts and Pants - Covelli	243.88
TOTAL VENDOR O'HERRON CO INC		243.88
VENDOR NAME: PATTEN INDUSTRIES INC		
PM600255966	Generator maintenance at 203 Northampton Lr	1,007.00
PM 600255967	Generator maintenance-Birch lk	1,166.00
PM 600255968	Generator maintenance-Old Mill	1,060.00
PM600256022	Generator maintenance for Village Hal	1,060.00
TOTAL VENDOR PATTEN INDUSTRIES INC		4,293.00
VENDOR NAME: PAYLOCITY		
102268699	Pay Services 06/24/16	462.66
TOTAL VENDOR PAYLOCITY		462.66
VENDOR NAME: PETERSON MICHAEL R.		
20160629	IMTA Conference Registration, mileage, 2 nights hc	565.00
TOTAL VENDOR PETERSON MICHAEL R.		565.00
VENDOR NAME: QUILL CORPORATION		
6788912	NNO - Bingo Board Pocket Chart	13.41
6627271	Toner and Laminating pouches	112.55
TOTAL VENDOR QUILL CORPORATION		125.96
VENDOR NAME: RUSSO POWER EQUIPMENT		
3231601	Parts for 1 inch water pump	8.75
3248406	Push Vacuum	739.00
TOTAL VENDOR RUSSO POWER EQUIPMENT		747.75
VENDOR NAME: SAMANTHA TREIBLE		
20141295	Return picnic deposit, picnic date 6/18/16	50.00
TOTAL VENDOR SAMANTHA TREIBLE		50.00
VENDOR NAME: SAUBER MFG. CO.		
PSI 175035	Repairs to PW #236 for leaking hydraulic tank	369.25
TOTAL VENDOR SAUBER MFG. CO.		369.25
VENDOR NAME: STEARNS WEAR INC.		
26710	Spit Sock Hoods	98.50
TOTAL VENDOR STEARNS WEAR INC.		98.50
VENDOR NAME: SUPERIOR ROAD STRIPING, INC.		
622416	Pavement marking at NWMC joint-purchase pricing	3,211.68
TOTAL VENDOR SUPERIOR ROAD STRIPING, INC.		3,211.68
VENDOR NAME: TRAFFIC CONTROL & PROTECTION INC		
18884	-Run for the Fields- barricade rental-D103 has been	245.00
86877	Speed limit signs	322.50
86875	Street signs, parking signs and walking path signs	608.50
86874	Street name signs	171.50
86872	Street name signs	340.40
86873	Street name signs	100.40
TOTAL VENDOR TRAFFIC CONTROL & PROTECTION IN		1,788.30
VENDOR NAME: VERIZON WIRELESS		
9766957974	SCADA Data Plan Util 05/13-06/12/16	237.14
TOTAL VENDOR VERIZON WIRELESS		237.14

INVOICE NUMBER	DESCRIPTION	AMOUNT
VENDOR NAME: WEST SIDE TRACTOR SALES CO		
W45855	Water pump, gasket, ring thermostat and belt	556.09
W45920	Gasket	23.21
TOTAL VENDOR WEST SIDE TRACTOR SALES CO		579.30
VENDOR NAME: WHOLESALE DIRECT, INC.		
000221612	Stinger LED for new trucks #249 and #243	306.39
TOTAL VENDOR WHOLESALE DIRECT, INC.		306.39
VENDOR NAME: WINKLER'S TREE SERVICE		
92319	Trim trees at S.Village Green islands to remove dea	2,160.00
TOTAL VENDOR WINKLER'S TREE SERVICE		2,160.00
VENDOR NAME: ZOZULYA TONYA		
2016-05 T&T	Travel and Training Reimbursement to attend ReCc	516.24
TOTAL VENDOR ZOZULYA TONYA		516.24
		144,122.10

Return to Agenda

Village of Lincolnshire

Agenda Item
8.21

REQUEST FOR BOARD ACTION

Subject:	Receipt and Presentation of 2015 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 7, 2016, staff provided Board members an electronic copy of the *Village of Lincolnshire Comprehensive Annual Financial Report (CAFR), Auditor's Communication to the Village Board, 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 12, 2016 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 12/31/2015."*

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
- Management Letter

Meeting History	
Village Board Meeting	**July 11, 2016**

Return to Agenda

Village of Lincolnshire

Illinois

Comprehensive Annual Financial Report

For the Year Ended December 31, 2015

Return to Agenda

VILLAGE OF LINCOLNSHIRE, ILLINOIS

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

For the Year Ended
December 31, 2015

Prepared by Finance Department

Michael R. Peterson
Finance Director/Village Treasurer

Return to Agenda

VILLAGE OF LINCOLNSHIRE, ILLINOIS
TABLE OF CONTENTS

Page(s)

INTRODUCTORY SECTION

Principal Officials i

Organizational Chart ii

Director of Finance's Letter of Transmittal ..... iii-ix

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT 1-3

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS

Management's Discussion and Analysis ..... MD&A 1-19

Basic Financial Statements

Government-Wide Financial Statements

Statement of Net Position 4-5

Statement of Activities 6-7

Fund Financial Statements

Governmental Funds

Balance Sheet 8-9

Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Position 10

Statement of Revenues, Expenditures and Changes in Fund Balances 11

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Governmental Activities in the Statement of Activities 12

VILLAGE OF LINCOLNSHIRE, ILLINOIS
TABLE OF CONTENTS (Continued)

Page(s)

FINANCIAL SECTION (Continued)

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS (Continued)

Basic Financial Statements (Continued)

Fund Financial Statements (Continued)

Proprietary Funds

Statement of Net Position 13-14

Statement of Revenues, Expenses and Changes in Net Position 15

Statement of Cash Flows 16-17

Fiduciary Funds

Statement of Fiduciary Net Position 18

Statement of Changes in Fiduciary Net Position 19

Notes to Financial Statements 20-54

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Corporate Fund 55
Retirement Fund 56
Illinois Municipal Retirement Fund
Schedule of Employer Contributions 57
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios 58
Police Pension Fund
Schedule of Employer Contributions 59
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios 60
Schedule of Investment Returns 61
Notes to Required Supplementary Information 62

VILLAGE OF LINCOLNSHIRE, ILLINOIS
TABLE OF CONTENTS (Continued)

Page(s)

FINANCIAL SECTION (Continued)

COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES

MAJOR GOVERNMENTAL FUNDS

Schedule of Revenues - Budget and Actual - General Corporate Fund 63-64
Schedule of Expenditures - Budget and Actual - General Corporate Fund..... 65-71
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Capital Projects Fund 72

NONMAJOR GOVERNMENTAL FUNDS

Combining Balance Sheet 73-74
Combining Statement of Revenues, Expenditures and Changes in Fund Balances 75
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Motor Fuel Tax Fund..... 76
Enhanced 911 Fund 77
Special Service Area Debt Service Fund..... 78
Park Development Capital Projects Fund..... 79
SSA Westminster Signal 80

ENTERPRISE FUND

Water and Sanitary Sewer Fund
Combining Schedule of Net Position 81-82
Combining Schedule of Revenues, Expenses and Changes in Net Position 83
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
Revenue Account..... 84
Improvement Account 85
Schedule of Operating Expenses - Budget and Actual
Revenue Account..... 86-87
Improvement Account 88

INTERNAL SERVICE FUND

Vehicle Maintenance and Operations Fund
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual..... 89

VILLAGE OF LINCOLNSHIRE, ILLINOIS
TABLE OF CONTENTS (Continued)

Page(s)

FINANCIAL SECTION (Continued)

COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES (Continued)

FIDUCIARY FUND

Schedule of Changes in Plan Net Position - Budget and Actual
Police Pension Fund 90

STATISTICAL SECTION

Financial Trends
Net Position by Component 91-92
Change in Net Position 93-96
Fund Balances of Governmental Funds 97-98
Changes in Fund Balances of Governmental Funds 99-100
Revenue Capacity
Principal Property Taxpayers 101
Sales Tax by Category 102
Direct and Overlapping Sales Tax Rates 103
Debt Capacity
Ratios of Outstanding Debt by Type 104
Ratios of General Bonded Debt Outstanding 105
Direct and Overlapping Bonded Debt - Governmental Activities 106
Legal Debt Margin Information 107
Demographic and Economic Information
Demographic and Economic Information 108
Principal Employers 109
Operating Information
Full-Time Equivalent Employees 110
Operating Indicators 111
Capital Asset Statistics 112

Return to Agenda

INTRODUCTORY SECTION

Return to Agenda

VILLAGE OF LINCOLNSHIRE, ILLINOIS

PRINCIPAL OFFICIALS

December 31, 2015

Mayor

Elizabeth Brandt

Village Board

Karen Feldman
Dr. Mara Grujanac
Mark Hancock
Dan Servi
Tom McDonough
Gerard Leider

Village Clerk

Barbara Mastandrea

* * * * * *

Village Manager

Bradly Burke

Finance Director/Village Treasurer

Michael R. Peterson

60 Full Time Employees
5.5 Part Time or Seasonal Employees
65.5 Full Time Equivalents

VILLAGE OF LINCOLNSHIRE
Organizational Chart
(12/31/2015)

Lincolnshire Residents

Mayor and Board of Trustees

Village Treasurer
Michael Peterson

Village Manager
Brad Burke

Village Clerk
Barbara Mastandrea

Department:	Administration	Finance	Police	Community and Economic Development	Public Works
Department Manager:	Village Manager Brad Burke	Financial Director Michael Peterson	Chief of Police Peter Kinsey	Community and Economic Development Director Steve McNellis	Director of Public Works Bradford Woodbury
Main Departmental Responsibilities:	Budgeting Employee Benefits Information Technology Personnel Public Information	Accounts. Rec. and Pay. Audit Cash Management Investments Risk Management Utility Billing	Community Education Crime Prevention Disaster Prep. Investigation Patrol Traffic Enforcement	Building Regulations & Permits Land Use Permits Planning Zoning	Bidding Construction Inspection Parks Project Management Streets Water & Sewer Buildings & Grounds Environment & Forestry Project Design Storm Drainage Vehicle Maintenance
Departmental Staffing Levels:	Management Analyst (1) - FT Administrative Asst. (1) - FT Administrative Clerk (.25) PT	Senior Accountant (1) - FT Receptionist (1) -FT Finance Clerk (.5) - PT	Deputy Chief (1) - FT Sergeant (5) - FT Investigator (2) - FT Police Officer (14) - FT School Resource Officer (1) - FT Administrative Asst. (1) - FT Records Clerk (1) - FT CSO (2) - FT	Village Planner (1) - FT Economic Development Coordinator (1) - FT Building Official (1) - FT Administrative Asst. (1) - FT Property Maint. Inspect. (.5) PT	Asst. Director of PW/Village Engineer (1) - FT Utilities Superintendent (1) - FT Operations Superintendent (1)- FT Fleet Maintenance Supervisor (1) - FT Facilites Manager (1) - FT General Maintenance (12) - FT Automotive Servicer (1) - FT Administrative Asst. (2) - FT Gardener (.25) - PT Lifeguards (1.25 FTE) - S Laborer (2.25 FTE) - S
* Full Time Equivalent Employees:	3.25	3.50	28	5.50	25.25
Department has Oversight of These Areas:	Mayor's Council Medical Ins. Printers/Mail Prep. Labor Attorney EAP Information Technology Human Resources	Audit Actuary Insurance Broker Pension Administration Worker's Comp. Carrier	Prosecutor Crime Lab Animal Shelter Crisis Intervention E911 Board	Architectural Review Board Comm. Plan Reviews Business Task Force Redevelopment Consultants Zoning Board	Consulting Engineers Leaf Collection Park Maintenance Sewage Collection Street Maintenance Water Distribution Forestry Park Board Mosquito Abatement Snow & Ice Control Street Projects

One Olde Half Day Road
Lincolnshire, IL 60069-3035
847•883•8600
847•883•8608 (FAX)

Village of
Lincolnshire

June 22, 2016

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, 2015.

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 be 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, 2015. 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 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.

Key Village Indicators and Fiscal Trends
(dollars in millions)

Fiscal Year End	2015	2014	2013	2012	2011	2010	2009	2008	2007
EAV (million)	$586	$563	$561	$562	$604	$639	$688	$701	$682
Gen Fund Revenue	$12.3	$11.3	$10.3	$9.6	$8.7	$6.7	$6.7	$8.0	$8.8
Gen Fund Reserve Ratio (% of annual exp plus debt)	147%	157%	140%	150%	128%	105%	92%	104%	105%

The three basic economic indicators listed above serve as benchmarks as to how Lincolnshire finances have been impacted over the years. Prior to FY2008, annually for eleven years, Village real estate values consistently showed, in total, an average increase of 5%. The Village experienced a 18.5% decline in total equalized assessed values from 2009 to 2013. 2014 and 2015 values have increased .3% ($1.8 million) and 4.0% ($22.7 million) respectively.

Five types of revenue sources account for 73% of the total projected revenues for the FY16 General Fund. These sources and their respective budget increases over FY15 are as follows: State Sales Tax (4.6%), Home Rule Sales Tax (4.7%), Utility Tax (-4.9%), Telecommunication Tax (-15.6%) and Rooms & Admissions Tax (2.0%). Although revenues are expected to rise in 2016, there are no actual rate increases planned for FY16. 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 as 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 FY16 Budget anticipates the transfer of $2,553,636 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.

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 147.5% of annualized general fund operating expenditures (excluding Sales Tax Rebate and Police Pension Contribution). 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 FY16 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, department reorganization and leaving open unfilled positions, project by project evaluation, outsourcing dispatch services). Revenue from 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 were part of the incentive program in 2015.

Major Initiatives of the Year

As part of the annual budget process, the Board of Trustees developed and prioritized the 2015 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 continued efforts to revise the presentation of the Village's budget to increase transparency and improve management's ability to oversee operations. Village staff also completed the second annual update of Lincolnshire's 10-Year Capital Plan and 5-Year Financial Forecast. Both of these documents aid elected officials and management to budget and plan expenditures in an effective and fiscally responsible manner. In addition to ongoing improvements to the budgeting process, in 2015, the Village deployed a new enterprise resources software system. The new software integrates operations in all Village departments and ties activities into accounting and financial management. The new software has improved customer services, increased efficiencies, and assisted in providing enhanced financial reporting and tracking for the Village. Goals for 2015 also included continuing to increase efforts in Community & Economic Development including implementation of the third 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 has been substantially achieved even in light of the ongoing depressed economic environment and significant uncertainty regarding the financial position of the State of Illinois. The Village of Lincolnshire continues to levy a property tax only 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 fourth

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 and sewer rates were increased along with a tiered structure with higher rates for larger users to ensure user fees 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. This project was constructed in 2015, at a total cost of nearly $1 million, resulting in a new main in an area of the Village with significantly higher than average water main failures.

Development Initiatives

In 2015, several significant projects were approved or constructed resulting in one-time revenues associated with property transfer, building permit fees, as well as long-term revenues via additional property, sales, and utilities taxes for the Village.

- 2015 saw the transfer of ownership of two major retail centers in Lincolnshire.

- After completing major interior renovations; construction of a new 4-story parking structure; and creating connectivity between the 25 and 75 Tri-State International buildings Computer Discount Warehouse's (CDW) took occupancy of the previously vacant 25 and 75 Tri-State International buildings.

- In 2015, the Village received notice Medline Industries was no longer planning to develop the former Hewitt Campus at the northwest corner of Route 22 and I-94. Medline decided not to locate in Lincolnshire and began actively marketing the site for sale

- Village Green Shopping Center- Half Day Brewing Co., a restaurant and brewery, located in the former 14,500-square-foot Flatlander's restaurant building at the Village Green which became vacant in 2012. Center for Ballroom & Dance located in a 3,300-square foot space at 300 Village Green. Starfish Sushi restaurant leased a 5,000 sq.ft. space at 185 Milwaukee Avenue.

- Lincolnshire Commons Shopping Center- North Shore University Health Care leased a 32,000 sq.ft. building formerly occupied by the Barnes & Noble. They obtained Village approvals to amend the Lincolnshire Commons PUD to allow for a non-retail use in that location. North Shore will repurpose the building to accommodate their needs.

- Camberley Club Townhome Development- Pulte Homes received Special Use approvals for an 86-unit townhome development, called the Camberley Club, on a 20-acre property at the southeast corner of Milwaukee Avenue and Riverside Road, north of Sedgebrook. As part of the Pulte development, the adjacent intersection will be realigned and Riverside Road will be improved to Village standards.

POLICE PENSION CONTRIBUTIONS

Page 59 depicts police pension contribution information formatted to comply with the requirements of GASB statement 67. The Village Board and Lincolnshire Police Pension Board members believe the below Pension Contribution Schedule more accurately represents the Board's funding efforts.

The notable difference is the year in which contributions paid (column C) are recognized. While GASB 67 compares the 2015 Pension Request $783,607 to the 2014 Property Tax Levy (collected in 2015) $681,665; the above schedule compares 2015 Pension Request $783,607 to the 2015 Property Tax Levy (collected in 2016) $833.555. The above schedule favorably represents the Village Board's intention to contribute $49,948 ($833,555- $783,607) over the Police Pension Boards request; and $418,839 over the statutory minimum. Contrarily, GASB 67 leads users to wrongfully conclude the Village Board underfunded the Police Pension Boards request by $101,942.

EMPLOYER CONTRIBUTIONS TO POLICE PENSION FUND

	A	B		C	D= C/B	E= C-B
Tax Year (Calendar)	Police Pension Board Recommended	DOI Statutory Minimum	Collection Year Fiscal Year End	Committed Contribution During FYE	Percentage Of Contrib Collected vs Statutory Minimum	Difference Committed Contrib vs Statutory Minimum
2015	$783,607	$414,716	2016	$833,555	201.0%	$418,839
2014	$692,133	$391,292	2015	$618,665	158.1%	$227,373
2013	$644,854	$415,378	2014	$589,303	141.9%	$173,925
2012	$1,056,822	$422,359	2013	$1,059,747	250.9%	$637,388
2011	$959,202	$467,346	2012	$961,521	205.7%	$494,175
2010	$1,075,278	$466,222	2011	$1,032,840	221.5%	$566,618
2009	$1,013,947	$511,772	2010	$1,012,592	197.9%	$500,820
2008	$1,096,939	$423,868	2009	$1,101,333	259.8%	$677,465
2007	$805,933	$459,543	2008	$1,063,146	231.3%	$603,603
2006	$731,366	$451,121	2007	$1,111,733	246.4%	$660,612
Total	$ 8,860,081	$ 4,423,617		$ 9,384,435		

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, Finance Clerk, for their continued efforts throughout the year which allowed for the smooth and timely preparation of this report. Finally, we wish to express our appreciation to the members of the Village Board for their interest and support in planning and conducting the financial operations in a responsible and progressive manner.

Respectively Submitted,

Bradly J. Burke
Village Manager

Michael R. Peterson
Finance Director

Return to Agenda

FINANCIAL SECTION

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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, 2015, 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, 2015, 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

As discussed in Note 11, the Village adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which established standards for measuring and recognizing liabilities, deferred inflows and outflows of resources and expenses; 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.

Sikich LLP

Naperville, Illinois
June 2, 2016

Return to Agenda

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS

VILLAGE OF LINCOLNSHIRE, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2015

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, 2015 (FY15). Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, it should be read in conjunction with the Village's financial statements.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Village exceeded its liabilities at the close of fiscal year ending December 31, 2015 by $101.9 million (net position). Of this amount, -$5.12 million represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors. The negative unrestricted balance are primarily related to implementation of Governmental Accounting Standard #68 accounting and financial reporting for pensions. The statement establishes standards for measuring and recognizing liabilities and deferred outflows and deferred inflows related to defined benefit pension plans.

- The Village's total net position decreased by $12.73 million during the twelve months ended December 31, 2015. The net position associated with "governmental activities" decreased $11.18 million, while the "business-type activities" decreased $1.55 million. The decreases are primarily related to implementation of Statement on Governmental Accounting Standard #68 accounting and financial reporting for pensions. The statement establishes standards for measuring and recognizing liabilities and deferred outflows and deferred inflows related to defined benefit pension plans.

- At the close of the current fiscal year, the Village's governmental fund's reported combined fund balances of $16.76 million, an increase of $.60 million, or 3.7%, in comparison with the prior fiscal period. The components of the combined fund balance amount consist of nine different funds; three of which are considered "major" and six considered "non-major." At 66.1% the General Fund comprises the largest share of the Village's combined ending fund balance; the General Capital Projects is second at 16.2%; and Special Service Area (SSA) Debt Services is the third largest fund at 12.5%. 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 $11.08 million held in the General Fund, 87.9% of it is available for spending at the government's discretion (classified as "unrestricted, unassigned").

- At the end of the current fiscal year, unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the General Fund & General Capital Fund was $12,462,306; or approximately 119.0% of the General Corporate Fund FY2016 annual operating expenditures (excluding capital and transfers to 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 4 - 7 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 8 - 12 of this report.

Proprietary funds reported in the fund financial statements are for those services for which the Village charges customers a user fee. There are two kinds of proprietary funds, enterprise and internal service. Enterprise funds 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 13 - 17 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 18 - 19 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 20 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 63.

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 $99.4 million at the close of the most recent fiscal year.

