



PUBLIC MEETING NOTICE AND AGENDA
COMMITTEE OF THE WHOLE MEETING

JUNE 23, 2020
7:30 P.M.

AGENDA

Due to the Governor's order restricting gatherings of people, and in an effort to minimize the potential spread of COVID-19, the Village reserves the right to restrict attendance to the meetings. The Village encourages anyone who wishes to address the Village Board to submit a written statement to be read aloud at the meeting. Please submit such a written statement to Interim Village Administrator Fred Mullard **by 4pm on June 23, 2020**. You may also join the meeting remotely by dialing 1-872-240-3412, access code 602-176-389. Please be aware that the meeting will be recorded.

1. Call to Order

2. Pledge of Allegiance

3. Audience Participation

The public is invited to make an issue-oriented comment on any matter of public concern not otherwise on the agenda. The public comment may be no longer than 3 minutes in duration.

4. Staff Presentations

A. Administration

1. Waiver of Section 43.09, "Noise", of the Lake in the Hills Municipal Code for Boulder Ridge Country Club – Wedding

B. Finance

1. Comprehensive Annual Financial Report for the Fiscal Year Ended December 31, 2019

C. Police Department

1. Mutual Aid Agreement for the McHenry County Sheriff's SWAT Team

D. Public Works

1. 2020 United Cricket Club Agreement
2. 2020 Contract for Thermoplastic Road Striping Services

E. Community Services

1. Ordinance Extending the Construction Start Date for Phase 2 of the Melody Living Senior Housing Development
2. Ordinance Amending Plat of Resubdivision for the Melody Living Senior Housing Development
3. Approve Unit Mix for the Melody Living Senior Housing Development

5. Board of Trustees
 - A. Trustee Harlfinger
 - B. Trustee Huckins
 - C. Trustee Bogdanowski
 - D. Trustee Dustin
 1. Planning and Zoning Commission Liaison Report
 - E. Trustee Bojarski
 - F. Trustee Murphy
 1. Parks and Recreation Board Liaison Report
6. Village President
7. Audience Participation
8. Motion to enter into Closed Session to discuss the appointment, employment, compensation, discipline, performance or dismissal of specific employees (5 ILCS 120/2 (c)(1)).
9. Adjournment

MEETING LOCATION
Lake in the Hills Village Hall
600 Harvest Gate
Lake in the Hills, IL 60156

The Village of Lake in the Hills is subject to the requirements of the Americans with Disabilities Act of 1990. Individuals with disabilities who plan to attend this meeting and who require certain accommodations so that they can observe and/or participate in this meeting, or who have questions regarding the accessibility of the meeting or the Village's facilities, should contact the Village's ADA Coordinator at (847) 960-7410 [TDD (847) 658-4511] promptly to allow the Village to make reasonable accommodations for those persons.

Posted by: _____ Date: _____ Time: _____



REQUEST FOR BOARD ACTION

MEETING DATE: June 23, 2020

DEPARTMENT: Administration

SUBJECT: Waiver of Section 43.09, "Noise", of the Lake in the Hills Municipal Code for Boulder Ridge Country Club - Wedding

EXECUTIVE SUMMARY

Boulder Ridge Country Club is requesting the Village Board to waive the provisions of Section 43.09 of the Municipal Code for an outdoor wedding reception. The reception is taking place on Friday, August 14, 2020 from 5:30pm until 11:30pm and will be held under a tent with music by 2 Pro DJ's. They are estimating up to 100 people to attend.

FINANCIAL IMPACT

None.

ATTACHMENTS

1. Boulder Ridge Country Club Letter

RECOMMENDED MOTION

Motion to waive the provisions of Section 43.09, Noise, of the Lake in the Hills Municipal Code, to allow Boulder Ridge Country Club to host an outdoor wedding reception on Friday, August 14, 2020 until 11:30pm, subject to the public gathering and other requirements of the appropriate phase of the Restore Illinois Plan in effect at the time of the event.