The largest portion of the Village's net position (91.3%) 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	
	2014	2015	2014	2015	2014	2015
Current and Other Assets	$26,183,937	$21,924,271	$2,828,194	$2,268,301	$29,012,131	$24,192,572
Capital Assets	71,403,774	70,533,160	35,665,515	35,417,955	107,069,289	105,951,115
Deferred Outflows of Resources	0	2,220,043	0	314,675	0	2,534,718
Total Assets	$97,587,711	$94,677,474	$38,493,709	$38,000,931	$136,081,420	$132,678,405
Other Liabilities	3,585,698	3,670,752	728,683	1,028,184	4,314,381	4,698,936
Long-Term Liabilities	14,082,279	21,648,527	479,657	1,190,312	14,561,936	22,838,839
Deferred Inflows of Resources	2,517,987	3,136,071	0	49,027	2,517,987	3,185,098
Total Liabilities and Deferred Inflows	$20,185,964	$28,455,350	$1,208,340	$2,267,523	$21,394,304	$30,722,873
Net Position						
Investment in Capital Assets Net of Related Debt	69,798,415	69,382,066	35,045,804	34,970,306	104,350,013	104,352,372
Restricted	2,660,130	2,725,241			2,660,130	2,725,241
Unrestricted	4,943,202	(5,885,183)	2,239,565	763,102	7,182,767	(5,122,081)
Total Net Position	$77,401,747	$66,222,124	$37,285,369	$35,733,408	$114,687,116	$101,955,532

For Fiscal Year ended 2015, the Total Primary Government as well as Governmental Activities reported positive balances in two of the three categories of net position, The negative Unrestricted balance are primarily related to implementation of Governmental Accounting Standard #68 accounting and financial reporting for pensions. The statement establishes standards for measuring and recognizing liabilities and deferred outflows and deferred inflows related to defined benefit pension plans. Business-type activities reported positive balances in all three categories of net position. 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 4.2% 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 FY2015.

Return to Agenda

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	
	2014	2015	2014	2015	2014	2015
REVENUES:						
Program Revenues:						
Charges for Services	1,614	1,579	4,001	3,841	5,615	5,420
Operating Grants & Contr	362	246	0	0	362	246
Capital Grants & Contr	68	58	474	0	542	58
General Revenue:						
Property Taxes	2,589	2,583			2,589	2,584
Other Taxes	9,354	10,305			9,354	10,306
Miscellaneous	72	94	0	3	72	97
Interest Income	(39)	55	5	4	-33	59
Total Revenues	**14,020**	**14,922**	**4,480**	**3,848**	**18,500**	**18,770**
EXPENSES:						
General Government	2,838	3,261			2,838	3,261
Public Safety	3,922	4,224			3,922	4,224
Comm & Econ Development	562	846			562	846
Public Works	1,913	2,526			1,913	2,526
Parks & Open Spaces	2,001	1,594			2,001	1,594
Interest	890	845			890	845
Water and Sewer			5,501	5,561	5,501	5,561
Total Expense	**12,126**	**13,296**	**5,501**	**5,561**	**17,626**	**18,857**
Inc (Dec) in assets before transfers	1,894	1,626	(1,021)	(1,713)	874	(87)
Transfers	(96)	(906)	96	906	0	0
Inc (Dec) in Net Position	1,798	720	(925)	(807)	874	(87)
Net Position - Beginning	75,603	77,401	38,210	37,285	113,813	114,687
Accounting Principle Change		-11,899		-745		-12,645
Net Position - Ending	$77,401	$66,222	$37,285	$35,733	$114,687	$101,956

Government Activities

During the current fiscal year, net position for governmental activities increased $.720 million from the restated Net Position at the start of the fiscal year for an ending balance of $66,222,124. The increase in overall net position of governmental activities is reflected in the above condensed Statement of Activities.

Revenue:

The total revenues increased $.90 million from FY14 $14.02 million to FY15 $14.92.

Property taxes represent approximately 17.3% 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 .21% from $2,589,086 (FY14) to $2,583,554 (FY15). Like much of Lake County, the Village's equalized assessed valuation remained relatively flat increasing 4.04% from $563,549,256 to $586,329,751 for tax years 2014 (actually received 2015) and tax year 2015 (to be received in 2016), respectively. Based on estimates at the time of the audit, Police Pension property taxes are projected to increase 34.7% or $214,890 as the result of a change in actuarial assumptions. Retirement Fund property tax revenue are projected to decreased 20.6% or $150,279 from 2014's extension; while Special Service Area property taxes relating to Sedgebrook Developments debt service increased .19% or $2,158.

The Illinois Department of Revenue reports the Village of Lincolnshire's sales tax revenue during 2015 increased $157,381. The sales tax categories reporting the largest dollar gains include agriculture, food, and furniture at $209,600; $110,800; and $91,900 respectively. The number one category continues to be "agriculture and all others" at $2,074,900; followed by $1,028,860 "drinking and eating places", and $714,650 furniture category. The food category sales grew 120% over 2014, most likely the result of successful sales at The Fresh Market. Other noteworthy gains include increases in Furniture and Agriculture of 14.8% and 11.2% respectively. Sales tax categories posting declines for 2015 include Drugs ($285,300); manufactures ($7,000); and automotive ($3,770).

Lincolnshire's other tax revenues posting gains for 2015 include: State Income Tax $85,016 (12.1%), Local Use Tax $85,248 (70.5%); Room & Admission Tax $197,950 (11.4%); Real Estate Transfer Tax $160,711 (48.5%). Declining revenues include: Utility Tax $14,325 (1.1%); Telecommunication Tax down $46,855 (-3.84%). The State of Illinois continues to delay payments, and as of December 31, 2015, payments from the State were lagging three to five months from collection to disbursement. Over the past several years, the typical lag has been three-four months, which was a gradual improvement over 2010/2011's lag of six months. Prior to 2010 the State's lag was a short two months.

During FY15 the Lincolnshire Police Department continued to provide one liaison officer to Adlai E. Stevenson High School. Revenue posted to Governmental Activities for FY15 services rendered were $112,321; down 2.5% or $2,885 from FY14.

The "second tier" revenue sources were down $136,913 (11.8%) from FY2014. Specifically, the following revenue realized decline in revenues From FY2014; Licenses & Permits $11,366 (1.5%); Fines & Forfeitures $82,778 (24.8%), and Investment earnings down $21,055 (38.0%) from the previous year. Building permit fees remained virtually unchanged $286,854 down (.1%) from FY2014. Building permit fees normally account for 25% to 45% of the License & Permits category, for FY2015 these fees represented 38.9% of the total. Residential home

improvements remained level compared to FY14. A noteworthy mention, the FY2015 CDW improvement fees were similar to FY2014 Zebra Corp, resulting in the overall flat revenue stream.

The economy remained flat through 2015; the Federal Reserve Board continues to maintain the Fed Funds rate target 0 -.25% which it has done since January 2009. 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. FY2015 Investment earnings are up $850 from FY14 despite the continuation of low certificate of deposit rates ranging from 25 to 85 basis points throughout the year. The Village's Investment Policy requirements did not change in FY15; however, a close monitoring of the performance continues.

Expenses:

The Village's Governmental Activities expenses increased $1,132,303 from the prior year; $12.13 million in FY14 compared to $13.29 million in FY15. Noteworthy additions include first time expense recognition in the General Fund for $618,665 Police retirement contributions and $442,410 Economic Development Initiatives. 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 Illinois Municipal Retirement Fund (IMRF) actuary utilizes a "smoothing technique" to delay and soften the effect to the employer rate. During a May 2016 IMRF webinar it was reported "The estimated 2015 investment return for IMRF is .44% " This is well below the 7.5% expected return and will have a small impact on employer rate. Lincolnshire's FY14 employer contribution rate of 14.82% increased to 15.44% in FY15. Although Lincolnshire's rate increased by 4.2%; actual expenditures declined 5.6%; largely due to staffing changes.

Annual Police Pension costs, also known as "Recommend Employer Contributions" are actuarially calculated based on Lincolnshire's Police Pension Funding Policy. Assumptions include salary, benefit costs and investment returns. The Village continues to meet the financial obligations as presented by an independent actuary. The Annual "Recommended" Contribution for FY15 is $803,666; up $20,059 (2.56%) from FY15 Actual employer contribution. Pension funding specifics can be found in Note 10 on pages 40 - 53.

Business-Type Activities

Business-type activities decreased the Village's net position by $806,847. The Water & Sewer Fund is the only business-type activity, classified as a proprietary fund operated by the Village. The fund is made up of an "operations" component and a "capital improvement" component. The Fund's operating income before depreciation was -$213,487 for 2015.

Revenues:
Total revenues declined $86,958; from $3.873 million in FY14 compared to $3.786 million in FY15. Revenues for the Water & Sewer fund are derived largely from water sales. For FY2015 water sales were down largely due to wetter and cooler spring and summer months, resulting in reduced sales when usage typically increases.

With the exception of a couple very small subdivisions under construction, water customer accounts remained largely unchanged throughout most of 2015. Several units were added in 2015, ending the year with 2,489 units; with 2,267 residential and 222 commercial accounts. Lincolnshire's water and sewer rates increased 1.8%.

Continual low interest rates resulted $3,683 investment income for the current year.

Expenses:

Depreciation for the Water & Sewer system declined by $85,569 (5.2%) to $1,545,687 for 2015.

The Village reports the Water/Sewer and Internal Service Fund (Governmental Activities) as proprietary funds. The Water/Sewer Fund is considered a "major fund." Water is purchased from the City of Highland Park at a rate of $3.02 per thousand gallons. Highland Park imposed an increase of 4.1% effective January 1, 2015. 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 $9.95 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 increased $95,315 (2.23%) from the prior year; $4.281 million in FY14 compared to $4.377 million in FY15. This increase is largely due to Water & Sewer Fund taking a more aggressive approach to annual system maintenance activities.

The Water and Sewer Fund operating expenses were 7.4% or $301,592 below final budget; Administration at 31.7% below and Operation expenses 3.7% below final budget. The combined FY15 water purchases and sanitary sewer charges were up 4.69% compared to FY14, 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 FY2012 TO FY2015				
	2012	2013	2014	2015
Water: Rate per 1,000 gallons	$4.33	$4.43	$4.50	$4.68
Sewer: Rate per 1,000 gallons	$5.27	$5.27	$5.27	$5.27
Operating Revenue	$4,052,808	$3,844,673	$3,873,638	$3,786,680
Operating Expenses (excluding depreciation)	$3,900,977	$4,093,392	$3,850,493	$4,000,167

As part of the FY2015 budget the Village increased its water usage fees 4.0%, while sanitary sewer fees remained the same. These rates became effective for services provided after January 16, 2015.

Rate increases from the water supplier have become a regular occurrence, while sanitary sewer charges have not increased since 2011. For budget year 2015 a water rate increase was instituted to absorb a proposed rate increase by the Village's water supplier. In FY2015 the cost of water ($1,174,600) and sanitary sewer treatment ($1,412,804) was 75.5 % of total operating expenses. The most recent percentages were 79.3% for FY2014 and 78.3% for FY2013.

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 is 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, 2015 the Village's governmental fund balance reported a combined ending fund balance of $16.76 million. This was an increase of $.6 million (3.72%) 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 58.1% or $9.75 million Unassigned Fund Balance is the significant portion of the $16.7 million governmental fund balance. FY2015 represents the second year the Village restricted Governmental Fund Balance; $2.71 million or 16.2%, for General Capital Projects. In 2004, the Village agreed to be a "conduit" to the Sedgebrook Special Service Area debt service resulting in the creation of the SSA Debt Service Fund. The $2.09 million restricted Fund Balance of the SSA Debt Service Fund makes it the second largest portion of the governmental fund balance at 12.5%. The fund balances classified as "non-spendable" and "restricted" are $1,429,324 and $2.86 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 increase of $468,531, or 4.41%, 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. In FY15 the General Fund transfer to General Capital Projects Fund was $1.32 million.

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 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.

A comparison of the FY2015 budget revenue reveals total General Fund revenues were 13.1% above FY15 Final Budget or $1,430,541. Total actual expenditures $9,52 million are 6.1% below $10.1 million budget or $579,500.

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.
1/1/2011	$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	$8,348,230	156.8%
1/1/2016	$11,053,038	$2,436,320	$13,489,358	$9,141,152	147.6%

* Includes Nonspendable Fund Balance, specifically $1,305,000 Land Held for Resale in FY15 & FY16.

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 2015: the Retirement Fund, and the General Capital Projects Fund.

The Retirement Fund’s fund balance increased 31.2% to $184,014 from $140,159. FY15 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 3.3 month’s expenses.

The total combined fund balance of the six non-major governmental funds increased from $132,349 to $2.78 million. The notable increases include Motor Fuel Tax ($11,051), Enhanced E911 ($81,215), and Park Development Capital Fund ($20,720).

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 Fund decreased $806,847 (-2.21%) from $36.54 million for FY14 to $35.73 million in FY15. The unrestricted net position decreased $1,476,463 (-65.9%) for FY14 to $763,102 due to a $1.1 million water main replacement project. The Village intends to operate the Water/Sewer Operating Fund at a breakeven rate while maintaining a cash reserve equal to three months of operating expenses. Excess revenue will be transferred to Water/ Sewer Improvement Fund for planned infrastructure projects.

Return to Agenda

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

	Final Budget	Actual	Variance
General Fund:			
Revenues:			
Property Tax	$0.073	0.694	(0.621)
Other Taxes	9.610	10.306	(0.696)
Licenses and Permits	0.580	0.737	(0.157)
Fines and Forfeitures	0.380	0.250	0.130
Intergovernmental	0.189	0.243	(0.054)
Investment Income	0.022	0.034	(0.012)
Miscellaneous	0.012	0.032	(0.020)
TOTAL REVENUES	$10.866	12.296	(1.430)
Expenditures:			
Current:			
General Government	$1.970	1.773	0.197
Public Safety	3.819	3,685	0.134
Comm & Econ Dev.	1.031	0.974	0.057
Public Works	1.420	1.318	0.102
Parks & Open Spaces	1.379	1,289	0.090
Debt Service	0.481	0.481	-
TOTAL EXPENDITURES	$8.124	$9.520	$0.580

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

On February 23, 2015, the Village Board approved the annual appropriations ordinance for the Village of Lincolnshire for Fiscal Year 2015. 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 14, 2015, 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 –** At the auditor's recommendation, the Police Pension property tax revenue and Police Pension Employer Contribution are now reported in the General Fund. The Transfer Out- General Capital Fund line item was originally planned for January following the fiscal year end; however after further review the decision was made to change the transfer to December, prior to fiscal year end. Transfers originally earmarked for Water/Sewer Operations were reclassified to Water/Sewer Improvement Fund to ready reserves for upcoming capital expenditures.
- **Police Pension Fund –** $3,000 was reclassified from Contract Service- Investment Advisor to Actuarial Services for related GASB 67/68 reporting.

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 0.8% over budget with 72.4% of the individual line items finishing at or below budget estimates. Actual Departmental General Fund expenditures were below the Final Budget amounts.

Governmental-Type Activities

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

- Construction in Progress
  - Corridor Enhancement Project
  - Pocket Park
  - North Park- Drainage Improvement

- Per the Village's replacement schedule the following items were disposed of:
  - 2006 Chevy Impala Unit # 82
  - 2008 Ford Crown Victoria Unit # 90
  - 2005 GMC C8500 5 ton dump truck # 254
  - Asphalt Roller # 402

- Several Items were removed from the fixed asset list as the result of changing the capitalized threshold from $5,000 to $10,000 in 2015.

- Items purchased / added included
  - Remodel former Police Department dispatch area for use by Investigations and Interview rooms.
  - New enterprise resource planning software including all financial system components, building permitting and development software, work order management, and citizens request application.
  - 2016 Dump Truck #254
  - Wells Cargo trailer # 266
  - Riding Mower # 703
  - Slit Seeder #711
  - Baseball Netting for 5 fields approximately height is 40 feet.
  - Water Toy Replacement at Spring Lake Park
  - Whytegate Tennis Fence and Court Repair

- No Easements were added in 2015
- No land acquisitions or land donations occurred in 2015
- No new Right of Way granted to the Village
- No new Street dedicated to the Village
- No new Street lights
- Storm sewers restoration for Indian Creek and various locations received storm sewer Lining.
- Bike Paths addition from Port Clinton to Stevenson High School.

Business-Type Activities

The Village's Net Investment in Capital Assets, net of accumulated depreciation, for business-type capital assets, as of the fiscal year end was $34,970,306.
Capital asset events during the current fiscal year included the following:

- Per the replacement schedule Public Works Utility Division disposed of:
  Lift station hydro-matic package purchased in 1973, outdated software and GIS system, 2005 GMC one ton truck, cargo trailer, mini excavator, vertical centrifugal water pumps, chlorine SCADA, and various control center components

- Public Works purchased:
  West side well roof for Londonderry Road facility
  Financial and Utility Billing Software
  2016 Ford one ton truck

- Water mains replacement to the Village
  Westwood Lane and Riverwood Road

- Sanitary sewer install 8 inch cured in place pipe- 2,075 linear feet

Debt

The Village has two types of debt; (1) Debt in the form of bank loans with direct responsibility for 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 integral to the Sedgebrook retirement community. Financing of this debt is through property taxes dedicated exclusively to the Special Service Area.

At the end of the fiscal year, the Village's debt, both direct and SSA related, amounted to $14.3 million compared to $15.3 million last year - a decline of 6.3% - as shown in the table below.

OUTSTANDING DEBT AT YEAR END DECEMBER 31						
Type of Debt	Government Activities		Business Activities		Totals	
	2014	2015	2014	2015	2014	2015
Bank Loans Village	$ 1,593,539	$ 1,151,094	$619,711	$447,649	$2,213,250	$1,598,743
Bond Issue-SSA	$13,060,000	$12,715,000			$13,060,000	$12,715,000
	$14,653,539	$13,866,094	$619,711	$447,649	$15,273,250	$14,313,743

In FY2015, three bank loans remain consisting of two General Fund and one Water Fund loan.

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 0.27% 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. Although the Village has not sought a formal credit rating in several years, 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 87% for the first quarter of 2016 vs. 89% for the same time in 2015. The overall retail occupancy in the Village was 86% in the first quarter of 2016 vs. 70% in the first quarter of 2015.

Lincolnshire office occupancy rate was 84% in the first quarter of 2016, compared to 83% in the first quarter of 2015. Lincolnshire industrial occupancy rate was 97% in the first quarter of 2016, compared to 93% in the first quarter of 2015.

CDW, a Fortune 500 technology company, announced the lease of 209,000 square feet of office space at 25 and 75 Tri-State International, in Lincolnshire's Tri-State International Office Center in early 2015. These two previously vacant buildings began hosting several hundred employees in December 2015 as CDW relocated from Mettawa and Vernon Hills 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 began late spring 2015, with occupancy beginning at the end of 2015.

Strategic Hotels, who held the ground lease for the Marriott Resort with a 389-room hotel, sold the property to the Bricton Group in early 2016. The new owners intend to continue extensive interior and exterior improvements of the property. The resort will retain its Marriott brand due to the long-term lease agreement.

City Park Shopping Center
Emporium Arcade & Bar opened in the former 9,800 sq.ft. Champp's restaurant & bar space at CityPark in early 2016. Emporium provides video arcade machines, pinball machines, and table games, along with a bar and live entertainment. The company is locally owned and operated and has two established Chicago locations (Logan Square and Wicker Park). This is their first suburban location.

Village Green Shopping Center
Half Day Brewing Company, restaurant and micro-brewery, opened in the 14,500-square foot vacant commercial building at 200 Village Green, in the Village Green Retail Center in January of 2016. The building was remained vacant since early 2012 when Flatlander's Restaurant & Brewery closed.

Lincolnshire Common Shopping Center
North Shore University Health Care is slated to open its medical offices in the 32,000 sq.ft. Barnes & Noble building at Lincolnshire Commons in the summer of 2016. The health system obtained Village approvals to amend the Lincolnshire Commons PUD to allow for a non-retail use in the former bookstore location. North Shore University Health Care plans extensive renovations to repurpose the building as a medical services facility. Barnes & Noble is scheduled to vacate Lincolnshire Commons early next year which was a corporate decision, as the brand is slowly eliminating stores.

Lincolnshire Downtown Triangle Parcel
The Village continues to work closely with DK Mallon, the Village's preferred developer on the Village Downtown site anchored by The Fresh Market.. DK Mallon has been working to secure a mix of office and commercial tenants to locate on the 7.7.-acre vacant property currently owned by the Village. There is a 5,000 sq.ft. restaurant pad fronting on Route 22, located east of the existing grocery store, and additional development parcels available north and east of the Marathon Gas Station.

The Village is reviewing a proposal for a 116-room Aloft hotel of the Starwood brand on a 1.5-acre property at 20 Westminster Way, immediately south of the existing Homewood Suites Hotel near the Tollway.

New Businesses in 2015:
- ATI Physical Therapy: 900 Milwaukee Avenue (Lincolnshire Commons Center
- Axiom Properties, a residential property management company: 100 Tri-State International (CDW Center)
- CDW, a provider of technology products and services: 75 & 25 Tri-State International (CDW Center)
- Chunowitz, Teitelbaum & Mandel, a certified public accounting firm: 1 Overlook Point (Lincolnshire Corporate Center)
- Dart Container Corporation: 300 Tri-State International (CDW Center)
- Elevation Point: 625 Heathrow Drive (Lincolnshire Business Park)
- Frank Pension Consultants: 1 Overlook Point (Lincolnshire Corporate Center)
- Menchie's Frozen Yogurt: 950 Milwaukee Avenue (Lincolnshire Commons Center)
- Noah's Event Venue: 200 Barclay Boulevard (Lincolnshire Corporate Center)

- Starfish Sushi Restaurant: 185 Milwaukee Avenue (Village Green Center)
- Two Men and A Truck, a moving company: 175 Olde Half Day Road (Spectrum Office Centre)
- U-Haul Moving & Storage: 200 Industrial Drive

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

The Village ended FY2015 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 17.9% for FY15; from $364,410 FY14 to $429,672 FY15. Major sales recorded in FY15 include- Medline Industries, IPT Chicago IC LLC, and Big Box Property Owner Co LLC.