Banquet Office:
350 Boulder Drive, Lake in the Hills, IL 60156
(847) 854-3000
Fax (847) 854-1081
www.boulderridge.com

June 16, 2020

Ms. Jennifer Clough
Village Administrator
600 Harvest Gate
Lake in the Hills, IL 60156

Re: Friday August 14, 2020
Request for Variance of Village Code 43.09, NOISE

Dear Ms. Clough,

Boulder Ridge Country Club is requesting a variance of Village Code 43.09, NOISE. The country club is hosting a wedding reception on Friday August 14, 2020 from 5:30pm to 11:30pm. The wedding reception will be held under a tent on the Boulder Ridge Country Club property. They have contracted the DJ company, 2 Pro DJ's, for their event. I estimate approximately 100 people to attend.

I hope the board would look favorably upon my request and if there is any additional information required, I would be more than willing to provide that to you. Thank you for your consideration.

Very truly yours,
BOULDER RIDGE COUNTRY CLUB

Janet Logan
Catering Director



REQUEST FOR BOARD ACTION

MEETING DATE: June 23, 2020

DEPARTMENT: Finance

SUBJECT: **Comprehensive Annual Financial Report for the Fiscal Year Ended December 31, 2019**

EXECUTIVE SUMMARY

Attached is the Village's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2019 and the Auditor's Communication to the Board of Trustees. At the April 23, 2020 COTW meeting the financial results for FY 19 were discussed in detail through the informational item power point presentation. This item builds upon that discussion and represents the formal reports that are recorded with McHenry County, posted on our website, and satisfy state statute requirements. Once the CAFR is accepted by the Village Board, it will be submitted to the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting awards program and we look forward to another favorable review.

For the second consecutive year, there is no memorandum stating Management's Response to the December 31, 2019 Management Letter, as there were no Management Letter comments (included in the Auditor's Communication to the Board of Trustees document) identified by the auditor's during the audit of FY 2019. Additional documents attached are the Management Letter required per Illinois Compiled Statutes and the Annual Financial Report for the Police Pension Plan that has been incorporated into the CAFR. Jim Savio, Partner with Sikich LLP, will give a brief presentation at the COTW meeting on June 23rd and will be available to answer any questions the Village Board may have in regards to any of the attached items.

FINANCIAL IMPACT

None.

ATTACHMENTS

1. Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2019
2. Auditor's Communication to the Board of Trustees
3. Management Letter Required per Illinois Compiled Statutes
4. Police Pension Plan Annual Financial Report for the fiscal year ended December 31, 2019

RECOMMENDED MOTION

Accept the Comprehensive Annual Financial Report, Auditor's Communication to the Board of Trustees, Management Letter Required per Illinois Compiled Statutes, and the Police Pension Annual Financial Report all for the fiscal year ended December 31, 2019.



VILLAGE OF LAKE IN THE HILLS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED DECEMBER 31, 2019



VILLAGE OF LAKE IN THE HILLS, ILLINOIS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended
December 31, 2019

Prepared by the Village of Lake in the Hills Finance Department

Shane D. Johnson
Assistant Village Administrator/Finance Director

Wayde Frerichs
Assistant Finance Director

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
TABLE OF CONTENTS

	<u>Page(s)</u>
INTRODUCTORY SECTION	
Principal Officials	i
Organizational Chart.....	ii
Certificate of Achievement for Excellence in Financial Reporting.....	iii
Letter of Transmittal	iv-ix
FINANCIAL SECTION	
INDEPENDENT AUDITOR’S REPORT	1-3
INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	4-5
GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS	
Management’s Discussion and Analysis.....	MD&A 1-16
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position.....	6
Statement of Activities	7-8
Fund Financial Statements	
Governmental Funds	
Balance Sheet.....	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

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
TABLE OF CONTENTS (Continued)

Page(s)

FINANCIAL SECTION (Continued)

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS (Continued)

Basic Financial Statements (Continued)

Fund Financial Statements (Continued)

Governmental Funds (Continued)

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

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	20-53
-------------------------------------	-------

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
General Fund	54-56
Motor Fuel Tax Fund.....	57
Notes to Required Supplementary Information	58
Schedule of Changes in the Employer's Total OPEB Liability and Related Ratios	
Other Postemployment Benefit Plan	59
Schedule of Employer Contributions	
Illinois Municipal Retirement Fund	60
Police Pension Plan	61