FY 2015	Real Estate Transfer Tax Stamps Sold	Real Estate Transfer Tax Stamp Revenue	Real Estate Sales Value
Single Family	112	$ 217,105	$ 72,368,399
Condo Units	22	$ 30,073	$ 10,024,300
Townhomes	15	$ 16,116	$ 5,372,000
Land	3	$ 4,725	$ 1,575,000
Commercial	9	$ 161,653	$ 53,884,251
TOTALS	**161**	**$ 429,672**	**$ 143,223,950**

• The seasonally adjusted unemployment rate for December 2015 was 5.8% in Metropolitan Division (Chicago- Naperville). The rate in the State of Illinois for the same time period was 6.1% and the U.S. rate was 5.0%.
• The Lincolnshire equalized assessed valuation (EAV) has increased for the second year in a row. The 2015 EAV rose 4% or $22.8 million compared to 2014. The 2015 EAV (which is used for the property tax collected in Fiscal Year 2016) was $586,329,751.
• According to GIS Consortium Lincolnshire's 2015 per capita income was $76,369; and average household income was $180,843.

BUDGET HIGHLIGHTS FOR FISCAL YEAR 2016.

General Fund

Five types of revenue sources account for 81.3% of the total projected revenues for the FY16 General Fund. These sources and their respective budget increases over FY15 are as follows: State Sales Tax (4.6%), Home Rule Sales Tax (4.7%), Utility Tax (-4.9%), Telecommunication Tax (-45.6%) and Rooms & Admissions Tax (2.0%). Although overall revenues are expected to rise, there are no actual rate increases planned for FY16. The reduction in Telecommunication Tax is based on an expectation of downward trend as changing technologies, and consolidation of communication services including elimination of "land line" telephones continues.

Excluding transfers and debt service, the General Fund Expense budget has increased $980,475 (10.9%) from $9.01 million in FY15 to $9.9 million in FY16. The major increase component involves the inclusion of Police Pension Contribution (employer share) in the Police Department. The General Fund FY16 budget anticipates the transfer of $2,553,636 to the General Capital Projects Fund.

Major Changes in Budget format for 2016

- **Additional Line Items:** The FY2016 Budget reports two new offsetting items- Property Tax Police Pension Revenue and Police Pension Retirement Expense at $833.550. Prior budgets reported these items in the Police Pension Fund only. For transparency reasons, the revenue and expense have been added to the General Fund- Police Department budget to represent true cost associated with the department. Excluding this expense from the General Fund Expense budget would have resulted in an expense increase of $146,925 (1.6%).
- The Fiscal Year 2015 Budget contemplates implementation of $2,651,025 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

Effective 1/1/2016 the Village's quarterly utility bill will phased into a monthly utility bill. As part of the FY2016 budget the Village adopted a tiered water rate schedule and increased the average residential water rate 9.6%, while sanitary sewer fees have remained unchanged since January 1, 2011. No further changes have been made to the rate structure; specifically the minimum charges, senior discounts, and the Out of Village rates. At the start of FY16 the Water/Sewer unrestricted Net Position was 16.9% of the FY16 operating budget expenses. The unrestricted Net Position includes Water/ Sewer Operations (Fund 02) and Water/ Sewer Improvements (Fund 07). Water/Sewer Operating expenses have increased 7.65% with no changes to the staffing levels. However, removing the $453,345 Transfer Out to Water Sewer Improvements, results in a decline in expenses $132,595 (3.16%). The vast majority of this increase relates to water purchase and contractual service costs.

Major Changes in Budget format for 2016

Transfers: Over the past several years, the General Fund subsidized the Water/Sewer Improvement Fund with an annual permanent transfer. In FY16 in lieu of a General Fund transfer, the Water Sewer Operations will transfer $453,345 to Water Sewer Improvement Fund.

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.lincolnshireil.gov. A copy of this Comprehensive Annual Financial Report (CAFR) can be found on the website.

PENSION CONTRIBUTION SCHEDULE

	A	B	C	D= C/B	E= C-B	
Tax Year (Calendar)	Police Pension Board Recommended	DOI Statutory Minimum	Contribution Collected During FYE	Percentage Of Contrib Collected vs Statutory Minimum	Difference Contrib Collected vs Statutory Minimum	
2015	$ 783,607	$ 414,716	$ 833,555	201.0%	$ 418,839	est.
2014	$ 692,133	$ 391,292	$ 618,665	158.1%	$ 227,373	
2013	$ 644,854	$ 415,378	$ 589,303	141.9%	$ 173,925	
2012	$ 1,056,822	$ 422,359	$ 1,059,747	250.9%	$ 637,388	
2011	$ 959,202	$ 467,346	$ 961,521	205.7%	$ 494,175	
2010	$ 1,075,278	$ 466,222	$ 1,032,840	221.5%	$ 566,618	
2009	$ 1,013,947	$ 511,772	$ 1,012,592	197.9%	$ 500,820	
2008	$ 1,096,939	$ 423,868	$ 1,101,333	259.8%	$ 677,465	
2007	$ 805,933	$ 459,543	$ 1,063,146	231.3%	$ 603,603	
2006	$ 731,366	$ 451,121	$ 1,111,733	246.4%	$ 660,612	
10 Year Total	$ 8,860,081	$ 4,423,617	$ 9,384,435		*do not total*	

Page 59 depicts pension contribution information formatted to comply with the requirements of GASB statement 67. The Village Board and Lincolnshire Police Pension Board members believe the above Pension Contribution Schedule more accurately represents the Board's funding efforts.

The notable difference is the year in which contributions collected (column C) are recognized. While GASB 67 compares the 2015 Pension Request $783,607 to the 2014 Property Tax Levy (collected in 2015) $618,665; the above schedule compares 2015 Pension Request $783,607 to the 2015 Property Tax Levy (to be collected in 2016) $833.555. The above schedule represents the Village Board's favorable intention to contribute $49,948 ($833,555- $783,607) more than the Police Pension Boards request; and $418,839 more than the statutory minimum required contribution. GASB 67 leads users to wrongfully conclude the Village Board underfunded the Police Pension Boards request by $101,942.

Return to Agenda

VILLAGE OF LINCOLNSHIRE, ILLINOIS

STATEMENT OF NET POSITION

December 31, 2015

	Primary Government		
	Governmental Activities	**Business-Type Activities**	**Total**
ASSETS			
Cash and cash equivalents	$ 5,492,898	$ 849,035	$ 6,341,933
Investments	10,005,103	899,507	10,904,610
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	2,587,375	-	2,587,375
Other taxes	2,242,526	-	2,242,526
Accounts	123,940	489,588	613,528
Accrued interest	1,131	-	1,131
Other	39,596	20,882	60,478
Due to/from other funds	378	(378)	-
Prepaid expenses	126,324	9,667	135,991
Land held for resale	1,305,000	-	1,305,000
Capital assets not being depreciated	43,515,127	106,833	43,621,960
Capital assets (net of accumulated depreciation)	27,018,033	35,311,122	62,329,155
Total assets	92,457,431	37,686,256	130,143,687
DEFERRED OUTFLOWS OF RESOURCES			
Pension items - IMRF	996,471	314,675	1,311,146
Pension items - police pension	1,223,572	-	1,223,572
Total deferred outflows of resources	2,220,043	314,675	2,534,718
Total assets and deferred outflows of resources	94,677,474	38,000,931	132,678,405
LIABILITIES			
Accounts payable	894,650	801,936	1,696,586
Accrued payroll	167,415	22,049	189,464
Deposits payable	1,321,526	-	1,321,526
Accrued interest payable	311,337	12,632	323,969
Other payables	66,990	-	66,990
Unearned revenue	23,318	-	23,318
Noncurrent liabilities			
Due within one year	885,516	191,567	1,077,083
Due in more than one year	21,648,527	1,190,312	22,838,839
Total liabilities	25,319,279	2,218,496	27,537,775
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue	2,587,375	-	2,587,375
Pension items - IMRF	155,252	49,027	204,279
Pension items - police pension	393,444	-	393,444
Total deferred inflows of resources	3,136,071	49,027	3,185,098
Total liabilities and deferred inflows of resources	28,455,350	2,267,523	30,722,873

(This statement is continued on the following page.)

Return to Agenda

VILLAGE OF LINCOLNSHIRE, ILLINOIS

STATEMENT OF NET POSITION (Continued)

December 31, 2015

	Primary Government		
	Governmental Activities	**Business-Type Activities**	**Total**
NET POSITION			
Net investment in capital assets	$ 69,382,066	$ 34,970,306	$ 104,352,372
Restricted for			
Debt service	2,091,449	-	2,091,449
Maintenance of roadways	207,986	-	207,986
Employee retirement	184,014	-	184,014
Public safety	241,792	-	241,792
Unrestricted	(5,885,183)	763,102	(5,122,081)
TOTAL NET POSITION	$ 66,222,124	$ 35,733,408	$ 101,955,532

See accompanying notes to financial statements.

VILLAGE OF LINCOLNSHIRE, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2015

		Program Revenues		
FUNCTIONS/PROGRAMS	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
PRIMARY GOVERNMENT				
Governmental Activities				
General government	$ 3,261,101	$ 316,593	$ -	$ -
Public safety	4,224,091	841,785	39,963	-
Community and economic development	846,364	364,724	-	-
Public works	2,525,799	16,489	185,626	57,602
Parks and open spaces	1,594,035	39,668	20,690	-
Interest	844,605	-	-	-
Total governmental activities	13,295,995	1,579,259	246,279	57,602
Business-Type Activities				
Water and sewer	5,561,073	3,840,582	-	-
TOTAL PRIMARY GOVERNMENT	$ 18,857,068	$ 5,419,841	$ 246,279	$ 57,602

	Net (Expense) Revenue and Change in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	$ (2,944,508)	$ -	$ (2,944,508)
	(3,342,343)	-	(3,342,343)
	(481,640)	-	(481,640)
	(2,266,082)	-	(2,266,082)
	(1,533,677)	-	(1,533,677)
	(844,605)	-	(844,605)
	(11,412,855)	-	(11,412,855)
	-	(1,720,491)	(1,720,491)
	(11,412,855)	(1,720,491)	(13,133,346)
General Revenues			
Taxes			
Property	2,583,554	-	2,583,554
Sales	3,003,789	-	3,003,789
Local use	206,079	-	206,079
Utility	1,304,252	-	1,304,252
Telecommunications	1,172,430	-	1,172,430
Room and admissions	1,931,739	-	1,931,739
Real estate transfer	491,669	-	491,669
Home rule sales tax	1,409,339	-	1,409,339
Income tax	786,574	-	786,574
Investment income	55,477	3,683	59,160
Gain on sale of capital assets	10,235	3,442	13,677
Miscellaneous	84,252	-	84,252
Transfers in (out)	(906,519)	906,519	-
Total	12,132,870	913,644	13,046,514
CHANGE IN NET POSITION	720,015	(806,847)	(86,832)
NET POSITION, JANUARY 1	77,401,747	37,285,369	114,687,116
Change in accounting principle	(11,899,638)	(745,114)	(12,644,752)
NET POSITION, JANUARY 1 (RESTATED)	65,502,109	36,540,255	102,042,364
NET POSITION, DECEMBER 31	$ 66,222,124	$ 35,733,408	$ 101,955,532

See accompanying notes to financial statements.

Return to Agenda

VILLAGE OF LINCOLNSHIRE, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2015

	General Corporate	Retirement	General Capital Projects	Nonmajor Governmental	Total
ASSETS					
Cash and cash equivalents	$ 3,437,328	$ 184,883	$ 285,720	$ 1,475,438	$ 5,383,369
Investments	6,040,056	-	2,601,387	1,363,660	10,005,103
Receivables (net, where applicable, of allowances for uncollectibles)					
Property taxes	833,550	591,950	-	1,161,875	2,587,375
Other taxes	2,153,594	-	-	88,932	2,242,526
Accounts	119,163	-	-	4,777	123,940
Accrued interest	1,131	-	-	-	1,131
Other	39,596	-	-	-	39,596
Due from other funds	378	-	-	-	378
Prepaid items	29,089	-	-	95,235	124,324
Land held for resale	1,305,000	-	-	-	1,305,000
TOTAL ASSETS	$ 13,958,885	$ 776,833	$ 2,887,107	$ 4,189,917	$ 21,812,742

Return to Agenda

	General Corporate	Retirement	General Capital Projects	Nonmajor Governmental	Total
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 468,995	$ 869	$ 172,839	$ 242,527	$ 885,230
Accrued payroll	162,379	-	-	-	162,379
Deposits payable	1,321,526	-	-	-	1,321,526
Other payables	66,990	-	-	-	66,990
Unearned revenue	23,318	-	-	-	23,318
Total liabilities	2,043,208	869	172,839	242,527	2,459,443
DEFERRED INFLOWS OF RESOURCES					
Unavailable tax revenue	833,550	591,950	-	1,161,875	2,587,375
Total liabilities and deferred inflows of resources	2,876,758	592,819	172,839	1,404,402	5,046,818
FUND BALANCES					
Nonspendable in form - prepaid items	29,089	-	-	95,235	124,324
Nonspendable in form - land held for resale	1,305,000	-	-	-	1,305,000
Restricted for debt service	-	-	-	2,091,449	2,091,449
Restricted for maintenance of roadways	-	-	-	207,986	207,986
Restricted for employee retirement	-	184,014	-	-	184,014
Restricted for public safety	-	-	-	241,792	241,792
Unrestricted					
Assigned for capital projects	-	-	2,714,268	149,053	2,863,321
Unassigned - General Fund	9,748,038	-	-	-	9,748,038
Total fund balances	11,082,127	184,014	2,714,268	2,785,515	16,765,924
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 13,958,885	$ 776,833	$ 2,887,107	$ 4,189,917	$ 21,812,742

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, 2015

FUND BALANCES OF GOVERNMENTAL FUNDS		$ 16,765,924
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		70,533,160
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds		
Notes payable		(1,151,094)
SSA bonds payable		(12,715,000)
Compensated absences	$ (265,592)	
Less internal service funds	17,401	(248,191)
Accrued interest on long-term liabilities is shown as a liability on the statement of net position		(311,337)
The net pension liability of the Police Pension Fund are included in the governmental activities in the statement of net position		(5,633,519)
Net pension liability for the Illinois Municipal Retirement Fund is shown as a liability on the statement of net position		(2,768,838)
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings are recognized as deferred outflows and inflows of resources in the statement of net position		
IMRF		841,219
Police Pension		830,128
The net position of the internal service fund is included in the governmental activities in the statement of net position		79,672
NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 66,222,124

See accompanying notes to financial statements.

Return to Agenda

VILLAGE OF LINCOLNSHIRE, ILLINOIS

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

For the Year Ended December 31, 2015

	General Corporate	Retirement	General Capital Projects	Nonmajor Governmental	Total
REVENUES					
Property taxes	$ 694,059	$ 729,778	$ -	$ 1,159,717	$ 2,583,554
Other taxes	10,305,871	-	-	-	10,305,871
Licenses, permits and fees	737,474	-	-	-	737,474
Fines and forfeitures	250,543	-	-	-	250,543
Charges for services	-	-	-	12,220	12,220
Intergovernmental	242,713	-	-	561,898	804,611
Investment income	34,415	502	-	20,560	55,477
Donations	-	-	16,520	-	16,520
Miscellaneous	32,416	6,415	86,503	20,690	146,024
Total revenues	12,297,491	736,695	103,023	1,775,085	14,912,294
EXPENDITURES					
Current					
General government	1,773,326	808,200	41,917	5,183	2,628,626
Public safety	3,684,900	-	-	306,985	3,991,885
Community development	974,500	-	-	-	974,500
Public works	1,318,348	-	-	-	1,318,348
Parks and recreation	1,289,239	-	-	-	1,289,239
Capital outlay	-	-	1,423,871	180,099	1,603,970
Debt service					
Principal retirement	442,446	-	-	345,000	787,446
Interest and fiscal charges	39,136	-	-	805,469	844,605
Total expenditures	9,521,895	808,200	1,465,788	1,642,736	13,438,619
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,775,596	(71,505)	(1,362,765)	132,349	1,473,675
OTHER FINANCING SOURCES (USES)					
Transfers in	-	115,360	1,320,000	-	1,435,360
Transfers (out)	(2,317,300)	-	-	-	(2,317,300)
Sale of capital assets	10,235	-	-	-	10,235
Total other financing sources (uses)	(2,307,065)	115,360	1,320,000	-	(871,705)
NET CHANGE IN FUND BALANCES	468,531	43,855	(42,765)	132,349	601,970
FUND BALANCES, JANUARY 1	10,613,596	140,159	2,757,033	2,653,166	16,163,954
FUND BALANCES, DECEMBER 31	$ 11,082,127	$ 184,014	$ 2,714,268	$ 2,785,515	$ 16,765,924

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, 2015

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$	601,970
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		766,407
Loss on disposal of capital assets		(17,490)
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		442,445
SSA bonds		345,000
Capital lease		11,820
Governmental funds report capital lease proceeds as an other financing source; however, they are reported as debt on the statement of net position		-
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		(1,619,531)
The change in net position of internal service fund is reported as an increase of expense on the statement of activities		28,373
The change in deferred inflows and outflows or resources for is reported only in the statement of activities		
Illinois Municipal Retirement Fund		431,908
Police Pension		(281,030)
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		10,143
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$	720,015

See accompanying notes to financial statements.

Return to Agenda

VILLAGE OF LINCOLNSHIRE, ILLINOIS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

December 31, 2015

	Business-Type Activities	Governmental Activities
	Water and Sanitary Sewer	Internal Service
CURRENT ASSETS		
Cash and cash equivalents	$ 849,035	$ 109,529
Investments	899,507	-
Receivables		
Accounts - billed	304,278	-
Accounts - unbilled	185,310	-
Other receivables	20,882	-
Prepaid expenses	9,667	2,000
Total current assets	2,268,679	111,529
CAPITAL ASSETS		
Nondepreciable	106,833	-
Depreciable, net of accumulated depreciation	35,311,122	-
Net capital assets	35,417,955	-
Total assets	37,686,634	111,529
DEFERRED OUTFLOWS OF RESOURCES		
Pension items - IMRF	314,675	-
Total deferred outflows of resources	314,675	-
CURRENT LIABILITIES		
Accounts payable	801,936	9,420
Accrued payroll	22,049	5,036
Accrued interest payable	12,632	-
Due to other funds	378	-
Compensated absences payable	14,965	4,350
Current portion of notes payable	176,602	-
Total current liabilities	1,028,562	18,806
LONG-TERM LIABILITIES		
Compensated absences payable	44,895	13,051
IMRF net pension liability	874,370	-
Notes payable	271,047	-
Total long-term liabilities	1,190,312	13,051
Total liabilities	2,218,874	31,857

(This statement is continued on the following page.)

Return to Agenda

VILLAGE OF LINCOLNSHIRE, ILLINOIS

STATEMENT OF NET POSITION (Continued)
PROPRIETARY FUNDS

December 31, 2015

	Business-Type Activities	Governmental Activities
	Water and Sanitary Sewer	Internal Service
DEFERRED INFLOWS OF RESOURCES		
Pension items - IMRF	$ 49,027	$ -
Total deferred inflows of resources	49,027	-
NET POSITION		
Net investment in capital assets	34,970,306	-
Unrestricted	763,102	79,672
TOTAL NET POSITION	$ 35,733,408	$ 79,672

See accompanying notes to financial statements.

Return to Agenda

VILLAGE OF LINCOLNSHIRE, ILLINOIS

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

For the Year Ended December 31, 2015

	Business-Type Activities	Governmental Activities
	Water and Sanitary Sewer	Internal Service
OPERATING REVENUES		
Charges for services	$ 3,769,020	$ 430,000
Miscellaneous	17,660	-
Total operating revenues	3,786,680	430,000
OPERATING EXPENSES		
Administration	369,709	-
Operations	3,426,199	-
Repairs and maintenance	204,259	377,048
Total operating expenses	4,000,167	377,048
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	(213,487)	52,952
Depreciation	1,545,687	-
OPERATING INCOME (LOSS)	(1,759,174)	52,952
NON-OPERATING REVENUES (EXPENSES)		
Investment income	3,683	-
Sale of capital assets	3,442	-
Interest expense	(15,219)	-
Connection fees	53,902	-
Total non-operating revenues (expenses)	45,808	-
NET INCOME (LOSS) BEFORE TRANSFERS	(1,713,366)	52,952
TRANSFERS		
Transfers in	997,300	-
Transfers (out)	(90,781)	(24,579)
Total transfers	906,519	(24,579)
CHANGE IN NET POSITION	(806,847)	28,373
NET POSITION, JANUARY 1	37,285,369	51,299
Change in accounting principal	(745,114)	-
NET POSITION, JANUARY 1 (RESTATED)	36,540,255	51,299
NET POSITION, DECEMBER 31	$ 35,733,408	$ 79,672

See accompanying notes to financial statements.

Return to Agenda

VILLAGE OF LINCOLNSHIRE, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended December 31, 2015

	Business-Type Activities	Governmental Activities
	Water and Sanitary Sewer	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	$ 3,804,350	$ -
Receipts from interfund services	-	430,000
Payments to suppliers	(3,354,166)	(240,354)
Payments to employees	(483,881)	(157,181)
Other income	17,660	-
Net cash from operating activities	(16,037)	32,465
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers	906,519	(24,579)
Decrease of interfund balances	(378)	-
Net cash from noncapital financing activities	906,141	(24,579)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital assets purchased	(1,293,929)	-
Connection fees	53,902	-
Note principal payments	(172,062)	-
Note interest payments	(15,220)	-
Net cash from capital and related financing activities	(1,427,309)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment securities	(1,157)	-
Interest received	3,683	-
Net cash from investing activities	2,526	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(534,679)	7,886
CASH AND CASH EQUIVALENTS, JANUARY 1	1,383,714	101,643
CASH AND CASH EQUIVALENTS, DECEMBER 31	$ 849,035	$ 109,529

(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, 2015

	Business-Type Activities	Governmental Activities
	Water and Sanitary Sewer	Internal Service
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income (loss)	$ (1,759,174)	$ 52,952
Adjustments to reconcile operating income (loss) to net cash from operating activities		
Depreciation	1,545,687	-
(Increase) decrease in		
Receivables	35,330	-
Prepaid expense	(9,337)	(2,000)
Increase (decrease) in		
Accounts payable	285,629	(18,820)
Accrued payroll	5,037	548
Compensated absences payable	17,183	(215)
Pension items	(136,392)	-
NET CASH FROM OPERATING ACTIVITIES	$ (16,037)	$ 32,465
NONCASH TRANSACTIONS		
Capital asset contributions	$ -	$ -

See accompanying notes to financial statements.

Return to Agenda

VILLAGE OF LINCOLNSHIRE, ILLINOIS

STATEMENT OF FIDUCIARY NET POSITION
POLICE PENSION TRUST FUND

December 31, 2015

ASSETS	
Cash and cash equivalents	$ 11,806
Investments	
U.S. Treasury obligations	2,618,955
U.S. agencies securities	728,826
Equity mutual funds	11,472,306
Money market mutual funds	337,359
Corporate bonds	2,725,048
Municipal bonds	302,975
Equities	680,993
Negotiable certificates of deposit	102,883
Receivables	
Accrued interest	42,581
Prepaid expense	6,127
Total assets	19,029,859
LIABILITIES	
Accounts payable	10,179
Total liabilities	10,179
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	$ 19,019,680

See accompanying notes to financial statements.

Return to Agenda

VILLAGE OF LINCOLNSHIRE, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
POLICE PENSION TRUST FUND

For the Year Ended December 31, 2015

ADDITIONS	
Contributions - employer	$ 618,665
Contributions - employee	208,270
Other contributions	15
Total contributions	826,950
Investment income	
Net depreciation in fair value of investments	(765,528)
Interest earned on investments	555,946
Total investment income	(209,582)
Less investment expense	(60,769)
Net investment income	(270,351)
Total additions	556,599
DEDUCTIONS	
Benefits	960,345
Administrative	28,855
Total deductions	989,200
NET INCREASE (DECREASE)	(432,601)
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	
January 1	19,452,281
December 31	$ 19,019,680

See accompanying notes to financial statements.

VILLAGE OF LINCOLNSHIRE, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

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 Water and Sewer Revenue Account and Water and Sewer Improvement Account, accounts for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis 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.

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 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. Sales taxes, telecommunications taxes and use taxes use a 90-day period. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

e. Cash and Investments

Cash and Cash Equivalents

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

f. Investments

Investments with a maturity of less than one year when purchased 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, 2015 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."

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Advances to Other Funds

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

i. Prepaid Items/Expenses

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

j. Land Held for Resale

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

k. Capital Assets

Capital assets, which include property, plant, equipment, water and sewer system, intangible assets and infrastructure assets (e.g., roads, bridges and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost in excess of $200,000 for infrastructure assets, $100,000 for land and improvements and building and improvements and more than $10,000 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Capital Assets (Continued)

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

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

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

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

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

l. 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.

m. Long-Term Obligations

In the government-wide financial statements and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund financial statements. Bond premiums and discounts, as well as

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Long-Term Obligations (Continued)

gains/losses on refundings, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. The gain/loss on refunding is reported as a deferred inflow/outflow of resources. Bond issuance costs are expensed in the year of issuance.

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

n. Fund Equity/Net Position

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

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

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. Fund Equity/Net Position (Continued)

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.

o. Interfund Transactions

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

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

p. Accounting Estimates

The preparation of financial statements in conformity with 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.

q. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. This deferred outflow relates to the implementation of GASB Statement No. 68 and is detailed in Note 10.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has two types of this item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

q. Deferred Outflows/Inflows of Resources (Continued)

category. Accordingly, the item, deferred/unavailable revenue, is reported only in the governmental funds balance sheet/statement of net position. The governmental funds report deferred/unavailable revenues from one source: property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second relates to the implementation of GASB Statement No. 68 and is detailed in Note 10.

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 Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services and Illinois Funds.

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.

2. DEPOSITS AND INVESTMENTS (Continued)

b. Village Investments

The following table presents the investments and maturities of the Village's investments as of December 31, 2015:

		Investment Maturities (in Years)			
	Fair Value	Less than 1	1-5	6-10	Greater than 10
IMET 1-3 Year Fund	$ 2,606,838	$ -	$ 2,606,838	$ -	$ -
TOTAL	$ 2,606,838	$ -	$ 2,606,838	$ -	$ -

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.

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.

2. DEPOSITS AND INVESTMENTS (Continued)

b. Village Investments (Continued)

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

3. RECEIVABLES - TAXES

Property taxes for 2015 attach as an enforceable lien on January 1, 2015 on property values assessed as of the same date. Taxes are levied by December of the fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about May 1, 2016 and August 1, 2016 and are payable in two installments, on or about June 1, 2016 and September 1, 2016. The County collects such taxes and remits them periodically. As the 2015 tax levy is intended to fund expenditures for the 2016 fiscal year, these taxes are deferred as of December 31, 2015.

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2015 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	$ 27,421,013	$ -	$ -	$ 27,421,013
Right of way	15,031,412	-	-	15,031,412
Easements	973,835	-	-	973,835
Construction in progress	8,718	88,867	8,718	88,867
Total capital assets not being depreciated	43,434,978	88,867	8,718	43,515,127
Capital assets being depreciated				
Land improvements	7,624,446	-	-	7,624,446
Buildings and improvements	8,160,022	67,268	-	8,227,290
Infrastructure	44,047,445	57,674	-	44,105,119
Machinery and equipment	3,396,575	561,316	282,679	3,675,212
Total capital assets being depreciated	63,228,488	686,258	282,679	63,632,067
Less accumulated depreciation for				
Land improvements	3,751,347	317,732	-	4,069,078
Buildings and improvements	4,058,864	214,670	-	4,273,534
Infrastructure	25,222,173	826,085	-	26,048,258
Machinery and equipment	2,227,308	261,044	265,189	2,223,163
Total accumulated depreciation	35,259,692	1,619,531	265,189	36,614,034
Total capital assets being depreciated, net	27,968,796	(933,273)	17,490	27,018,033
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	$ 71,403,774	$ (844,406)	$ 26,208	$ 70,533,160

4. CAPITAL ASSETS (Continued)

	Beginning Balances	Increases	Decreases	Ending Balances
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	$ 106,833	$ -	$ -	$ 106,833
Construction in progress	54,821	-	54,821	-
Total capital assets not being depreciated	161,654	-	54,821	106,833
Capital assets being depreciated				
Buildings	1,580,063	93,414	14,637	1,658,840
Underground water and sewerage system	82,278,549	1,167,283	-	83,445,832
Furniture, machinery and equipment	1,120,882	101,393	131,982	1,090,293
Total capital assets being depreciated	84,979,494	1,362,090	146,619	86,194,965
Less accumulated depreciation for				
Buildings	985,603	35,792	14,637	1,006,757
Underground water and sewerage system	47,733,962	1,446,906	-	49,180,868
Furniture, machinery and equipment	756,068	62,989	122,840	696,217
Total accumulated depreciation	49,475,633	1,545,687	137,477	50,883,843
Total capital assets being depreciated, net	35,503,861	(183,597)	9,142	35,311,122
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	$ 35,665,515	$ (183,597)	$ 63,963	$ 35,417,955

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

GOVERNMENTAL ACTIVITIES	
General government	$ 847,366
Public safety	86,601
Community development	7,745
Public works	144,897
Parks and recreation	532,922
DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	$ 1,619,531

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

5. RISK MANAGEMENT (Continued)

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.

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 (Restated)	Additions	Reductions	Balances December 31	Current Portion
GOVERNMENTAL ACTIVITIES					
Notes payable	$ 1,593,539	$ -	$ 442,445	$ 1,151,094	$ 454,118
Special service area bonds	13,060,000	-	345,000	12,715,000	365,000
Capital lease	11,820	-	11,820	-	-
Net pension liability - IMRF	2,359,527	409,311	-	2,768,838	-
Net pension liability - Police	4,522,361	1,111,158	-	5,633,519	-
Compensated absences*	258,334	55,441	65,584	248,191	62,048
Compensated absences - internal service*	17,616	4,189	4,404	17,401	4,350
TOTAL GOVERNMENTAL ACTIVITIES	$ 21,823,197	$ 1,580,099	$ 869,253	$ 22,534,043	$ 885,516

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

6. LONG-TERM DEBT (Continued)

a. Changes in Long-Term Liabilities (Continued)

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

	Balances January 1 (Restated)	Additions	Reductions	Balances December 31	Current Portion
BUSINESS-TYPE ACTIVITIES					
Promissory notes payable	$ 619,711	$ -	$ 172,062	$ 447,649	$ 176,602
Net pension liability - IMRF	745,114	129,256	-	874,370	-
Compensated absences	42,677	27,852	10,669	59,860	14,965
TOTAL BUSINESS-TYPE ACTIVITIES	$ 1,407,502	$ 157,108	$ 182,731	$ 1,381,879	$ 191,567

The NPL for IMRF and Police are retired by the General and Water Funds.

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	$ 1,593,539	$ -	$ 442,445	$ 1,151,094	$ 454,118
TOTAL GOVERNMENTAL ACTIVITIES		$ 1,593,539	$ -	$ 442,445	$ 1,151,094	$ 454,118

6. LONG-TERM DEBT (Continued)

b. Notes Payable (Continued)

Issue	Fund Debt Retired By	Balances January 1	Additions	Reductions	Balances December 31	Current Portion
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	$ 619,7111	$ -	$ 172,062	$ 447,649	$ 176,602
TOTAL BUSINESS-TYPE ACTIVITIES		$ 619,7111	$ -	$ 172,062	$ 447,649	$ 176,602

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
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	$ 1,151,094	$ 45,875	$ 1,196,969	$ 447,649	$ 17,841	$ 465,490

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	$ 13,060,000	$ -	$ 345,000	$ 12,715,000	$ 365,000
TOTAL		$ 13,060,000	$ -	$ 345,000	$ 12,715,000	$ 365,000

6. LONG-TERM DEBT (Continued)

c. Special Service Area Bonds (Continued)

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

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
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	$ 12,715,000	$ 9,363,438	$ 22,078,438

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.

6. LONG-TERM DEBT (Continued)

d. Legal Debt Margin (Continued)

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

The Village qualifies as a Home Rule Unit under Section 6(a) of Article VII of the 1970 Constitution of Illinois and, under the powers granted by this section, can exercise any power and perform any function pertaining to its government and affairs that is not prohibited by the ILCS.

7. INTERFUND ASSETS/LIABILITIES

a. Transfers

Interfund transfers during the year ended December 31, 2015 consisted of the following:

Fund	Transfers In	Transfers Out
Major Governmental Funds		
General Corporate Fund	$ -	$ 2,317,300
General Capital Fund	1,320,000	-
Retirement Fund	115,360	-
Total Major Governmental Funds	1,435,360	2,317,300
Nonmajor Governmental Funds		
Vehicle Maintenance	-	24,579
Total Nonmajor Governmental Funds	-	24,579
Enterprise Funds		
Water and Sanitary Sewer Revenue	-	90,781
Water and Sanitary Sewer Improvements	997,300	-
Total Enterprise Funds	997,300	90,781
TOTAL	$ 2,432,660	$ 2,432,660

7. INTERFUND ASSETS/LIABILITIES (Continued)

a. Transfers (Continued)

The purpose of significant transfers is as follows:

- $1,320,000 transferred from the General Corporate Fund to the General Capital Fund to fund capital improvements. This amount will not be repaid.

- $997,300 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.

- $115,360 transferred from the Water and Sewer Revenue Fund ($90,781) and Vehicle Maintenance Fund ($24,579) to the IMRF Fund to fund the Village's share of Social Security, Medicare and IMRF costs. These amounts will not be repaid.

b. Due From/To Other Funds

Due from/to other funds at December 31, 2015 consisted of the following:

Fund	Due From	Due To
Major Governmental		
General Corporate	$ -	$ 378
Enterprise		
Water and Sanitary Sewer Revenue	378	-
Total	$ 378	$ 378

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.

8. CONTINGENT LIABILITIES (Continued)

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 2015, the Village rebated approximately $88,029 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 2015, the Village rebated approximately $253,352 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 2015, the Village rebated approximately $35,643 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

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). The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available report that includes financial statements and supplementary information for the plan as a whole but not by individual employer. That report may be obtained by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Plan Administration

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

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

Plan Membership

At December 31, 2015, IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	34
Inactive employees entitled to but not yet receiving benefits	33
Active employees	38
TOTAL	105

Benefits Provided

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011 are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Benefits Provided (Continued)

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

Contributions

Participating members are required to contribute 4.5% of their annual covered salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rate for the calendar year ended December 31, 2015 was 15.44% of covered payroll.

Actuarial Assumptions

The Village's net pension liability was measured as of December 31, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2015
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.75%
Salary increases	3.75% to 14.50%
Interest rate	7.50%
Cost of living adjustments	3.00%
Asset valuation method	Market value

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

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

Discount Rate

The discount rate used to measure the total pension liability was 7.47%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Village's fiduciary net position was projected not 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 of 7.50% was blended with the index rate of 3.57% for tax exempt general obligation municipal bonds rated AA or better at December 31, 2015 to arrive at a discount rate of 7.47% used to determine the total pension liability.

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2015	$ 18,893,731	$ 15,789,090	$ 3,104,641
Changes for the period			
Service cost	313,571	-	313,571
Interest	1,397,410	-	1,397,410
Difference between expected and actual experience	(159,981)	-	(159,981)
Changes in assumptions	-	-	-
Employer contributions	-	596,673	(596,673)
Employee contributions	-	137,799	(137,799)
Net investment income	-	79,064	(79,064)
Benefit payments and refunds	(687,105)	(687,105)	-
Administrative expense	-	-	-
Other (net transfer)	-	198,897	(198,897)
Net changes	863,895	325,328	538,567
BALANCES AT DECEMBER 31, 2015	$ 19,757,626	$ 16,114,418	$ 3,643,208

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

For the year ended December 31, 2015, the Village recognized pension expense of $94,353. At December 31, 2015, the Village reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 204,279
Changes in assumption	295,294	-
Net difference between projected and actual earnings on pension plan investments	1,015,852	-
Employer contributions after the measurement date	-	-
TOTAL	$ 1,311,146	$ 204,279

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

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

Year Ending December 31,	
2016	$ 321,452
2017	321,452
2018	243,903
2019	220,060
2020	-
Thereafter	-
TOTAL	$ 1,106,867

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Village calculated using the discount rate of 7.47% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.47%) or 1 percentage point higher (8.47%) than the current rate:

	1% Decrease (6.47%)	Current Discount Rate (7.47%)	1% Increase (8.47%)
Net pension liability	$ 6,339,712	$ 3,643,208	$ 1,431,385

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.

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Plan Administration (Continued)

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, 2015, the Police Pension Plan membership consisted of:

Inactive plan members currently receiving benefits	17
Inactive plan members entitled to benefits but not yet receiving them	-
Active plan members	
Vested	14
Nonvested	9
TOTAL	40

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 ½ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5% 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

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Benefits Provided (Continued)

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 $111,572 for 2015, plus the amount automatically increases by the lesser of ½ 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., 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 ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. It is the Village's policy to fund the pension plan to achieve 100% funding by the same date. The employer contribution for the fiscal year ended December 31, 2015 was 29.44% 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).

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investment Policy (Continued)

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in 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, 2015 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:

Asset Class	Target	Long-Term Expected Real Rate of Return
Large cap U.S. equities	22.00%	6.50%
Mid cap U.S. equities	6.50%	7.50%
Small cap U.S. equities	6.50%	8.25%
International U.S. equities	15.00%	6.50%
Multi class	15.00%	3.70%
Intermediate Term fixed income	32.00%	0.25%
Cash	3.00%	0.00%

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.

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

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, 2015, the Fund had greater than 5% of its fixed income portfolio invested in obligations of the U.S. Treasury notes (13.81%), Equity Mutual Funds (60.48%) and corporate bonds (14.37%). The investment policy does not include any limitations on how much U.S. Treasury or agency securities can be held in the portfolio.

Investment Rate of Return

For the year ended December 31, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (1.35%). 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.

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Interest Rate Risk

The following table presents the investments and maturities of the Fund's debt securities as of December 31, 2015:

		Investment Maturities (in Years)			
	Fair Value	Less than 1	1-3	4-6	Greater than 6
U.S. Treasury notes	$ 2,618,955	$ 420,629	$ 937,125	$ 726,224	$ 534,977
FHLMC notes	130,302	-	-	-	130,302
FNMA notes	478,586	-	-	27,666	450,920
GNMA notes	102,189	-	-	-	102,189
SBA	17,749	-	-	-	17,749
Corporate bonds	2,725,048	267,207	445,515	1,164,874	847,452
Municipal bonds	302,975	86,824	133,318	82,833	-
Negotiable certificates of deposit	102,883	-	102,883	-	-
TOTAL	$ 6,478,687	$ 774,660	$ 1,618,841	$ 2,001,597	$ 2,083,589

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.

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 FHMLC, FNMA, GNMA, 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, 2015. The Fund's investment policy requires corporate and municipal bonds to be rated in one of the three highest classifications.

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

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.

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2015 using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2015
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, 2015 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated September 26, 2012.

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

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.

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	$ 9,465,786	$ 5,633,519	$ 2,530,954

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2015	$ 23,974,642	$ 19,452,281	$ 4,522,361
Changes for the period			
Service cost	535,944	-	535,944
Interest	1,561,977	-	1,561,977
Difference between expected and actual experience	(459,019)	-	(459,019)
Changes in assumptions	-	-	-
Employer contributions	-	618,665	(618,665)
Employee contributions	-	208,270	(208,270)
Net investment income	-	(270,336)	270,336
Benefit payments and refunds	(960,345)	(960,345)	-
Administrative expense	-	(28,855)	28,855
Other (net transfer)	-	-	-
Net changes	678,557	(432,601)	1,111,158
BALANCES AT DECEMBER 31, 2015	$ 24,653,199	$ 19,019,680	$ 5,633,519

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

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

For the year ended December 31, 2015, the Village recognized pension expense of $489,300. At December 31, 2015, the Village reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 393,444
Changes in assumption	-	-
Net difference between projected and actual earnings on pension plan investments	1,223,572	-
Employer contributions after the measurement date	-	-
TOTAL	$ 1,223,572	$ 393,444

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

Year Ending December 31,	
2016	$ 240,319
2017	240,319
2018	240,319
2019	240,319
2020	(65,574)
Thereafter	(65,574)
TOTAL	$ 830,128

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.