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
TABLE OF CONTENTS (Continued)

Page(s)

FINANCIAL SECTION (Continued)

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS (Continued)

Required Supplementary Information (Continued)

Schedule of Changes in the Employer's Net Pension Liability
and Related Ratios

Illinois Municipal Retirement Fund	62
Police Pension Plan	63

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

NONMAJOR GOVERNMENTAL FUNDS

Combining Balance Sheet	64
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	65
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
Special Service Areas Fund.....	66
Capital Improvement Plan Fund.....	67
Lake Projects Fund	68

SUPPLEMENTARY FINANCIAL INFORMATION

Schedule of Revenues - Budget and Actual - General Fund.....	69-70
--------------------------------------------------------------	-------

STATISTICAL SECTION

Financial Trends

Net Position by Component	71-72
Change in Net Position	73-76
Fund Balances of Governmental Funds	77-78
Changes in Fund Balances of Governmental Funds	79-80

Revenue Capacity

Assessed Value and Actual Value of Taxable Property.....	81
Property Tax Rates - Direct and Overlapping Governments	82-83
Principal Property Taxpayers.....	84
Property Tax Levies and Collections	85

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
TABLE OF CONTENTS (Continued)

	<u>Page(s)</u>
STATISTICAL SECTION (Continued)	
Debt Capacity	
Ratios of Outstanding Debt by Type.....	86
Ratios of General Bonded Debt Outstanding.....	87
Direct and Overlapping Governmental Activities Debt.....	88
Schedule of Legal Debt Margin	89
Demographic and Economic Information	
Demographic and Economic Information	90
Principal Employers	91
Operating Information	
Full-Time Equivalent Employees	92
Operating Indicators.....	93-94
Capital Asset Statistics.....	95
CONTINUING DISCLOSURES	
Continuing Disclosures - Annual Financial Information	96-109

INTRODUCTORY SECTION

**VILLAGE OF LAKE IN THE HILLS
PRINCIPAL OFFICIALS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019**

VILLAGE PRESIDENT RUSS RUZANSKI
VILLAGE CLERK CECILIA CARMAN

TRUSTEE STEPHEN HARLFINGER
TRUSTEE RAY BOGDANOWSKI
TRUSTEE BOB HUCKINS

TRUSTEE DIANE MURPHY
TRUSTEE BILL DUSTIN
TRUSTEE SUZETTE BOJARSKI



VILLAGE ADMINISTRATOR JENNIFER D. CLOUGH
ASSISTANT VILLAGE ADMINISTRATOR/FINANCE DIRECTOR
SHANE D. JOHNSON

VILLAGE OF LAKE IN THE HILLS ORGANIZATIONAL CHART

Citizens of
Lake in the Hills

Elected Officials

Village President
Board of Trustees
Village Clerk

Advisory Boards
and Commissions

Planning & Zoning Commission
Parks & Recreation Board
Police Commission
Police Pension Board

Village Administrator

Chief of Police

Professional Services

Village Attorney
Village Prosecutor
Village Engineer

Police Department

Administration
Patrol
Support Services

Administration
Department

Administration
Management Information Systems
Human Resources
Economic Development

Finance
Department

Finance
Customer Service
Water Billing

Community
Services
Department

Community Development
Parks and Recreation

Public Works
Department

Administration
Streets
Public Properties
Municipal Airport
Water



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Village of Lake in the Hills
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morill

Executive Director/CEO



June 8, 2020

The Honorable Village President
Members of the Village Board
Residents of the Village of Lake in the Hills, Illinois

The Comprehensive Annual Financial Report (CAFR) of the Village of Lake in the Hills, Illinois for the fiscal year ended December 31, 2019, is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require the Village to issue annually a report on its financial position and activity presented in conformance with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with general accepted auditing standards (GAAS) by an independent firm of certified public accountants.