11. CHANGES IN ACCOUNTING PRINCIPLE

With the implementation of GASB Statement No. 68, the Village is required to retroactively record the net pension liability. The Village recorded the following change in accounting principle during the year ended December 31, 2015:

	Increase (Decrease)
CHANGE IN ACCOUNTING PRINCIPLE - GOVERNMENTAL ACTIVITIES	
Change in accounting principle	
To record the IMRF net pension liability	$ (2,359,527)
To eliminate prior year's net pension asset	(5,017,750)
To record the Police Pension Plan net pension liability	(4,522,361)
TOTAL CHANGE IN ACCOUNTING PRINCIPLE - GOVERNMENTAL ACTIVITIES	$ (11,899,638)

	Increase (Decrease)
CHANGE IN ACCOUNTING PRINCIPLE - BUSINESS-TYPE ACTIVITIES	
Change in accounting principle	
To record the IMRF net pension liability	$ (745,114)
TOTAL CHANGE IN ACCOUNTING PRINCIPLE - BUSINESS-TYPE ACTIVITIES	$ (745,114)

Return to Agenda

REQUIRED SUPPLEMENTARY INFORMATION

Return to Agenda

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, 2015

	Original Appropriation	Final Appropriation	Original and Final Budget	Actual
REVENUES				
Property taxes			$ 73,000	$ 694,059
Other taxes			9,610,000	10,305,871
Licenses, permits and fees			580,500	737,474
Fines and forfeitures			380,000	250,543
Intergovernmental			189,450	242,713
Investment income			22,000	34,415
Miscellaneous			12,000	32,416
Total revenues			10,866,950	12,297,491
EXPENDITURES				
Current				
General government	$ 2,167,000	$ 2,167,000	1,969,995	1,773,326
Public safety	3,508,400	4,138,400	3,819,450	3,684,900
Community and economic development	1,172,300	1,172,300	1,031,400	974,500
Public works	1,562,100	1,562,100	1,420,125	1,318,348
Parks and open spaces	1,516,800	1,516,800	1,378,875	1,289,239
Debt service				
Principal retirement	481,600	481,600	442,446	442,446
Interest and fiscal charges	-	-	39,136	39,136
Total expenditures	$ 10,408,200	$ 11,038,200	10,101,427	9,521,895
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			765,523	2,775,596
OTHER FINANCING SOURCES (USES)				
Transfers (out)	$ (1,391,200)	$ (2,598,300)	(2,317,300)	(2,317,300)
Sale of capital assets	-	-	20,000	10,235
Total other financing sources (uses)	$ (1,391,200)	$ (2,598,300)	(2,297,300)	(2,307,065)
NET CHANGE IN FUND BALANCE			$ (1,531,777)	468,531
FUND BALANCE, JANUARY 1				10,613,596
FUND BALANCE, DECEMBER 31				$ 11,082,127

(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, 2015

	Original and Final Appropriation	Original and Final Budget	Actual
REVENUES			
Taxes			
Property		$ 798,980	$ 729,778
Investment income		155	502
Miscellaneous			
Other income		-	6,415
Total revenues		799,135	736,695
EXPENDITURES			
General government			
Personnel services	$ 1,009,500	909,005	800,080
Contractual services	-	2,400	2,900
Other charges	-	6,400	5,220
Total expenditures	$ 1,009,500	917,805	808,200
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		(118,670)	(71,505)
OTHER FINANCING SOURCES (USES)			
Transfers in		118,670	115,360
Total other financing sources (uses)		118,670	115,360
NET CHANGE IN FUND BALANCE		$ -	43,855
FUND BALANCE, JANUARY 1			140,159
FUND BALANCE, DECEMBER 31			$ 184,014

(See independent auditor's report.)

VILLAGE OF LINCOLNSHIRE, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

December 31, 2015

	2015
Actuarially determined contribution	$ 446,674
Contributions in relation to the actuarially determined contribution	596,673
CONTRIBUTION DEFICIENCY (Excess)	$ (149,999)
Covered-employee payroll	$ 2,892,964
Contributions as a percentage of covered-employee payroll	20.62%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of December 31, 2013. 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 28 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.5% annually, projected salary increases assumption of 4.4% to 16.0% compounded annually and postretirement benefit increases of 3% compounded annually.

(See independent auditor's report.)

Return to Agenda

VILLAGE OF LINCOLNSHIRE, ILLINOIS

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

December 31, 2015

	2015
TOTAL PENSION LIABILITY	
Service cost	$ 313,571
Interest	1,397,410
Changes in benefit terms	-
Differences between expected and actual experience	(159,981)
Changes of assumptions	-
Benefit payments, including refunds of member contributions	(687,105)
Net change in total pension liability	863,895
Total pension liability - beginning	18,893,731
TOTAL PENSION LIABILITY - ENDING	$ 19,757,626
PLAN FIDUCIARY NET POSITION	
Contributions - employer	$ 596,673
Contributions - member	137,799
Net investment income	79,064
Benefit payments, including refunds of member contributions	(687,105)
Administrative expense	198,897
Net change in plan fiduciary net position	325,328
Plan fiduciary net position - beginning	15,789,090
PLAN FIDUCIARY NET POSITION - ENDING	$ 16,114,418
EMPLOYER'S NET PENSION LIABILITY	$ 3,643,208
Plan fiduciary net position as a percentage of total pension liability	82%
Covered-employee payroll	$ 2,892,964
Employer's net pension liability as a percentage of covered-employee payroll	126%

(See independent auditor's report.)

Return to Agenda

VILLAGE OF LINCOLNSHIRE, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND

Last Ten Fiscal Years

	2006*	2007	2008	2009	2010	2011	2012	2013	2014	2015
Actuarially determined contribution	$ 321,728	$ 483,226	$ 497,262	$ 454,383	$ 563,551	$ 514,585	$ 545,957	$ 527,434	$ 553,629	$ 692,133
Contribution in relation to the actuarially determined contribution	587,154	1,111,733	1,063,146	1,101,333	1,012,592	1,032,840	961,521	1,059,747	589,303	618,665
CONTRIBUTION DEFICIENCY (Excess)	$ (265,426)	$ (628,507)	$ (565,884)	$ (646,950)	$ (449,041)	$ (518,255)	$ (415,564)	$ (532,313)	$ (35,674)	$ 73,468
Covered-employee payroll	$ 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	$ 2,101,615
Contributions as a percentage of Covered-employee payroll	34.06%	N/A	54.65%	54.25%	50.37%	54.28%	49.99%	51.47%	28.30%	29.44%

* 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.

The information presented was determined as part of the actuarial valuations as of December 31, 2015. 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 28 years; the asset valuation method was market; and the significant actuarial assumptions were an investment rate of return at 6.5% annually, projected salary increases assumption of 3.62% to 7.69% compounded annually and postretirement benefit increases of 3% compounded annually.

(See independent auditor's report.)

Return to Agenda

VILLAGE OF LINCOLNSHIRE, ILLINOIS

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

December 31, 2015

	2015
TOTAL PENSION LIABILITY	
Service cost	$ 535,944
Interest	1,561,977
Changes of benefit terms	-
Differences between expected and actual experience	(459,019)
Changes of assumptions	-
Benefit payments, including refunds of member contributions	(960,345)
Net change in total pension liability	678,557
Total pension liability - beginning	23,974,642
TOTAL PENSION LIABILITY - ENDING	$ 24,653,199
PLAN FIDUCIARY NET POSITION	
Contributions - employer	$ 618,665
Contributions - member	208,270
Contributions - other	15
Net investment income	(270,351)
Benefit payments, including refunds of member contributions	(960,345)
Administrative expense	(28,855)
Net change in plan fiduciary net position	(432,601)
Plan fiduciary net position - beginning	19,452,281
PLAN FIDUCIARY NET POSITION - ENDING	$ 19,019,680
EMPLOYER'S NET PENSION LIABILITY	$ 5,633,519
Plan fiduciary net position as a percentage of the total pension liability	77.15%
Covered-employee payroll	$ 2,101,615
Employer's net pension liability as a percentage of covered-employee payroll	268.06%

(See independent auditor's report.)

Return to Agenda

VILLAGE OF LINCOLNSHIRE, ILLINOIS

SCHEDULE OF INVESTMENT RETURNS
POLICE PENSION FUND

December 31, 2015

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

(See independent auditor's report.)

VILLAGE OF LINCOLNSHIRE, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2015

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. 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.

A supplemental appropriations was passed for the General and Police Pension Funds.

Return to Agenda

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

Return to Agenda

MAJOR GOVERNMENTAL FUNDS

Return to Agenda

VILLAGE OF LINCOLNSHIRE, ILLINOIS

SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL CORPORATE FUND

For the Year Ended December 31, 2015

	Original and Final Budget	Actual
OTHER TAXES		
Property tax - Police Pension Fund	$ -	$ 618,665
Road and bridge	73,000	75,394
Total property taxes	73,000	694,059
OTHER TAXES		
State income	690,000	786,574
Sales	2,925,000	3,003,789
Home rule sales	1,395,000	1,409,339
Utility	1,375,000	1,304,252
Telecommunication	1,185,000	1,172,430
Room and admissions	1,720,000	1,931,739
Real estate transfer	200,000	491,669
State use	120,000	206,079
Total other taxes	9,610,000	10,305,871
LICENSES AND PERMITS		
SWALCO rebate	10,000	2,597
Liquor licenses	64,000	70,675
Beach tags	5,500	7,872
Park user fees	27,000	31,796
Amusement devices	2,900	3,850
Application fees	7,500	13,925
Engineering fees	12,000	10,280
Planner fees	3,000	10,437
Plan review fees	45,000	53,508
Annexation fees	1,600	-
Building permit fees	200,000	286,854
Fire review and inspection fees	-	25,580
Elevator inspection fees	-	18,950
Engineering review and inspection fees	-	2,443
Acreage impact fees	22,500	-
Forester fees	1,000	-
Miscellaneous licenses and fees	15,000	585
Cable TV franchise fees	145,000	175,358
Yardwaste refuse stickers	1,500	6,209
Taste of Lincolnshire	15,000	15,055
Waste hauler fees	2,000	1,500
Total licenses and permits	580,500	737,474

(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, 2015

	Original and Final Budget	Actual
FINES AND FORFEITURES		
Court fines	$ 300,000	$ 208,003
False alarm fines and fees	5,000	15,590
Administrative tow fees	75,000	26,950
Total fines and forfeitures	380,000	250,543
INTERGOVERNMENTAL		
Police grants	6,500	12,348
Police training reimbursements	-	193
Miscellaneous grants	182,950	230,172
Total intergovernmental	189,450	242,713
INVESTMENT INCOME	22,000	34,415
MISCELLANEOUS		
Miscellaneous income	12,000	32,416
Total miscellaneous	12,000	32,416
TOTAL REVENUES	$ 10,866,950	$ 12,297,491

(See independent auditor's report.)

VILLAGE OF LINCOLNSHIRE, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL CORPORATE FUND

For the Year Ended December 31, 2015

	Original Appropriation	Final Appropriation	Original and Final Budget	Actual
GENERAL GOVERNMENT				
Administration services				
Personnel services				
Regular salaries	$ 338,500	$ 338,500	$ 242,500	$ 232,445
Part time wages	-	-	7,800	6,168
Overtime salaries	-	-	2,000	-
Total personnel services	338,500	338,500	252,300	238,613
Contractual services				
Equipment maintenance	-	-	500	-
Professional services	-	-	5,000	-
Total contractual services	-	-	5,500	-
Other charges				
Memberships	-	-	12,000	9,144
Vehicle expenditures	-	-	4,800	4,800
Professional development	-	-	20,000	18,283
Publications	-	-	600	572
Classified advertisements	-	-	2,000	3,581
Boards and commissions	-	-	3,000	1,907
Business expenditures	-	-	7,500	1,773
Total other charges	-	-	49,900	40,060
Total administrative services	338,500	338,500	307,700	278,673
Finance				
Personnel services				
Regular salaries	288,800	288,800	224,200	228,069
Part time wages	-	-	11,750	12,309
Overtime salaries	-	-	500	-
Total personnel services	288,800	288,800	236,450	240,378
Contractual services				
Printing	-	-	825	623
Equipment maintenance	-	-	200	254
Professional services	-	-	18,380	19,494
Legal notices	-	-	900	963
Outside services	-	-	100	81
Total contractual services	-	-	20,405	21,415

(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, 2015

	Original Appropriation	Final Appropriation	Original and Final Budget	Actual
GENERAL GOVERNMENT (Continued)				
Finance (Continued)				
Other charges				
Memberships	$ -	$ -	$ 800	$ 685
Professional development	-	-	4,000	3,160
Publications	-	-	175	36
Minor equipment	-	-	300	-
Business expenditures	-	-	400	398
Total other charges	-	-	5,675	4,279
Total finance	288,800	288,800	262,530	266,072
Insurance and common				
Contractual services				
Telephone	1,539,700	1,539,700	20,680	20,064
Printing	-	-	16,920	14,470
Equipment maintenance	-	-	1,500	1,224
Professional services	-	-	100,800	74,875
Data systems	-	-	22,510	21,335
Postage	-	-	7,000	8,159
Duplicating	-	-	12,460	8,899
Medical insurance	-	-	678,100	621,059
General insurance	-	-	217,090	208,746
Outside services	-	-	198,180	202,282
Total contractual services	1,539,700	1,539,700	1,275,240	1,181,113
Commodities				
Office supplies	-	-	15,840	11,499
Total commodities	-	-	15,840	11,499
Other charges				
Minor equipment	-	-	11,750	11,783
Bad debt provision	-	-	-	49
Total other charges	-	-	11,750	11,832
Capital outlay				
Office equipment	-	-	8,100	-
Computer equipment	-	-	88,835	24,137
Total capital outlay	-	-	96,935	24,137
Total insurance and common	1,539,700	1,539,700	1,399,765	1,228,581
Total general government	2,167,000	2,167,000	1,969,995	1,773,326

(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, 2015

	Original Appropriation	Final Appropriation	Original and Final Budget	Actual
PUBLIC SAFETY				
Police				
Personnel services				
Regular salaries	$ 3,508,400	$ 3,508,400	$ 2,530,000	$ 2,457,705
Overtime salaries	-	-	125,000	175,298
Overtime contract services	-	-	44,000	41,591
Retirement reserves	-	630,000	630,000	618,665
Total personnel services	3,508,400	4,138,400	3,329,000	3,293,259
Contractual services				
Printing	-	-	4,500	3,413
Equipment maintenance	-	-	64,000	53,220
Professional services	-	-	104,700	83,488
Data systems	-	-	12,300	7,882
Total contractual services	-	-	185,500	148,003
Commodities				
Maintenance materials	-	-	18,700	11,594
Total commodities	-	-	18,700	11,594
Other charges				
Memberships	-	-	2,250	2,165
Vehicle expenditures	-	-	194,350	151,113
Professional development	-	-	38,000	26,427
Publications	-	-	750	300
Uniforms	-	-	30,100	34,916
Community programs	-	-	8,500	8,457
Officer testing	-	-	1,000	873
Equipment - furniture	-	-	2,000	683
Minor equipment	-	-	4,800	3,893
Business expenditures	-	-	4,500	3,217
Total other charges	-	-	286,250	232,044
Total public safety	3,508,400	4,138,400	3,819,450	3,684,900
COMMUNITY AND ECONOMIC DEVELOPMENT				
Administration				
Personnel services				
Regular salaries	1,172,300	1,172,300	420,500	416,797
Part time wages	-	-	35,000	34,430
Overtime salaries	-	-	500	2,000
Total personnel services	1,172,300	1,172,300	456,000	453,227

(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, 2015

	Original Appropriation	Final Appropriation	Original and Final Budget	Actual
COMMUNITY AND ECONOMIC DEVELOPMENT (Continued)				
Administration (Continued)				
Contractual services				
Printing	$ -	$ -	$ 200	$ 144
Vehicle expenditures	-	-	5,500	4,300
Professional services	-	-	-	63,714
Data systems	-	-	2,350	-
Legal notices	-	-	300	1,314
Outside services	-	-	2,500	1,784
Total contractual services	-	-	10,850	71,256
Other charges				
Professional development	-	-	6,500	5,710
Publications	-	-	450	79
Board and commissions	-	-	100	-
Business expenditures	-	-	1,000	489
Economic development initiatives	-	-	555,000	442,410
Equipment and clothing	-	-	1,500	1,329
Total other charges	-	-	564,550	450,017
Total community and economic development	1,172,300	1,172,300	1,031,400	974,500
PUBLIC WORKS				
Administration				
Personnel services				
Regular salaries	233,300	233,300	141,100	110,730
Overtime salaries	-	-	2,000	1,299
Total personnel services	233,300	233,300	143,100	112,029
Contractual services				
Professional services	-	-	51,000	63,245
Legal notices	-	-	1,000	847
Outside services	-	-	5,500	4,294
Total contractual services	-	-	57,500	68,386
Other charges				
Memberships	-	-	2,450	2,292
Vehicle expenditures	-	-	4,500	2,644
Professional development	-	-	2,500	4,735
Business expenditures	-	-	1,000	1,029
Total other charges	-	-	10,450	10,700

(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, 2015

	Original Appropriation	Final Appropriation	Original and Final Budget	Actual
PUBLIC WORKS (Continued)				
Administration (Continued)				
Capital outlay				
Office charges	$ -	$ -	$ 1,000	$ 791
Total capital outlay	-	-	1,000	791
Total administration	233,300	233,300	212,050	191,906
Streets				
Personnel services				
Regular salaries	1,171,100	1,171,100	396,150	394,329
Part time salaries	-	-	8,000	16,266
Overtime salaries	-	-	49,000	63,139
Total personnel services	1,171,100	1,171,100	453,150	473,734
Contractual services				
Equipment maintenance	-	-	1,000	-
Electric utilities	-	-	15,000	14,424
Pavement maintenance	-	-	46,800	50,621
Outside services	-	-	257,100	223,639
Total contractual services	-	-	319,900	288,684
Commodities				
Maintenance materials	-	-	15,300	19,908
Repair and restoration	-	-	11,800	13,616
Construction materials	-	-	5,300	4,931
Snow and ice control	-	-	72,600	51,668
Total commodities	-	-	105,000	90,123
Other charges				
Vehicle expenditures	-	-	167,225	130,125
Professional development	-	-	3,500	2,055
Uniforms	-	-	3,300	1,699
Minor equipment	-	-	2,000	1,766
Recycling	-	-	10,000	3,125
Business expenditures	-	-	600	361
Total other charges	-	-	186,625	139,131
Total streets	1,171,100	1,171,100	1,064,675	991,672

(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, 2015

	Original Appropriation	Final Appropriation	Original and Final Budget	Actual
PUBLIC WORKS (Continued)				
Buildings and grounds				
Contractual services				
Equipment maintenance	$ 157,700	$ 157,700	$ 1,000	$ 1,250
Outside services	-	-	109,200	107,980
Total contractual services	157,700	157,700	110,200	109,230
Commodities				
Maintenance materials	-	-	17,600	11,983
Repair and restoration	-	-	1,600	1,498
Construction materials	-	-	2,900	2,150
Total commodities	-	-	22,100	15,631
Other charges				
Minor equipment	-	-	3,500	3,497
Vehicle expenditures	-	-	5,500	4,300
Business expenditures	-	-	2,100	2,112
Total other charges	-	-	11,100	9,909
Total buildings and grounds	157,700	157,700	143,400	134,770
Total public works	1,562,100	1,562,100	1,420,125	1,318,348
PARKS AND OPEN SPACES				
Parks and grounds				
Personnel services				
Regular salaries	1,516,800	1,516,800	396,150	394,329
Part time wages	-	-	79,700	64,809
Overtime salaries	-	-	31,000	27,516
Total personnel services	1,516,800	1,516,800	506,850	486,654
Contractual services				
Equipment maintenance	-	-	2,500	2,008
Professional services	-	-	71,400	71,376
Gas utilities	-	-	3,000	2,176
Electric utilities	-	-	25,000	35,587
Outside services	-	-	76,000	73,659
Lighting maintenance	-	-	5,000	3,290
Landscape maintenance	-	-	382,100	383,144
Wildlife maintenance	-	-	9,000	125
Special events	-	-	90,000	66,968
Total contractual services	-	-	664,000	638,333

(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, 2015

	Original Appropriation	Final Appropriation	Original and Final Budget	Actual
PARKS AND OPEN SPACES (Continued)				
Parks and grounds (Continued)				
Commodities				
Maintenance materials	$ -	$ -	$ 44,900	$ 40,237
Repair and restoration	-	-	3,200	3,803
Construction materials	-	-	7,500	7,521
Total commodities	-	-	55,600	51,561
Other charges				
Memberships	-	-	1,700	730
Vehicle expenditures	-	-	128,525	100,025
Professional development	-	-	2,500	2,462
Publications	-	-	100	108
Uniforms	-	-	4,800	3,437
Minor equipment	-	-	2,400	2,427
Business expenditures	-	-	2,400	1,180
Total other charges	-	-	142,425	110,369
Capital outlay				
Bike path repairs	-	-	10,000	2,322
Total capital outlay	-	-	10,000	2,322
Total parks and open spaces	1,516,800	1,516,800	1,378,875	1,289,239
Debt service				
Principal retirement	481,600	481,600	442,446	442,446
Interest and fiscal charges	-	-	39,136	39,136
Total debt service	481,600	481,600	481,582	481,582
TOTAL EXPENDITURES	$ 10,408,200	$ 11,038,200	$ 10,101,427	$ 9,521,895

(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, 2015

	Original and Final Appropriation	Original and Final Budget	Actual
REVENUES			
Intergovernmental			
Grants		$ 422,000	$ -
Donations		-	16,520
Miscellaneous			
Other income		1,200,000	86,503
Total revenues		1,622,000	103,023
EXPENDITURES			
General government			
Contractual services	$ -	126,870	41,917
Capital outlay	2,827,800	2,690,280	1,423,871
Total expenditures	$ 2,827,800	2,817,150	1,465,788
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		(1,195,150)	(1,362,765)
OTHER FINANCING SOURCES (USES)			
Transfers in		393,923	1,320,000
Total other financing sources (uses)		393,923	1,320,000
NET CHANGE IN FUND BALANCE		$ (801,227)	(42,765)
FUND BALANCE, JANUARY 1			2,757,033
FUND BALANCE, DECEMBER 31			$ 2,714,268

(See independent auditor's report.)

Return to Agenda

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.