This report consists of management's representations concerning the finances of the Village of Lake in the Hills. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the Village. To provide a reasonable basis for making these representations, management of the Village has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the Village of Lake in the Hills' financial statements in accordance with general accepted accounting principles (GAAP). Because the cost of internal control should not outweigh their benefits, the Village's comprehensive framework of internal controls has been designed to provide reasonable assurance rather than absolute assurance that the financial statements will be free from material misstatement. All disclosures necessary to enable the reader to gain an understanding of the Village's financial activities have been included.

The Village's financial statements have been audited by Sikich LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Village of Lake in the Hills for the fiscal year ended December 31, 2019, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and evaluating the overall financial statement presentation.

The independent auditor concluded, based upon their audit, that there was a reasonable basis for rendering an unmodified opinion that the Village's statements for the fiscal year ended December 31, 2019, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The Village expended less than \$750,000 of federal funds during the fiscal year ended December 31, 2019 and therefore, is not required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the Uniform Guidance.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Village's MD&A can be found immediately following the report of the independent auditors.

Profile of the Village of Lake in the Hills

The Village of Lake in the Hills was incorporated on November 29, 1952 and is located in the southeast portion of McHenry County Illinois. Located approximately 47 miles northwest of the City of Chicago, the Village currently occupies approximately 10.61 square miles, and has approximately 91.0 miles of streets. The population of the Village grew from 28,965 in the 2010 census to 29,228 in a 2016 special partial census. Therefore, the Village is a home rule community because its population exceeds 25,000. Home rule communities in the State of Illinois have greater control of their finances because of additional revenue generating abilities afforded to home rule communities. The Village of Lake in the Hills 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 by annexation, which is done periodically when deemed appropriate, by the Village Board.

The Village operates under the Board/Administrator form of government. Policy making and legislative authority are vested in the Village Board, which consists of a Village President and a six-member Board of Trustees. The Village Board is responsible, among other things, for establishing policy, passing ordinances, adopting the budget, appointing committees, and hiring the Village Administrator. The Village Administrator is responsible for carrying out the policies and ordinances of the Village Board, and for overseeing the day-to-day operations of the Village. Village Trustees are elected to four-year staggered terms with three Village Trustees elected every two years. The Village President and Village Clerk are also elected to four-year terms. The Village President, Village Trustees, and Village Clerk are all elected at large.

The Village provides a full range of services as the needs and resources of the community dictate. This range of services includes public safety (Police), the construction and maintenance of streets and other infrastructure, community development, municipal airport services, recreation, water production, treatment and distribution, planning and zoning, and general administrative services.

For financial reporting purposes, the criteria provided in Government Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statement No. 61, have been considered and there are no agencies or entities which should be presented with the Village. Excluded from this report are The School Districts, Fire Districts, Sanitary District, Library Districts, Conservation District, Townships, and Park Districts. These entities are separate governments, organized under the laws of the State of Illinois. They are directed by separate Boards performing functions, which are not provided by the Village. The Village does not control their fiscal management or operations, nor is the Village legally responsible for the funding of operations or debt.

The annual budget serves as the foundation for the Village's financial planning and control. The budget process begins in June when the five-year capital schedule and any personnel requests are revised with departments. This is followed by departments providing estimates for the current fiscal year and submitting their requests for the upcoming year. The Village Administrator and

Assistant Village Administrator/Finance Director spend the next several months reviewing these budget requests through departmental meetings and adjusting them to match anticipated revenues, when needed. The Village Administrator and Assistant Village Administrator/Finance Director present the proposed budget to the Village President and Board of Trustees at meetings scheduled in November. The Village Board is required to hold a public hearing on the proposed budget and to adopt the final Budget no later than December 31st of each year. The budget is adopted at the Department level.

Major Initiatives

The fiscal year began January 1, 2019 and ended on December 31, 2019. Each year the budget process allows Village officials the opportunity to review the Village's current financial position and major accomplishments over the course of the last fiscal year. A few particular accomplishments are noteworthy in this transmittal due to the magnitude of the achievement and the commitment to making the community and organization better. These include:

- The Village was the proud recipient of the GFOA's Distinguished Budget Award for the 20th consecutive year
- Established Special Service Area (SSA) #51 in unincorporated Lake in the Hills to provide financing support to replace and upgrade the water distribution infrastructure located in this area
- In conjunction with the establishment of SSA #51, the Village issued roughly \$1.5 million in General Obligation (G.O.) Bonds and successfully maintained our high credit rating of Aa2 with Moody's due to our strong financial performance and position
- The Village received the Fox Valley Branch American Public Works Association Project of the Year Award for Innovation for the twenty-year water main replacement program. All incorporated water mains throughout the Village are now under thirty years of age due to this expansive project.
- For the second consecutive year, there was no water rate increase in the Water O&M Fund

For the third consecutive year, the Village received an Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) for the fiscal year ending December 31, 2018. In order to receive an award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a PAFR whose contents conform to program standards of creativity, presentation, understandability, and reader appeal. We believe our current report continues to conform to the PAFR Reporting requirements, and we are submitting it to GFOA to determine its eligibility for another award.

In an effort to enhance the Village's online communications capabilities and achieve Key Performance Indicators set forth by the Village's Strategic Plan, the Village contracted with Granicus for the redesign, hosting, and development of the new Village website. The last comprehensive update was completed in FY 2013.

The Village's Police Department collaborated with FGM architecture firm to complete a space needs analysis in order to evaluate the department's readiness for building modifications that support the implementation of operational best practices. Ultimately, the study resulted in the recommendation of two different options for building a new police department, one on its current

site and the other as an addition to the Village Hall. These were presented to the Village Board in November and direction was provided to move forward with the study's next steps in FY 2020. The process of formulating long-term plans is ongoing.

In collaboration with the Village's elected officials, the Public Works Department pursued the implementation of an engineering services system that broadens the areas of expertise available to Public Works staff and fosters competition between engineering firms. In FY 2019, a Request for Statements of Qualifications (RSQ) resulted in the selection of four firms to be engaged for on-call engineering services for 2020 and 2021.

A multi-year project for the expansion of Turtle Island kicked off in 2019 after the collaborative perspectives of residents, parks and recreation board members and staff resulted in an OSLAD grant recipient design. A similar process was initiated for the former Larsen homestead and equestrian center located just off of Pyott Road. FY 2020 allocates the necessary resources for final demolition efforts in order to prepare the site for repurposing.

As with the Village's expansive and diverse parks system, Lake in the Hills prides itself on other natural and purposeful beautification projects. Like many communities throughout the state of Illinois, the Village suffered the loss of nearly 2,000 parkway trees in recent years due to the Emerald Ash Borer infestation. In late 2016, the Village Board directed staff to pursue an aggressive three-year removal and replacement program. In 2019, through in-house efforts and contractor partnerships, the last remaining 440 of these trees were replaced, thus successfully completing the program.

The Village also progressed in its multi-phase Woods Creek streambank stabilization project. The intent of the Woods Creek restoration project is to stabilize approximately 1,817 linear feet of Woods Creek and improve the adjacent wetlands back to its native conditions. The general scope of work required has consisted of the removal of non-native vegetation, streambank restoration, tree removal, seeding of native vegetation, installation of toe slope protection and stream bank grading along Woods Creek.

The Village was the proud recipient of the United States Solar Foundation's SolSmart Gold Level Community designation and the Illinois Department of Transportation designation as Reliever Airport of the Year.

The Management Information Systems division completed several projects that included upgrading the Storage Area Network, relocating staff workstations as a part of the Village's new Customer Service Division project, and upgrading New World, the Village's ERP software.

Factors Affecting Financial Condition

At the conclusion of fiscal year 2019, the Village's overall financial health is strong and stable. This can be attributed to the Village Board's direction and support of the Strategic Plan that was approved and implemented in 2017 and has been guiding decision making for the last few years. While the Village finds itself in a stable current environment at the end of 2019, at the time of writing this letter, the COVID-19 virus is in full force. There is no question that this will have an adverse effect on the Village's revenue sources, local businesses and economy for FY 2020 and

beyond. The full affects of this virus and pandemic are yet to be seen at this point and will be dependent on several factors in the coming months. The Village is poised to weather this unprecedented time and will respond as more accurate information and data becomes available by adjusting capital and operating budgets as needed without a corresponding impact on our level of services.