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

Return to Agenda

VILLAGE OF LINCOLNSHIRE, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2015

	Special Revenue				Debt Service	Capital Projects			
	Motor Fuel Tax	**Fraud, Alcohol and Drug**	**Enhanced 911**	**Total Special Revenue**	**Special Service Area Debt Service**	**Park Development Capital Projects**	**SSA Westminster Signal**	**Total Capital Projects**	**Total**
ASSETS									
Cash and cash equivalents	$ 186,882	$ 305,709	$ 63,616	$ 556,207	$ 768,938	$ 135,997	$ 14,296	$ 150,293	$ 1,475,438
Investments	4,562	-	37,111	41,673	1,321,987	-	-	-	1,363,660
Receivables									
Property taxes	-	-	-	-	1,161,875	-	-	-	1,161,875
Other taxes	16,419	-	72,513	88,932	-	-	-	-	88,932
Other receivable	123	-	1,001	1,124	3,653	-	-	-	4,777
Prepaid items	-	1,758	93,477	95,235	-	-	-	-	95,235
TOTAL ASSETS	$ 207,986	$ 307,467	$ 267,718	$ 783,171	$ 3,256,453	$ 135,997	$ 14,296	$ 150,293	$ 4,189,917

Return to Agenda

	Special Revenue				Debt Service	Capital Projects			
	Motor Fuel Tax	Fraud, Alcohol and Drug	Enhanced 911	Total Special Revenue	Special Service Area Debt Service	Park Development Capital Projects	SSA Westminster Signal	Total Capital Projects	Total
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES									
LIABILITIES									
Accounts payable	$ -	$ 235,287	$ 2,871	$ 238,158	$ 3,129	$ 20	$ 1,220	$ 1,240	$ 242,527
Total liabilities	-	235,287	2,871	238,158	3,129	20	1,220	1,240	242,527
DEFERRED INFLOWS OF RESOURCES									
Deferred property taxes	-	-	-	-	1,161,875	-	-	-	1,161,875
Total liabilities and deferred inflows of resources	-	235,287	2,871	238,158	1,165,004	20	1,220	1,240	1,404,402
FUND BALANCES									
Nonspendable in form - prepaid items		1,758	93,477	95,235	-	-	-	-	95,235
Restricted for debt service	-	-	-	-	2,091,449	-	-	-	2,091,449
Restricted for maintenance of roadways	207,986	-	-	207,986	-	-	-	-	207,986
Restricted for public safety	-	70,422	171,370	241,792	-	-	-	-	241,792
Unrestricted									
Assigned for capital projects	-	-	-	-	-	135,977	13,076	149,053	149,053
Total fund balances	207,986	72,180	264,847	545,013	2,091,449	135,977	13,076	149,053	2,785,515
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 207,986	$ 307,467	$ 267,718	$ 783,171	$ 3,256,453	$ 135,997	$ 14,296	$ 150,293	$ 4,189,917

(See independent auditor's report.)

Return to Agenda

VILLAGE OF LINCOLNSHIRE, ILLINOIS

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

For the Year Ended December 31, 2015

	Special Revenue				Debt Service	Capital Projects			
	Motor Fuel Tax	Fraud, Alcohol and Drug	Enhanced 911	Total Special Revenue	Special Service Area Debt Service	Park Development Capital Projects	SSA Westminster Signal	Total Capital Projects	Total
REVENUES									
Property taxes	$ -	$ -	$ -	$ -	$ 1,159,717	$ -	$ -	$ -	$ 1,159,717
Intergovernmental	185,626	-	376,272	561,898	-	-	-	-	561,898
Charges for services	-	12,220	-	12,220	-	-	-	-	12,220
Investment income	425	-	301	726	19,567	250	17	267	20,560
Other income	-	-	-	-	-	20,690	-	20,690	20,690
Total revenues	186,051	12,220	376,573	574,844	1,179,284	20,940	17	20,957	1,775,085
EXPENDITURES									
Current									
General government	-	-	-	-	5,183	-	-	-	5,183
Public safety	-	11,627	295,358	306,985	-	-	-	-	306,985
Capital outlay	175,000	-	-	175,000	-	220	4,879	5,099	180,099
Debt service									
Principal retirement	-	-	-	-	345,000	-	-	-	345,000
Interest and fiscal charges	-	-	-	-	805,469	-	-	-	805,469
Total expenditures	175,000	11,627	295,358	481,985	1,155,652	220	4,879	5,099	1,642,736
NET CHANGE IN FUND BALANCES	11,051	593	81,215	92,859	23,632	20,720	(4,862)	15,858	132,349
FUND BALANCES, JANUARY 1	196,935	71,587	183,632	452,154	2,067,817	115,257	17,938	133,195	2,653,166
FUND BALANCES, DECEMBER 31	$ 207,986	$ 72,180	$ 264,847	$ 545,013	$ 2,091,449	$ 135,977	$ 13,076	$ 149,053	$ 2,785,515

(See independent auditor's report.)

Return to Agenda

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, 2015

	Original and Final Appropriation	Original and Final Budget	Actual
REVENUES			
Intergovernmental			
Allotments earned		$ 182,000	$ 185,626
Investment income		200	425
Total revenues		182,200	186,051
EXPENDITURES			
Capital outlay	$ 192,500	175,000	175,000
Total expenditures	$ 192,500	175,000	175,000
NET CHANGE IN FUND BALANCE		$ 7,200	11,051
FUND BALANCE, JANUARY 1			196,935
FUND BALANCE, DECEMBER 31			$ 207,986

(See independent auditor's report.)

Return to Agenda

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, 2015

	Original and Final Appropriation	Original and Final Budget	Actual
REVENUES			
Other taxes			
E911 surcharges		$ 300,000	$ 376,272
Investment income		200	301
Total revenues		300,200	376,573
EXPENDITURES			
Public safety			
Contractual services	$ 330,300	300,200	295,358
Total expenditures	$ 330,300	300,200	295,358
NET CHANGE IN FUND BALANCE		$ -	81,215
FUND BALANCE, JANUARY 1			183,632
FUND BALANCE, DECEMBER 31			$ 264,847

(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, 2015

	Original and Final Appropriation	Original and Final Budget	Actual
REVENUES			
Property taxes		$ 1,161,600	$ 1,159,717
Investment income		18,000	19,567
Total revenues		1,179,600	1,179,284
EXPENDITURES			
General government			
Contractual services	$ 18,350	18,350	5,183
Debt service			
Principal	1,161,250	355,781	345,000
Interest and fiscal charges	-	805,469	805,469
Total expenditures	$ 1,179,600	1,179,600	1,155,652
NET CHANGE IN FUND BALANCE		$ -	23,632
FUND BALANCE, JANUARY 1			2,067,817
FUND BALANCE, DECEMBER 31			$ 2,091,449

(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, 2015

	Original and Final Appropriation	Original and Final Budget	Actual
REVENUES			
Investment income		$ 100	$ 250
Park donations		-	20,690
Total revenues		100	20,940
EXPENDITURES			
Capital outlay	$ 33,000	30,000	220
Total expenditures	$ 33,000	30,000	220
NET CHANGE IN FUND BALANCE		$ (29,900)	20,720
FUND BALANCE, JANUARY 1			115,257
FUND BALANCE, DECEMBER 31			$ 135,977

(See independent auditor's report.)

Return to Agenda

VILLAGE OF LINCOLNSHIRE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SSA WESTMINSTER SIGNAL FUND

For the Year Ended December 31, 2015

	Original and Final Appropriation	Original and Final Budget	Actual
REVENUES			
Investment income		$ -	$ 17
Total revenues		-	17
EXPENDITURES			
Contractual services	$ 9,500	9,500	4,879
Total expenditures	$ 9,500	9,500	4,879
CHANGE IN NET POSITION		$ (9,500)	(4,862)
FUND BALANCE, JANUARY 1			17,938
FUND BALANCE, DECEMBER 31			$ 13,076

(See independent auditor's report.)

Return to Agenda

ENTERPRISE FUND

Water and Sanitary Sewer Fund - to account for the provision of water and sewer services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, capital improvements, financing and related debt service and billing and collection. These activities are accounted for in the revenue and improvement subfunds.

Return to Agenda

VILLAGE OF LINCOLNSHIRE, ILLINOIS

COMBINING SCHEDULE OF NET POSITION
WATER AND SANITARY SEWER FUND

December 31, 2015

	Revenue Account	Improvement Account	Total
CURRENT ASSETS			
Cash and cash equivalents	$ 575,398	$ 273,637	$ 849,035
Investments	593,108	306,399	899,507
Receivables			
Accounts - billed	304,278	-	304,278
Accounts - unbilled	185,310	-	185,310
Other receivables	16,001	4,881	20,882
Prepaid expenses	9,667	-	9,667
Total current assets	1,683,762	584,917	2,268,679
CAPITAL ASSETS			
Nondepreciable	106,833	-	106,833
Depreciable, net of accumulated depreciation	35,311,122	-	35,311,122
Net capital assets	35,417,955	-	35,417,955
Total assets	37,101,717	584,917	37,686,634
DEFERRED OUTFLOWS OF RESOURCES			
Pension items - IMRF	314,675	-	314,675
Total deferred outflows of resources	314,675	-	314,675
CURRENT LIABILITIES			
Accounts payable	401,362	400,574	801,936
Accrued payroll	22,049	-	22,049
Accrued interest payable	12,632	-	12,632
Due to other funds	378	-	378
Compensated absences payable	14,965	-	14,965
Current portion of notes payable	176,602	-	176,602
Total current liabilities	627,988	400,574	1,028,562
LONG-TERM LIABILITIES			
Compensated absences payable	44,895	-	44,895
IMRF net pension liability	874,370	-	874,370
Notes payable	271,047	-	271,047
Total long-term liabilities	1,190,312	-	1,190,312
Total liabilities	1,818,300	400,574	2,218,874

(This schedule is continued on the following page.)

Return to Agenda

VILLAGE OF LINCOLNSHIRE, ILLINOIS

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

December 31, 2015

	Revenue Account	Improvement Account	Total
DEFERRED INFLOWS OF RESOURCES			
Pension items - IMRF	$ 49,027	$ -	$ 49,027
Total deferred inflows of resources	49,027	-	49,027
NET POSITION			
Net investment in capital assets	34,970,306	-	34,970,306
Unrestricted	578,759	184,343	763,102
TOTAL NET POSITION	$ 35,549,065	$ 184,343	$ 35,733,408

(See independent auditor's report.)

Return to Agenda

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, 2015

	Revenue Account	Improvement Account	Eliminations	Total
OPERATING REVENUES				
Charges for services	$ 3,769,020	$ -	$ -	$ 3,769,020
Miscellaneous	17,660	-	-	17,660
Total operating revenues	3,786,680	-	-	3,786,680
OPERATING EXPENSES				
Administration	369,709	-	-	369,709
Operations	3,426,199	-	-	3,426,199
Capital outlay	-	204,259	-	204,259
Total operating expenses	3,795,908	204,259	-	4,000,167
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	(9,228)	(204,259)	-	(213,487)
Depreciation	1,545,687	-	-	1,545,687
OPERATING INCOME (LOSS)	(1,554,915)	(204,259)	-	(1,759,174)
NON-OPERATING REVENUES (EXPENSES)				
Investment income	1,989	1,694	-	3,683
Connection fees	-	53,902	-	53,902
Sale of capital assets	3,442	-	-	3,442
Interest expense	-	(15,219)	-	(15,219)
Total non-operating revenues (expenses)	5,431	40,377	-	45,808
NET INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(1,549,484)	(163,882)	-	(1,713,366)
CONTRIBUTIONS				
Contributions of capital assets	1,479,332	-	(1,479,332)	-
Total contributions	1,479,332	-	(1,479,332)	-
TRANSFERS				
Transfers in	-	997,300	-	997,300
Transfers (out)	(90,781)	(1,479,332)	1,479,332	(90,781)
Total transfers	(90,781)	(482,032)	1,479,332	906,519
CHANGE IN NET POSITION	(160,933)	(645,914)	-	(806,847)
NET POSITION, JANUARY 1	36,455,112	830,257	-	37,285,369
Change in accounting principal	(745,114)	-	-	(745,114)
NET POSITION, JANUARY 1 (RESTATED)	35,709,998	830,257	-	36,540,255
NET POSITION, DECEMBER 31	$ 35,549,065	$ 184,343	-	$ 35,733,408

(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, 2015

	Original and Final Appropriation	Original and Final Budget	Actual
OPERATING REVENUES			
Charges for services			
Water and sanitary sewer fees		$ 3,908,000	$ 3,769,020
Miscellaneous			
Other		6,000	17,660
Total operating revenues		3,914,000	3,786,680
OPERATING EXPENSES			
Administration	$ 699,300	541,450	369,709
Operations	3,911,700	3,556,050	3,426,199
Total operating expenses excluding depreciation	$ 4,611,000	4,097,500	3,795,908
OPERATING INCOME (LOSS) BEFORE DEPRECIATION		(183,500)	(9,228)
Depreciation		-	1,545,687
OPERATING INCOME (LOSS)		(183,500)	(1,554,915)
NON-OPERATING REVENUES (EXPENSES)			
Sale of capital assets		-	3,442
Investment income		2,500	1,989
Total non-operating revenues (expenses)		2,500	5,431
NET INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS		(181,000)	(1,549,484)
CONTRIBUTIONS			
Contributions of capital assets		-	1,479,332
Total contributions		-	1,479,332
TRANSFERS			
Transfers (out)		(94,250)	(90,781)
Total transfers		(94,250)	(90,781)
CHANGE IN NET POSITION		$ (275,250)	(160,933)
NET POSITION, JANUARY 1			36,455,112
Change in accounting principal			(745,114)
NET POSITION, JANUARY 1 (RESTATED)			35,709,998
NET POSITION, DECEMBER 31			$ 35,549,065

(See independent auditor's report.)

Return to Agenda

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, 2015

	Original and Final Appropriation	Original and Final Budget	Actual
OPERATING REVENUES			
None		$ -	$ -
Total operating revenues		-	-
OPERATING EXPENSES			
Capital outlay	$ 2,153,000	1,770,000	204,259
Total operating expenses	$ 2,153,000	1,770,000	204,259
OPERATING INCOME (LOSS)		(1,770,000)	(204,259)
NON-OPERATING REVENUES (EXPENSES)			
Investment income		2,000	1,694
Connection fees		280,000	53,902
Interest expense		(187,300)	(15,219)
Total non-operating revenues (expenses)		94,700	40,377
NET INCOME (LOSS) BEFORE TRANSFERS		(1,675,300)	(163,882)
TRANSFERS			
Transfers in		716,300	997,300
Transfers (out)		-	(1,479,332)
Total transfers		716,300	(482,032)
CHANGE IN NET POSITION		$ (959,000)	(645,914)
NET POSITION, JANUARY 1			830,257
NET POSITION, DECEMBER 31			$ 184,343

(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, 2015

	Original and Final Appropriation	Original and Final Budget	Actual
ADMINISTRATION			
Personnel services			
Regular salaries	$ 699,300	$ 180,000	$ 170,976
Part-time wages	-	11,750	11,139
Overtime salaries	-	1,500	1,415
Pension expense	-	-	(136,392)
Total personnel services	699,300	193,250	47,138
Contractual services			
Telephone	-	17,710	18,500
Printing	-	8,380	11,154
Professional services	-	29,300	27,535
Data processing	-	2,500	2,371
Postage	-	7,000	8,159
Duplicating	-	1,380	989
Medical insurance	-	103,400	94,711
General insurance	-	96,860	93,136
Outside services	-	30,060	18,755
Total contractual services	-	296,590	275,310
Commodities			
Office supplies	-	1,760	1,278
Total commodities	-	1,760	1,278
Other charges			
Vehicle expense	-	3,450	2,831
FICA	-	46,400	43,152
Total other charges	-	49,850	45,983
Total administration	699,300	541,450	369,709

(This schedule is continued on the following page.)

Return to Agenda

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, 2015

	Original and Final Appropriation	Original and Final Budget	Actual
OPERATIONS			
Personnel services			
Regular salaries	$ 3,911,700	$ 388,900	$ 386,675
Overtime salaries	-	40,000	32,785
Total personnel services	3,911,700	428,900	419,460
Contractual services			
Equipment maintenance	-	38,000	36,044
Professional services	-	15,500	752
Gas utilities	-	4,500	3,812
Electric utilities	-	89,000	83,390
Outside services	-	42,900	73,601
System maintenance	-	150,600	116,096
Hydrant replacement	-	27,000	23,538
Water purchases	-	1,190,000	1,174,600
Sanitary sewer charges	-	1,475,000	1,412,804
Sanitary sewer transmission fees	-	8,000	7,784
Total contractual services	-	3,040,500	2,932,421
Commodities			
Maintenance materials	-	19,850	15,074
Water meters	-	4,500	10,043
Total commodities	-	24,350	25,117
Other charges			
Memberships	-	600	672
Professional development	-	500	471
Uniforms	-	2,500	2,395
Vehicle expenditures	-	55,400	43,000
Minor equipment	-	1,300	1,049
Business expense	-	2,000	1,614
Total other charges	-	62,300	49,201
Total operations	3,911,700	3,556,050	3,426,199
TOTAL OPERATING EXPENSES	$ 4,611,000	$ 4,097,500	$ 3,795,908

(See independent auditor's report.)

Return to Agenda

VILLAGE OF LINCOLNSHIRE, ILLINOIS

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

For the Year Ended December 31, 2015

	Original and Final Appropriation	Original and Final Budget	Actual
OPERATING EXPENSES			
Capital outlay			
Meter read system	$ 2,153,000	$ 173,000	$ 173,505
Hydraulic water model	-	10,000	7,650
Watermain replacement construction	-	1,125,000	-
Watermain replacement engineering	-	75,000	-
Sanitary sewer engineering services	-	40,000	-
Inflow and infiltration study	-	56,500	23,104
Roof replacement	-	81,000	-
Utility truck	-	78,000	-
Utility billing software	-	31,500	-
Miscellaneous repairs	-	100,000	-
Total capital outlay	2,153,000	1,770,000	204,259
TOTAL OPERATING EXPENSES	$ 2,153,000	$ 1,770,000	$ 204,259

(See independent auditor's report.)

Return to Agenda

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, 2015

	Original and Final Appropriation	Original and Final Budget	Actual
OPERATING REVENUES			
Interfund services			
General Fund		$ 498,350	$ 387,000
Water and Sanitary Sewer Fund		55,400	43,000
Total operating revenues		553,750	430,000
OPERATING EXPENSES			
Personnel services			
Regular salaries	$ 612,100	150,120	146,571
Overtime salaries	-	8,000	10,943
Total personnel services	612,100	158,120	157,514
Professional services			
Equipment maintenance	-	1,800	-
Medical insurance	-	26,700	24,483
General insurance	-	20,050	19,269
Outside services	-	87,600	61,115
Total professional services	-	136,150	104,867
Commodities			
Maintenance materials	-	5,900	4,963
Gasoline	-	102,000	35,792
Diesel	-	48,000	20,391
Oil and antifreeze	-	3,500	2,067
Vehicle tires	-	17,000	9,379
Vehicle maintenance parts	-	39,800	23,622
Total commodities	-	216,200	96,214
Other charges			
Memberships	-	100	30
Professional development	-	1,500	1,206
Publications	-	5,900	4,314
Uniforms	-	1,600	871
FICA	-	12,500	12,032
Total other charges	-	21,600	18,453
Total operating expenses	$ 612,100	532,070	377,048
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		21,680	52,952
OTHER FINANCING SOURCES (USES)			
Transfers (out)		(24,420)	(24,579)
Total other financing sources (uses)		(24,420)	(24,579)
NET CHANGE IN FUND BALANCE		$ (2,740)	28,373
NET POSITION, JANUARY 1			51,299
NET POSITION, DECEMBER 31			$ 79,672

(See independent auditor's report.)

Return to Agenda

FIDUCIARY FUND

Return to Agenda

VILLAGE OF LINCOLNSHIRE, ILLINOIS

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

For the Year Ended December 31, 2015

	Original Appropriation	Final Appropriation	Original and Final Budget	Actual
ADDITIONS				
Contributions - employer			$ 623,300	$ 618,665
Contributions - employee			213,600	208,270
Other contributions			-	15
Total contributions			836,900	826,950
Investment income				
Net appreciation (depreciation) in fair value of investments			-	(765,528)
Interest earned on investments			375,000	555,946
Total investment income			375,000	(209,582)
Less investment expense			85,000	(60,769)
Net investment income			460,000	(270,351)
Total additions			1,296,900	556,599
DEDUCTIONS				
Benefits	$ 1,241,800	$ 1,241,800	1,204,800	960,345
Administrative	91,300	91,300	43,300	28,855
Total deductions	$ 1,333,100	$ 1,333,100	1,248,100	989,200
NET INCREASE (DECREASE)			$ 48,800	(432,601)
NET POSITION HELD IN TRUST FOR PENSION BENEFITS				
January 1				19,452,281
December 31				$ 19,019,680

(See independent auditor's report.)

Return to Agenda

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.

Contents | Page(s)

Financial Trends
These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time. 91-100

Revenue Capacity
These schedules contain information to help the reader assess the Village's most significant local revenue source, the sales tax. 101-103

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. 104-107

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. 108-109

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. 110-112

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 *	2007	2008	2009
GOVERNMENTAL ACTIVITIES				
Net investment in capital assets	$ 68,424,957	$ 66,725,834	$ 66,259,268	$ 68,808,108
Restricted	1,731,077	2,344,362	2,244,875	2,044,365
Unrestricted	(2,526,351)	(2,215,238)	(1,159,963)	(7,094,159)
TOTAL GOVERNMENTAL ACTIVITIES	$ 67,629,683	$ 66,854,958	$ 67,344,180	$ 63,758,314
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	$ 38,752,353	$ 42,314,239	$ 41,517,419	$ 40,888,121
Unrestricted	3,766,210	1,629,463	1,143,932	1,077,519
TOTAL BUSINESS-TYPE ACTIVITIES	$ 42,518,563	$ 43,943,702	$ 42,661,351	$ 41,965,640
PRIMARY GOVERNMENT				
Net investment in capital assets	$ 107,177,310	$ 109,040,073	$ 107,776,687	$ 109,696,229
Restricted	1,731,077	1,927,055	1,888,107	2,044,365
Restricted for enabling legislation	491,640	417,307	356,768	-
Unrestricted	748,219	(585,775)	(16,031)	(6,016,640)
TOTAL PRIMARY GOVERNMENT	$ 110,148,246	$ 110,798,660	$ 110,005,531	$ 105,723,954

* The Village changed its fiscal year end from April 30 to December 31 in 2006.
** The Village implemented GASB Statement No. 68 for the fiscal year ended December 31, 2015.