Long Term Financial Planning

The Village re-instated a Utility Tax effective January 1, 2018 on natural gas and electric consumption. This and the sale of surplus equipment became the first dedicated revenue sources to the Capital Improvement Plan (CIP) Fund. Prior to 2018, capital purchases were fully funded by the General Fund through a transfer which resulted in delaying much needed capital investments, declining fund balance and the need to reduce operating expenses in order to fund large projects and purchases. These concerns have been alleviated by the implementation of reliable revenue sources. This dedicated revenue source is used for capital assets and projects in order to achieve long-term and sustainable funding for these important and high dollar amount items that have a direct benefit to our residents and businesses through our service delivery. Staff has created a schedule that lays out capital assets along with the year they are due for replacement. This long-term planning helps to avoid unexpected capital costs and ensures proper funding is available in future years. At the end of 2019, the CIP Fund was self-sustaining, increased its fund balance and did not rely on a transfer in from the General Fund.

The Motor Fuel Tax Fund (MFT) has seen increasing construction costs on a year to year basis with a revenue stream that is unable to keep up with this trend due to declining fuel sales. In fiscal year 2018, the Village proactively committed \$1.5 million of the general fund increase in fund balance for that year to the MFT fund as a short-term solution to maintain roads to Village standards. Then with the passage of the State's Annual Budget in July 2019, the MFT gas tax doubled from .19 cents to .38 cents. As such, the Village received an additional \$211,000 in FY 2019. This increase to revenue will assist in the annual maintenance program of Village owned roads. Village staff and elected officials are continuing to research multiple long-term options in order to sustain the funding of the MFT Fund.

The Water Fund previously charged a yearly \$16 water main replacement fee to all of its customers. In 2018, this fee was removed as a result of the completion of the Village's water main replacement project and was the first year of 0% increase to the water rates. This 0% increase was again provided in 2019 and 2020 as the Water Fund is in a stable financial position by once again increasing its Unrestricted net position.

The Village has secured grants in multiple funds to assist in capital projects and assist in the long-term financial planning. The Lake Projects Fund is responsible for the quality and upkeep of all Lakes located in the Village. In 2019 a streambank restoration project was nearing completion. When the streambank restoration is completed in early 2020, it is expected that the frequency of dredging projects will decrease. The Airport Fund has also secured grants to support the resurfacing of its runway. This will also include the elimination of displaced thresholds and will increase operational safety for aircrafts arriving and departing.

As of the end of 2019, the Village had two general obligation bonds outstanding. The first consists of outstanding principal of \$200,000 in the Airport Fund that will be fully repaid in 2022. The

second consists of outstanding principal of \$1,495,000 in the Water Fund that was issued in 2019 for the SSA #51 water infrastructure upgrade project. This debt will be repaid through the Special Service Area and a separate property tax levy by the properties in this defined area.

Awards and Acknowledgements

State statutes require an annual audit by an independent certified public accountant. The accounting firm of Sikich LLP is the Village's auditor. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of the report.

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 of Lake in the Hills for its comprehensive annual financial report for the fiscal year ended December 31, 2018. This was the nineteenth consecutive year that the Village has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the Village must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this Comprehensive Annual Financial Report on a timely basis would not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department especially Assistant Finance Director, Wayde Frerichs, who plays an integral role in the annual audit process. Each member of the department has my sincere appreciation for the contributions made in the preparation of this report. Furthermore, a special thank you to Village President Russ Ruzanski, the Village Board of Trustees, and Village Administrator, Jennifer Clough for their leadership and unfailing support and dedication in maintaining the highest standards of professionalism in financial management of the Village of Lake in the Hills.

Respectfully submitted,



Shane D. Johnson
Assistant Village Administrator/Finance Director

FINANCIAL SECTION

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

SIKICH.COM

INDEPENDENT AUDITOR'S REPORT

The Honorable President
Members of the Board of Trustees
Village of Lake in the Hills, 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 Lake in the Hills, Illinois (the Village) as of and for the year ended December 31, 2019 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Lake in the Hills, Illinois, as of December 31, 2019, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

The Village adopted GASB Statement No. 83, *Certain Asset Retirement Obligations*, which established standards for measuring and recognizing liabilities, deferred outflows of resources, and expenses for asset retirement obligations; and modified certain disclosures in the notes to financial statements. The Village also adopted GASB Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to these matters.