Data Source

Audited Financial Statements

2010	2011	2012	2013	2014	2015 **
$ 68,687,377	$ 68,420,057	$ 70,013,193	$ 69,304,209	$ 69,798,415	$ 69,382,066
8,637,570	9,917,234	9,168,024	2,465,578	2,647,313	2,725,241
(6,201,507)	(3,308,622)	(566,152)	3,318,734	4,589,920	(5,885,183)
$ 71,123,440	$ 75,028,669	$ 78,615,065	$ 75,088,521	$ 77,035,648	$ 66,222,124
$ 39,673,213	$ 38,521,272	$ 37,256,118	$ 35,948,245	$ 35,045,804	$ 34,970,306
1,049,886	1,134,494	1,704,160	2,261,714	2,239,565	763,102
$ 40,723,099	$ 39,655,766	$ 38,960,278	$ 38,209,959	$ 37,285,369	$ 35,733,408
$ 108,360,590	$ 106,941,329	$ 107,269,311	$ 105,252,454	$ 104,844,219	$ 104,352,372
8,637,570	9,917,234	9,168,024	2,465,578	2,647,313	2,725,241
-	-	-	-	-	-
(5,151,621)	(2,174,128)	1,138,008	5,580,448	6,829,485	(5,122,081)
$ 111,846,539	$ 114,684,435	$ 117,575,343	$ 113,298,480	$ 114,321,017	$ 101,955,532

VILLAGE OF LINCOLNSHIRE, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	2006 *	2007	2008	2009
EXPENSES				
Governmental Activities				
General government	$ 3,096,531	$ 4,303,055	$ 2,829,284	$ 2,639,170
Public safety	2,293,286	3,383,714	2,775,446	3,984,062
Community and economic development	429,049	717,748	2,276,158	1,084,935
Public works	1,998,279	2,920,066	2,904,543	2,633,796
Parks and open spaces	1,417,736	2,344,980	2,119,915	2,015,026
Interest	841,042	309,746	1,193,095	1,195,047
Total governmental activities expenses	10,075,923	13,979,309	14,098,441	13,552,036
Business-Type Activities				
Water and sewer	3,158,763	5,096,183	5,289,730	5,345,812
Total business-type activities expenses	3,158,763	5,096,183	5,289,730	5,345,812
TOTAL PRIMARY GOVERNMENT EXPENSES	$ 13,234,686	$ 19,075,492	$ 19,388,171	$ 18,897,848
PROGRAM REVENUES				
Governmental Activities				
Charges for services				
General government	$ 169,318	$ 184,410	$ 252,265	$ 193,159
Public safety	559,274	713,250	645,929	979,293
Community development	374,803	529,232	631,173	318,812
Public works	12,816	65,713	64,735	7,955
Parks and recreation	131,600	131,562	181,221	130,847
Operating grants and contributions	499,051	604,711	573,931	319,096
Capital grants and contributions	17,365,707	208,504	14,988	2,870,480
Total governmental activities program revenues	19,112,569	2,437,382	2,364,242	4,819,642
Business-Type Activities				
Charges for services				
Water and sewer	2,425,316	3,649,917	3,397,643	3,825,386
Capital grants and contributions	1,224,733	201,000	209,000	605,000
Total business-type activities program revenues	3,650,049	3,850,917	3,606,643	4,430,386
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	$ 22,762,618	$ 6,288,299	$ 5,970,885	$ 9,250,028
NET (EXPENSE) REVENUE				
Governmental activities	$ 9,036,646	$ (11,541,927)	$ (11,734,199)	$ (8,732,394)
Business-type activities	491,286	(1,245,266)	(1,683,087)	(915,426)
TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE	$ 9,527,932	$ (12,787,193)	$ (13,417,286)	$ (9,647,820)

2010	2011	2012	2013	2014	2015 **
$ 2,378,638	$ 2,196,916	$ 2,055,391	$ 2,037,465	$ 3,204,077	$ 3,261,101
3,848,717	3,668,986	3,852,925	4,244,795	3,921,903	4,224,091
647,593	495,050	449,878	82,073	562,297	846,364
2,969,518	2,962,313	3,115,710	4,551,630	1,912,541	2,525,799
1,395,391	1,260,614	1,234,268	1,496,702	2,000,840	1,594,035
1,204,731	1,048,532	983,387	973,071	890,093	844,605
12,444,588	11,632,411	11,691,559	13,385,736	12,491,751	13,295,995
5,451,207	5,409,266	5,534,271	5,729,624	5,501,426	5,561,073
5,451,207	5,409,266	5,534,271	5,729,624	5,501,426	5,561,073
$ 17,895,795	$ 17,041,677	$ 17,225,830	$ 19,115,360	$ 17,993,177	$ 18,857,068
$ 201,502	$ 230,252	$ 232,775	$ 239,339	$ 328,654	$ 316,593
1,012,535	1,076,488	1,109,826	981,973	866,101	841,785
224,543	149,539	271,050	199,557	364,734	364,724
9,596	13,553	11,885	12,500	17,370	16,489
114,357	46,981	53,421	58,098	38,082	39,668
259,611	263,528	241,520	257,382	362,589	246,279
941,209	806,418	-	-	67,904	57,602
2,763,353	2,586,759	1,920,477	1,748,849	2,045,434	1,883,140
3,850,997	3,877,146	4,111,584	3,882,816	4,001,441	3,840,582
197,679	213,015	36,145	-	473,595	-
4,048,676	4,090,161	4,147,729	3,882,816	4,475,036	3,840,582
$ 6,812,029	$ 6,676,920	$ 6,068,206	$ 5,631,665	$ 6,520,470	$ 5,723,722
$ (9,681,235)	$ (9,045,652)	$ (9,771,082)	$ (11,636,887)	$ (10,446,317)	$ (11,412,855)
(1,402,531)	(1,319,105)	(1,386,542)	(1,846,808)	(1,026,390)	(1,720,491)
$ (11,083,766)	$ (10,364,757)	$ (11,157,624)	$ (13,483,695)	$ (11,472,707)	$ (13,133,346)

VILLAGE OF LINCOLNSHIRE, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

Fiscal Year	2006*	2007	2008	2009
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental Activities				
Taxes				
Property	$ 2,525,276	$ 3,664,251	$ 3,845,433	$ 4,393,892
Home rule sales tax	-	-	-	-
Utility	823,909	1,257,584	1,205,004	1,195,317
Telecommunications	611,741	982,319	1,030,772	958,357
Room and admissions	1,343,633	1,946,854	1,845,849	1,476,402
Real estate transfer	542,911	503,004	189,438	174,273
Other	67,396	70,516	74,713	-
Intergovernmental	2,568,006	3,999,735	3,655,286	2,866,996
Investment income	536,929	566,567	388,314	179,703
Miscellaneous	51,768	273,372	335,612	71,155
Gain (loss) on sale of capital assets	(6,187)	-	-	86,070
Transfers in (out)	(2,837,000)	(2,497,000)	(347,000)	(197,000)
Special item - loss on sale of land	-	-	-	-
Total governmental activities	6,228,382	10,767,202	12,223,421	11,205,165
Business-Type Activities				
Investment income	73,880	149,892	53,736	13,880
Miscellaneous	-	-	-	-
Gain (loss) on sale of capital assets	-	23,513	-	8,835
Transfers in	2,837,000	2,497,000	347,000	197,000
Total business-type activities	2,910,880	2,670,405	400,736	219,715
TOTAL PRIMARY GOVERNMENT	$ 9,139,262	$ 13,437,607	$ 12,624,157	$ 11,424,880
CHANGE IN NET POSITION				
Governmental activities	$ 15,265,028	$ (774,725)	$ 489,222	$ 2,472,771
Business-type activities	3,402,166	1,425,139	(1,282,351)	(695,711)
TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION	$ 18,667,194	$ 650,414	$ (793,129)	$ 1,777,060

* The Village changed its fiscal year end from April 30 to December 31 in 2006.
** The Village implemented GASB Statement No. 68 for the fiscal year ended December 31, 2015.

Data Source

Audited Financial Statements

2010	2011	2012	2013	2014	2015**
$ 4,395,930	$ 4,430,090	$ 4,380,298	$ 4,355,002	$ 2,589,086	$ 2,583,554
-	1,126,189	1,184,487	1,256,668	1,231,097	1,409,339
1,189,008	1,275,799	1,203,500	1,318,577	1,427,191	1,304,252
979,003	1,210,032	1,336,167	1,219,285	1,041,159	1,172,430
1,538,248	1,604,652	1,709,251	1,733,789	1,831,416	1,931,739
224,958	240,916	921,597	330,958	364,410	491,669
-	-	-	-	-	-
2,680,252	3,211,415	3,247,452	3,204,481	3,458,440	3,996,442
87,199	39,767	45,339	46,530	(38,994)	55,477
40,133	44,964	13,074	84,015	51,699	84,252
-	12,057	16,313	47,679	19,665	10,235
(147,000)	(245,000)	(700,000)	(1,090,400)	(96,297)	(906,519)
-	-	-	(4,396,241)	-	-
10,987,731	12,950,881	13,357,478	8,110,343	11,878,872	12,132,870
11,438	3,218	4,404	4,089	5,503	3,683
-	-	-	-	-	-
1,552	3,554	(13,350)	2,000	-	3,442
147,000	245,000	700,000	1,090,400	96,297	906,519
159,990	251,772	691,054	1,096,489	101,800	913,644
$ 11,147,721	$ 13,202,653	$ 14,048,532	$ 9,206,832	$ 11,980,672	$ 13,046,514
$ 1,306,496	$ 3,905,229	$ 3,586,396	$ (3,526,544)	$ 1,432,555	$ 720,015
(1,242,541)	(1,067,333)	(695,488)	(750,319)	(924,590)	(806,847)
$ 63,955	$ 2,837,896	$ 2,890,908	$ (4,276,863)	$ 507,965	$ (86,832)

VILLAGE OF LINCOLNSHIRE, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2006 *	2007	2008	2009
GENERAL FUND				
Nonspendable	$ -	$ -	$ -	$ -
Reserved/restricted	95,453	345,453	460,517	1,105,569
Assigned	-	-	-	-
Unreserved/unassigned	10,576,229	9,066,518	8,890,704	7,332,889
TOTAL GENERAL FUND	$ 10,671,682	$ 9,411,971	$ 9,351,221	$ 8,438,458
ALL OTHER GOVERNMENTAL FUNDS				
Nonspendable	$ -	$ -	$ -	$ -
Reserved/restricted	4,301,221	4,301,221	4,301,221	8,346,918
Unreserved/assigned, reported in				
Special Revenue Funds	491,640	417,307	1,281,040	-
Capital Project Funds	1,825,729	2,327,949	911,810	86,830
TOTAL ALL OTHER GOVERNMENTAL FUNDS	$ 6,618,590	$ 7,046,477	$ 6,494,071	$ 8,433,748

* The Village changed its fiscal year end from April 30 to December 31 in 2006.
** The Village implemented GASB Statement 54 for the year ended December 31, 2011.

Data Source

Audited Financial Statements

2010	2011 **	2012	2013	2014	2015
$ -	$ 99,653	$ 65,294	$ 9,461	$ 775	$ 29,089
288,853	-	-	-	-	-
-	-	-	-	-	-
7,861,442	9,590,075	11,612,467	12,103,725	10,612,821	9,748,038
$ 8,150,295	$ 9,689,728	$ 11,677,761	$ 12,113,186	$ 10,613,596	$ 9,777,127
$ -	$ 3,801	$ 1,903	$ -	$ -	$ 95,235
8,638,063	9,917,234	7,138,131	2,465,578	2,647,313	2,725,241
-	-	-	-	-	-
54,792	27,163	33,815	60,676	2,890,228	2,863,321
$ 8,692,855	$ 9,948,198	$ 7,173,849	$ 2,526,254	$ 5,537,541	$ 5,683,797

VILLAGE OF LINCOLNSHIRE, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	**2006 ***	**2007**	**2008**	**2009**
REVENUES				
Property taxes	$ 2,525,276	$ 3,664,251	$ 3,845,433	$ 4,317,091
Other taxes	5,957,596	8,760,012	8,001,062	6,748,146
Licenses and permits	717,470	868,217	1,085,034	650,774
Fines and penalties	310,687	530,857	506,275	549,992
Charges for services	1,240,875	995,608	728,573	75,923
Intergovernmental	536,929	618,968	401,688	672,473
Investment income	117,963	187,685	202,308	179,703
Donations	-	-	-	-
Miscellaneous	62,984	273,372	335,612	71,155
Total revenues	11,469,780	15,898,970	15,105,985	13,265,257
EXPENDITURES				
General government	2,550,339	3,748,842	3,425,042	2,457,974
Public safety	2,310,605	3,754,819	3,863,789	4,499,028
Community and economic development	384,292	619,540	801,403	733,343
Public works	1,195,976	2,030,522	2,067,826	3,621,871
Parks and open spaces	1,107,299	1,737,321	1,664,338	1,366,078
Capital outlay	1,035,948	1,451,198	1,724,118	864,303
Debt service				
Principal	635,540	378,634	653,958	825,881
Interest	138,525	316,940	1,210,679	1,181,525
Total expenditures	9,358,524	14,037,816	15,411,153	15,550,003
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,111,256	1,861,154	(305,168)	(2,284,746)
OTHER FINANCING SOURCES (USES)				
Transfers in	200,000	1,284,925	1,713,875	1,476,750
Transfers (out)	(3,037,000)	(3,781,925)	(2,060,875)	(1,673,750)
Issuance of notes	-	-	-	1,540,000
Issuance of SSA bonds	-	-	-	-
Gain on sale of land	-	-	-	-
Refunding of bonds	-	-	-	-
Refunding of notes	-	-	-	-
Sale of capital assets	-	-	-	86,070
Total other financing sources (uses)	(2,837,000)	(2,497,000)	(347,000)	1,429,070
NET CHANGE IN FUND BALANCES	$ (725,744)	$ (635,846)	$ (652,168)	$ (855,676)
DEBT SERVICE AS A PERCENTAGE OF NONCAPTIAL EXPENDITURES	8.4%	5.2%	12.7%	15.3%

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

Data Source

Audited Financial Statements

2010	2011	2012	2013	2014	2015
$ 4,317,252	$ 4,356,785	$ 4,308,071	$ 4,282,221	$ 2,589,086	$ 2,583,554
6,690,147	8,742,307	9,674,681	9,136,539	9,353,713	10,305,871
549,996	440,325	569,132	509,493	748,840	737,474
506,933	489,422	492,401	385,465	333,321	250,543
72,820	98,183	111,791	93,395	21,714	12,220
692,394	752,412	747,153	760,494	853,432	804,611
87,199	39,767	45,339	46,530	(38,994)	55,477
-	-	-	-	20,000	16,520
40,133	44,964	13,074	84,015	119,826	146,024
12,956,874	14,964,165	15,961,642	15,298,152	14,000,938	14,912,294
2,271,606	2,142,444	2,034,704	2,073,589	2,522,842	2,628,626
4,216,071	4,182,842	4,251,691	4,635,965	3,799,528	3,991,885
530,073	448,122	450,213	495,107	486,420	974,500
1,854,289	1,789,093	2,124,293	2,561,912	1,306,404	1,318,348
879,041	861,796	815,041	1,101,484	1,244,687	1,289,239
413,807	255,233	2,142,960	1,623,311	1,944,395	1,603,970
1,129,239	1,486,860	1,210,446	2,602,195	756,009	787,446
1,230,151	1,104,802	1,005,030	1,007,690	878,273	844,605
12,524,277	12,271,192	14,034,378	16,101,253	12,938,558	13,438,619
432,597	2,692,973	1,927,264	(803,101)	1,062,380	1,473,675
965,250	1,364,479	2,082,482	929,253	4,580,612	1,435,360
(1,112,250)	(1,609,479)	(2,782,482)	(2,019,653)	(4,652,715)	(2,317,300)
-	5,735,000	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	(5,716,464)	-	-	-	-
1,557	12,057	16,313	(4,348,562)	19,665	10,235
(145,443)	(214,407)	(683,687)	(5,438,962)	(52,438)	(871,705)
$ 287,154	$ 2,478,566	$ 1,243,577	$ (6,242,063)	$ 1,009,942	$ 601,970
18.91%	21.32%	16.27%	24.03%	14.56%	12.88%

Return to Agenda

VILLAGE OF LINCOLNSHIRE, ILLINOIS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

	2015			2006		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total Village Taxable Assessed Valuation**	**Taxable Assessed Value**	**Rank**	**Percentage of Total Village Taxable Assessed Valuation**
ARC ACLSH IL001 LLC	$ 16,098,935	1	2.75%			
Lincolnshire Senior Care LLC	13,712,069	2	2.34%			
GA Tri-State Office Park, LLC	12,829,819	3	2.19%			
Property Tax Unit - N16WC	11,864,733	4	2.02%			
Van Vissingen & Company	11,160,750	5	1.90%	$ 51,661,763	1	8.38%
LA-RFMBG Lincolnshire, LLC	8,202,808	6	1.40%			
Medline Industries	5,743,609	7	0.98%			
Cole of Lincolnshire IL LLC	5,752,183	8	0.98%			
CFNX Lincolnshire LLC	5,718,426	9	0.98%			
Milbrook, Inc.	4,312,577	10	0.74%	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	$ 95,395,909		13.53%	$ 154,687,355		25.09%

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

Return to Agenda

VILLAGE OF LINCOLNSHIRE, ILLINOIS

SALES TAX BY CATEGORY
(in thousands of dollars)

Last Ten Calendar Years

Calendar Year	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
General merchandise	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Food	24	26	34	33	16	7	18	59	92	203
Drinking and eating places	590	659	657	574	539	685	956	974	986	1,029
Apparel	69	80	126	113	111	116	177	159	143	141
Furniture	493	523	439	435	334	406	745	754	623	715
Lumber, building hardware	534	519	135	-	4	23	66	38	41	42
Automobile and filling stations	62	56	60	49	37	70	86	100	80	76
Drugs and miscellaneous retail	893	935	888	491	273	330	431	399	408	122
Agriculture and all others	748	619	735	626	939	1,188	1,818	1,684	1,865	2,075
Manufacturers	19	29	44	57	64	45	47	36	17	10
TOTAL	$ 3,432	$ 3,446	$ 3,118	$ 2,378	$ 2,317	$ 2,870	$ 4,344	$ 4,203	$ 4,255	$ 4,413
Village direct sales tax rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Village home rule rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.50%	0.50%	0.50%	0.50%	0.50%

Data Source

Illinois Department of Revenue

VILLAGE OF LINCOLNSHIRE, ILLINOIS

DIRECT AND OVERLAPPING SALES TAX RATES

Last Ten Fiscal Years

Fiscal Year	Lake County Rate	RTA Lake County Rate	Village Direct Rate	State Rate	Village Home Rule Sales Tax[1]
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%
2015	0.50%	0.50%	1.00%	5.00%	0.50%

[1] Effective January 1, 2012.

Data Source

Village and County Records

Return to Agenda

VILLAGE OF LINCOLNSHIRE, ILLINOIS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

	Governmental Activities					Business-Type Activities			
Fiscal Year Ended	Special Service Area Bonds	North Park Loan	Schelter Road Loan	Consolidated North Park/ Schelter Road Loan	Tax Increment Financing	Utility Line Loan	Total Primary Government	Percentage of Personal Income (1)	Per Capita (2)
2006	$ 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 (2)	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
2015	12,715,000	-	-	1,151,094	-	447,649	14,313,743	3.18%	1,968

(1) See the schedule of Demographic and Economic Information on for personal income and population data.
(2) 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
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
2015	-	12,715,000	12,715,000	72.00%	1,748

Data Source

(1) Audited Financial Statements

Return to Agenda

VILLAGE OF LINCOLNSHIRE, ILLINOIS

DIRECT AND OVERLAPPING BONDED DEBT -
GOVERNMENTAL ACTIVITIES

December 31, 2015

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	$ 72,220,000	2.6%	$ 1,903,883
Elementary School District No. 102	3,780,000	8.8%	333,721
Elementary School District No. 103	6,535,000	55.7%	3,638,198
Elementary School District No. 106	-	1.1%	-
Deerfield/ Bannockburn Fire District	-	20.0%	-
Long Grove Fire Protection District	-	1.9%	-
Lincolnshire/Riverwoods Fire Protection District	-	48.7%	-
High School District No. 113	79,695,000	0.1%	45,564
High School District No. 125	34,485,000	18.1%	6,257,726
Vernon Area Public Library	-	25.0%	-
Buffalo Grove Park District	15,230,000	0.3%	50,635
Township of Vernon	-	16.7%	-
Township of West Deerfield	-	0.1%	-
Lake County	190,325,000	2.5%	4,761,471
Lake County Forest Preserve	284,615,000	2.5%	7,120,378
Total overlapping debt	686,885,000		24,111,576
Direct debt			
Village of Lincolnshire	1,917,183	100.00%	1,917,183
TOTAL DIRECT AND OVERLAPPING DEBT	$ 688,802,183		$ 26,028,759

Data Source

Lake County Extension Office

Return to Agenda

VILLAGE OF LINCOLNSHIRE, ILLINOIS

LEGAL DEBT MARGIN INFORMATION

December 31, 2015

The Village is a home rule municipality.

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

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

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

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

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

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

EQUALIZED ASSESSED VALUATION - 2015*	$ 586,329,751
Legal debt limit - 8.625%	$ 50,570,941
Amount of debt applicable to limit:	-
LEGAL DEBT MARGIN	$ 50,570,941

* Most Recent EAV Available

Return to Agenda

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%
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%
2015	7,275	450,403	61,911	5.9%

*Lake County unemployment rate as of August 2013.

Data Source

Illinois Department of Employment Security (IDES)

VILLAGE OF LINCOLNSHIRE, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

	2015			2006		
Employer	**Employees**	**Rank**	**% of Total Village Population**	**Employees**	**Rank**	**% of Total Village Population**
Aon-Hewitt	3,877	1	15.5%	4,079	1	20.4%
Zebra Technologies	1,743	2	7.0%			
Adlai Stevenson High School	1,132	3	4.5%	364	5	1.8%
CDW	1,100	4	4.4%			
Walgreens Co.	1,000	5	4.0%			
Hydraforce, Inc.	670	6	2.7%			
W. W. Grainger	503	7	2.0%	1,100	2	5.5%
Quill Corporation	450	8	1.8%	1,000	3	5.0%
Lincolnshire-Prairie View School D103	445	9	1.8%			
Sedgebrook	366	10	1.5%			
TOTAL	11,286		45.2%	6,543		32.7%
Village day time population (est.)			25,000			20,000

Data Sources

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

Return to Agenda

VILLAGE OF LINCOLNSHIRE, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
GENERAL GOVERNMENT										
Administration	3.90	3.90	3.90	3.90	4.30	3.50	3.50	3.20	3.25	3.25
Finance	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	3.50	3.50
PUBLIC SAFETY										
Police	31.00	31.00	31.10	31.10	30.00	28.80	28.80	28.00	29.00	29.00
E911	5.00	5.00	5.40	5.40	5.00	4.20	4.20	4.20	-	-
COMMUNITY AND ECONOMIC DEVELOPMENT										
Development	6.25	6.75	7.00	7.00	7.25	6.75	5.75	5.75	5.75	5.75
Forestry[1]	1.00	1.00	1.00	1.00	-	-	-	-	-	-
PUBLIC WORKS										
Administration	2.50	2.50	2.50	2.50	1.75	1.75	1.75	2.00	1.75	1.75
Streets	5.25	5.25	5.25	5.25	4.25	4.25	4.25	4.25	4.50	4.50
Buildings and grounds	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	7.75	7.75	6.00	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	10.00	10.00	10.00	7.87	8.13	8.13	8.13	10.75	10.75
Recreation[2]	3.35	3.35	3.35	3.35	2.35	-	-	-	-	-
TOTAL	81.85	82.55	83.30	83.30	78.69	73.55	72.15	68.43	66.75	66.75

[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

Return to Agenda

VILLAGE OF LINCOLNSHIRE, ILLINOIS

OPERATING INDICATORS

Last Ten Calendar Years

Function/Program	2006(1)	2007	2008	2009	2010	2011	2012	2013	2014	2015
GENERAL GOVERNMENT										
Residential mailings	9	13	13	14	6	5	5	4	4	4
Taxable property transfers	105	118	98	91	110	117	157	165	145	157
Fine revenues collected	230,000	295,000	388,000	442,000	369,000	372,000	406,900	488,200	355,036	262,763
POLICE										
Calls for service	N/A	48,315	46,445	43,003	41,269	33,501	26,797	19,743	14,219	14,023
Total reports	N/A	2,501	2,279	2,002	1,983	1,981	1,766	1,950	1,500	1,453
Arrests (includes traffic)	N/A	577	572	575	534	134	472	429	231	177
DUI arrests	N/A	88	73	49	54	99	93	85	45	35
COMMUNITY AND ECONOMIC DEVELOPMENT										
Building permits issued	340	435	300	444	301	312	325	356	359	368
PUBLIC WORKS - GENERAL										
Street resurfacing (miles)	0.98	1.46	1.61	1.42	1.31	1.11	1.03	1.05	0.95	0.95
Project inspections	267	500	245	200	200	318	225	251	172	140
Street cleaned - miles	575	500	327	350	314	303	300	340	357	267
Cubic yards of leaves collected	5,490	5,930	6,110	6,000	8,340	7,052	6,500	6,500	6,942	7,064
PUBLIC WORKS - WATER AND SEWER										
Average daily pumpage metered (millions of gallons)	1.387	1.488	1.380	1.310	1.310	1.255	1.402	1.390	1.267	1.286
JULIE utility locates	3,305	2,755	2,674	2,905	1,760	2,133	2,013	2,100	2,300	2,938
PARKS AND OPEN SPACES										
Trees planted	77	87	110	117	110	118	200	205	138	154
Playground inspection hours	194	210	190	235	177	142	26	137	65	84
Special event hours	569	541	595	637	741	727	800	800	840	802
Number of programs	345	194	240	286	389	-	-	-	-	-
Number of participants	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

Return to Agenda

VILLAGE OF LINCOLNSHIRE, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
POLICE										
Patrol units	14	14	14	15	14	14	14	15	15	14
Stations	1	1	1	1	1	1	1	1	1	1
PUBLIC WORKS										
Streets (miles)	33	34	34	34	35	40	40	40	35	35
Building facilities maintained	6	6	6	6	6	6	6	6	6	6
PARKS AND RECREATION										
Acreage	307.0	311.0	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	833	835	835	835	846	848	856	854	859	859
Storage capacity (millions of gallons)	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6
Water mains (miles)	59.5	61.0	61.0	67.0	59.8	67.0	67.0	62.2	61.0	61.0
Sanitary sewers (miles)	43.0	43.0	43.0	45.0	47.3	50.0	50.0	50.0	45.0	45.0
Storm sewers (miles)	43.3	43.3	43.3	43.3	44.6	105.0	105.0	105.0	101.0	101.0

Data Source

Various village departments

Return to Agenda

VILLAGE OF LINCOLNSHIRE, ILLINOIS

AUDITOR'S COMMUNICATION TO
THE VILLAGE BOARD

For the Year Ended
December 31, 2015

Sikich®

Return to Agenda

VILLAGE OF LINCOLNSHIRE, ILLINOIS
AUDITOR'S COMMUNICATION TO THE VILLAGE BOARD
TABLE OF CONTENTS

	Page(s)
COVER LETTER	1
REQUIRED COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE	2-7
• Adjusting Journal Entries	
• Passed Adjustments	
COMMUNICATION OF DEFICIENCIES IN INTERNAL CONTROL AND OTHER COMMENTS TO MANAGEMENT	8-13
FIRM PROFILE	

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

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

June 2, 2016

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, 2015.

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,

Sikich LLP
By: Daniel A. Berg, CPA
Partner

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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 2, 2016

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, 2015. 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 December 3, 2015. 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, 2015, except for the implementation of GASB Statement No. 68. 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 actuarial assumptions used to calculate the total pension liability.

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 Entry No. AJE03, 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 2, 2016.

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

Sikich LLP
By: Daniel A. Berg, CPA
Partner

Return to Agenda

Village of Lincolnshire

Year End: December 31, 2015

Adjusting Journal Entries

Date: 1/1/2015 To 12/31/2015

Number	Date	Name	Account No	Amount
AJE01	12/31/2015	Unappropriated Prior Year	51-00-65-2980 GCF-51	12,830.00
AJE01	12/31/2015	Pocket Park (Const & Eng)	51-22-86-1901 GCF-51	(12,830.00)
		Adjust fund balance difference in Fund 51 related to PY AJE07		
AJE02	12/31/2015	Ck: BF- General Account 708	01-00-05-1040 GF-01	(19,964.94)
AJE02	12/31/2015	Taxes Receivable	01-00-20-1310 GF-01	19,964.94
AJE02	12/31/2015	Taxes Receivable	01-00-20-1310 GF-01	42,196.26
AJE02	12/31/2015	State Use Tax	01-00-70-4091 GF-01	(42,196.26)
		To reclass Use Tax received in March 2016 recorded in cash to A/R, and to show Use Tax on accrual basis		
AJE03	12/31/2015	Ck: BF- General Account 708	01-00-05-1040 GF-01	(71,818.40)
AJE03	12/31/2015	Ck: BF- General Account 708	01-00-05-1040 GF-01	(298,637.25)
AJE03	12/31/2015	Ck: BF- General Account 708	01-00-05-1040 GF-01	(139,835.50)
AJE03	12/31/2015	Ck: BF- General Account 708	01-00-05-1040 GF-01	(234,912.78)
AJE03	12/31/2015	Taxes Receivable	01-00-20-1310 GF-01	71,818.40
AJE03	12/31/2015	Taxes Receivable	01-00-20-1310 GF-01	298,637.25
AJE03	12/31/2015	Taxes Receivable	01-00-20-1310 GF-01	139,835.50
AJE03	12/31/2015	Taxes Receivable	01-00-20-1310 GF-01	234,912.78
AJE03	12/31/2015	Taxes Receivable	01-00-20-1310 GF-01	11,829.31
AJE03	12/31/2015	Room And Admission Tax	01-00-70-4040 GF-01	(11,829.31)
		To reclass March 2016 tax revenue receipts from Cash to A/R		
AJE04	12/31/2015	Prepaid Expenses	01-00-25-1420 GF-01	14,405.66
AJE04	12/31/2015	AP Accrual	01-00-40-2010 GF-01	(14,405.66)
AJE04	12/31/2015	Prepaid Expenses	02-00-25-1420 WSO-02	4,233.13
AJE04	12/31/2015	AP Accrual	02-00-40-2010 WSO-02	(4,233.13)
AJE04	12/31/2015	PREPAID EXPENSES	11-00-25-1420 SF-11	1,758.00
AJE04	12/31/2015	AP Accrual	11-00-40-2010 SF-11	(1,758.00)
AJE04	12/31/2015	Prepaid Expenses	12-00-25-1420 VM-12	875.82
AJE04	12/31/2015	AP Accrual	12-00-40-2010 VM-12	(875.82)
AJE04	12/31/2015	Prepaid Expenses	17-00-25-1420 911-17	93,437.12
AJE04	12/31/2015	AP Accrual	17-00-40-2010 911-17	(93,437.12)
		To reclass expenses from AP to Prepaid Expenses		
AJE05	12/31/2015	Ck: BF- E911 944	17-00-05-1040 911-17	(11,677.15)
AJE05	12/31/2015	E911 Wireless Surcharge	17-00-70-4077 911-17	11,677.15
		To adjust E-911 surcharge revenue double-booked (in Cash and AR)		

Return to Agenda

Number	Date	Name	Account No	Amount
AJE07	12/31/2015	Net Position- Unrestricted	02-00-65-2997 WSO-02	745,114.00
AJE07	12/31/2015	Net Pension Liability - BT	02-01-70-2350 WSO-02	(745,114.00)
AJE07	12/31/2015	Unappropriated Prior Year	14-00-65-2980 G-14	2,359,527.00
AJE07	12/31/2015	Net Pension Liability - GG	14-01-70-2350 G-14	(2,359,527.00)
		To record PPA for net pension liability in accordance with GASB S-68		
AJE08	12/31/2015	Deferred Outflow - BT	02-00-20-1350 WSO-02	314,675.00
AJE08	12/31/2015	Pension Expense - BT	02-00-60-6055 WSO-02	(136,392.00)
AJE08	12/31/2015	Net Pension Liability - BT	02-01-70-2350 WSO-02	(129,256.00)
AJE08	12/31/2015	Deferred Inflow - BT	02-01-70-2355 WSO-02	(49,027.00)
AJE08	12/31/2015	Deferred Outflow - GG	14-00-20-1350 G-14	996,471.00
AJE08	12/31/2015	Pension Expense - GG	14-00-60-6055 G-14	(431,908.00)
AJE08	12/31/2015	Net Pension Liability - GG	14-01-70-2350 G-14	(409,311.00)
AJE08	12/31/2015	Deferred Inflow - GG	14-01-70-2355 G-14	(155,252.00)
		To record change in deferred outflows and net pension liability in accordance with GASB S-68 for IMRF		
AJE09	12/31/2015	Deferred Outflow Police Pension (new account)	14-00-20-1351 G-14	1,223,572.00
AJE09	12/31/2015	Pension Expense Police Pension (new account)	14-00-60-6056 G-14	281,030.00
AJE09	12/31/2015	Unappropriated Prior Year	14-00-65-2980 G-14	9,540,111.00
AJE09	12/31/2015	Net Pension Liability Police Pension (new accou	14-01-70-2351 G-14	(9,540,111.00)
AJE09	12/31/2015	Net Pension Liability Police Pension (new accou	14-01-70-2351 G-14	(1,111,158.00)
AJE09	12/31/2015	Deferred Inflow Police Pension (new account)	14-01-70-2356 G-14	(393,444.00)
		To record PPA for net pension liability and change in deferred outlfows, inflows and net pension liability in accordance with GASB 68 for Police Pension		

PASSED ADJUSTMENTS

	VILLAGE OF LINCOLNSHIRE		GENERAL FUND AND GOVERNMENTAL ACTIVITIES, (OPINION UNIT)	
	For the Year Ended	12/31/2015		
	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	$ -	$ -	$ (46,619)	$ 46,619
State Use Tax presentation on accrual basis - PY A/R effect	-	-	44,269	(44,269)
Total General Fund	-	-	(2,350)	2,350
TIF FUND				
Current Effect of Prior Period Passed AJE's that have carried forward to Current Period				
Retainage not recorded, expenditure recognition and accounts payable correction	$ -	$ -	$ 17,000	$ (17,000)
Total TIF Fund	-	-	17,000	(17,000)
NONMAJOR GOVERNMENTAL FUNDS				
Current Effect of Prior Period Passed AJE's that have carried forward to Current Period				
None	$ -	$ -	$ -	$ -
State Use Tax presentation on accrual basis - PY A/R effect		(7,476)	-	7,476
Total Nonmajor Funds	-	(7,476)	-	7,476
GOVERNMENTAL ACTIVITIES				
Current Effect of Prior Period Passed AJE's that have carried forward to Current Period	$ -	$ -	$ (29,619.00)	$ 29,619.00
Local tax receivable not recorded, revenue recognition and accounts payable correction	-	(7,476)	(2,350)	9,826
Effect of Plan Net Position difference - Audited report vs. Actuary report		(15,805)	-	15,805
Total Governmental Activities	-	(23,281)	(31,969)	55,250
WATER & SEWER FUND				
Current Effect of Prior Period Passed AJE's that have carried forward to Current Period				
Effect of Plan Net Position difference - Audited report vs. Actuary report	$ -	$ (4,991)	$ -	$ 4,991
Total Water & Sewer Fund	-	(4,991)	-	4,991
BUSINESS TYPE ACTIVITIES				
Current Effect of Prior Period Passed AJE's that have carried forward to Current Period			-	-
Effect of Plan Net Position difference - Audited report vs. Actuary report	$ -	$ (4,991)	$ -	$ 4,991
Total Business Type Activities	-	(4,991)	-	4,991

Return to Agenda

VILLAGE OF LINCOLNSHIRE, ILLINOIS

COMMUNICATION OF DEFICIENCIES
IN INTERNAL CONTROL AND
OTHER COMMENTS TO MANAGEMENT

December 31, 2015

Sikich®

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

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

COMMUNICATION OF DEFICIENCES IN INTERNAL CONTROL AND OTHER COMMENTS TO MANAGEMENT

Mr. Bradly Burke, Village Administrator
Mr. Michael R. Peterson, Finance Director
Village of Lincolnshire, Illinois

As part of the annual audit, we are required to communicate internal control matters that we classify as significant deficiencies and material weaknesses to those charged with governance. 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 a 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.

During our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. In addition, we reviewed the status of the comments from the December 31, 2014 audit. The status of these comments is included in Appendix A. This letter does not affect our report dated June 2, 2016, on the financial statements of the Village.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with Finance Director Michael Peterson, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

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

Sikich LLP

Naperville, Illinois
June 2, 2016

DEFICIENCIES

1. Cash and Accounts Receivable

During our review of bank reconciliations, Sikich noted reconciling items that adjusted the reconciled book balance to the balance recorded on the trial balance. Upon further review, Sikich noted that these items related to accounts receivable items received after December 31, 2015, but were recorded as cash at December 31, 2015, rather than being shown as accounts receivable. Reconciling items on bank reconciliations should only relate to checks issued but not yet cleared as of the bank statement date, or deposits in transit. Sikich recommend the Village perform a more thorough review of items presented as reconciling items on bank reconciliations. Sikich also recommend the Village compare its Accounts Receivable accrual schedules to the amount recorded on the trial balance, to ensure AR items are properly recorded as such.

2. Accounts Payable and Prepaid Items

During our testing of various accounts payable balances, Sikich noted differences between the schedules provided and the amounts recorded on the trial balance. Upon further review, it was noted that the differences related to prepaid items recorded as accounts payable at December 31, 2015. This resulted in Assets being understated by about $114,710, and liabilities being overstated by that amount. Adjusting journal entry AJE04 was recommended to properly record the prepaid items. Sikich recommend the Village review the schedules, particularly at year end, to ensure proper classification of accrued items.

OTHER COMMENTS

3. Future Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued a number of pronouncements that may impact the Village in the future.

GASB Statement No. 72, *Fair Value Measurement and Application,* addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. Statement No. 72 is applicable for the fiscal year ending December 31, 2016.

GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, establishes requirements for those pensions and pension plans that are not administered through a trust meeting specified criteria. The provisions in Statement No. 73 are effective for fiscal years beginning after June 15, 2015—except those provisions that address employers and governmental non-employer contributing entities for pensions that are not within the scope of Statement No. 68, which are effective for financial statements for fiscal years beginning after December 31, 2017.

OTHER COMMENTS (Continued)

3. Future Accounting Pronouncements (Continued)

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, addresses reporting by OPEB plans that administer benefits on behalf of governments and replaces GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. Statement No. 74 addresses the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria. The statement builds upon the existing framework for financial reports of defined benefit OPEB plans, which includes a statement of fiduciary net position (the amount held in a trust for paying retirement benefits) and a statement of changes in fiduciary net position. Statement No. 74 enhances note disclosures and RSI for both defined benefit and defined contribution OPEB plans. Statement No. 74 also requires the presentation of new information about annual money-weighted rates of return in the notes to the financial statements and in 10-year RSI schedules. The provisions in Statement No. 74 are effective for OPEB plan or sponsoring employer financial statements for periods beginning after December 31, 2017.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, addresses reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments and replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as they relate to governments that provide benefits through OPEB plans administered as trusts or similar arrangements that meet certain criteria. Statement No. 75 requires governments providing defined benefit OPEB to recognize their long-term obligation for OPEB as a liability for the first time, and to more comprehensively and comparably measure the annual costs of OPEB benefits. The Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI). The provisions in Statement No.75 are effective for fiscal years beginning after December 31, 2018.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, reduces the generally accepted accounting principles (GAAP) hierarchy to two categories of authoritative GAAP: officially established accounting principles - GASB Statements (Category A) and GASB Technical Bulletins; GASB Implementation Guides; and literature of the American Institute of Certified Public Accountants cleared by the GASB (Category B). Statement No. 76 also addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. Statement No. 76 is applicable for fiscal years ending December 31, 2016 and should be applied retroactively. Earlier application is permitted.

GASB Statement No. 77, *Tax Abatement Disclosures*, requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and reduce the reporting government's tax revenues. The requirements of this statement are effective for financial statements for the fiscal year ending December 31, 2016.

OTHER COMMENTS (Continued)

3. Future Accounting Pronouncements (Continued)

GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans,* amends the scope and applicability of GASB Statement No. 68, *to* exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) as no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). The Statement requires recognition and measurement of pension expense, expenditures, and liabilities; note disclosures, and required supplementary information for pensions of that have the characteristics described above. The requirements of this statement are effective for financial statements for the fiscal year ending December 31, 2016.

GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The requirements of this statement are effective for the fiscal year ending December 31, 2017.

GASB Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*, requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The requirements of this statement are effective for the fiscal year ending December 31, 2017.

GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, provides recognition and measurement guidance for situations in which a government is a beneficiary of a split-interest agreement. The requirements of this statement are effective for the fiscal year ending December 31, 2017.

Return to Agenda

VILLAGE OF LINCOLNSHIRE, ILLINOIS

MANAGEMENT LETTER

December 31, 2015

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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, 2015, 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.

Sikich LLP

Naperville, Illinois
June 2, 2016

SIGNIFICANT DEFICIENCY

1. Accounts Payable and Prepaid Items

During our testing of various accounts payable balances, we noted differences between the schedules provided and the amounts recorded on the trial balance. Upon further review, it was noted that the differences related to prepaid items recorded as accounts payable at December 31, 2015. This resulted in assets being understated by about $114,710, and liabilities being understated by that amount. Adjusting journal entry AJE04 was recommended to properly record the prepaid items. We recommend the Village review the schedules, particularly at year end, to ensure proper classification of accrued items.

OTHER DEFICIENCY

1. Cash and Accounts Receivable

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