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 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. 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 28, 2020 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Sikich LLP

Naperville, Illinois
May 28, 2020

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Honorable President
Members of the Board of Trustees
Village of Lake in the Hills, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Lake in the Hills, Illinois (the Village), as of and for the year ended December 31, 2019, and the related notes to financial statements, which collectively comprise the Village's basic financial statements and have issued our report thereon dated May 28, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) to determine the 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 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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sikich LLP

Naperville, Illinois
May 28, 2020

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS

December 31, 2019

Management of the Village of Lake in the Hills (the “Village”), presents the Village financial statements for the fiscal year ended December 31, 2019. Management’s Discussion and Analysis (MD&A) 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 changes in the Village’s financial position and demonstrate its ability to address subsequent year challenges.
4. Identify any material deviations from the financial plan (the approved budget).
5. Identify individual fund issues or concerns.

This report also contains other supplementary information in addition to the basic financial statements themselves.

Since the MD&A is designed to focus on the current year’s activities, resulting changes and currently known facts, please read it in conjunction with the Letter of Transmittal (beginning on page iv) and the Village’s financial statements (beginning on page 6).

USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL REPORT

The financial statement’s focus is on both the Village as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year-to-year or government-to-government), and enhance the Village’s accountability.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Village’s finances, in a manner similar to a private-sector business. All governmental and business-type activities are consolidated into columns which add to a total for the Primary Government.

The focus of the Statement of Net Position (the “unrestricted Net Position”) is designed to be similar to bottom line results for the Village and its governmental and business-type activities. This statement combines and consolidates the governmental fund’s current financial resources (short-term spendable resources) with capital assets and long term obligations using the accrual basis of accounting and economic resources measurement focus.

(See independent auditor’s report)

VILLAGE OF LAKE IN THE HILLS, ILLINOIS MANAGEMENT’S DISCUSSION AND ANALYSIS (continued)

The *Statement of Net Position* presents information on all of the Village’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The *Statement of Activities* is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the government’s general taxes and other resources. This is intended to summarize and simplify the user’s analysis of the cost of various governmental services and/or subsidy to various business-type activities. It also presents information showing how the government’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village include general government, public safety, public works, and recreation. The business-type activities of the Village include a water system and a municipal airport.

The government-wide financial statements can be found on pages 6 through 8 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar as the focus is on individual funds, rather than fund types that have been consolidated.

Governmental Funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government’s near-term financing requirements. Governmental funds are presented on a sources

**VILLAGE OF LAKE IN THE HILLS, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (continued)**

and uses of liquid resource basis. This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. Funds are established for various purposes and the Fund Financial Statements allow the demonstration of sources and uses and/or budgeting compliance.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’s near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Motor Fuel Tax Fund which are considered to be “major” funds. Data from the other four governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The Village adopts an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 9 through 12 of this report.

Proprietary Funds.

There are two different types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses enterprise funds to account for its water system and the municipal airport. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Village’s various functions. The Village uses an internal service fund to account for the self-funded portion of its employee medical and dental insurance benefits.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Fund, the Municipal Airport Fund, and the Health Insurance Fund.

While the Business-type activities column on the Business-type Fund Financial Statements is the same as the Business-Type column on the Government-Wide Financial Statements, the Governmental Major Funds total column requires reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is

**VILLAGE OF LAKE IN THE HILLS, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (continued)**

reflected on the page following each statement. The flow of current financial resources will reflect bond proceeds and interfund transfers as other financial sources as well as capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligation (bonds and others) into the Governmental Activities column (in the Government-wide statements).

The basic proprietary fund financial statements can be found on pages 13 through 17 of this report.

Fiduciary Funds.

Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village’s own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Village maintains one fiduciary fund, the Police Pension Fund.

The basic fiduciary fund financial statements can be found on pages 18 and 19 of this report.

Infrastructure Assets

Historically, a government’s largest group of assets (infrastructure assets – i.e., land, streets, bridges, storm sewers, etc.) have not been reported nor depreciated in governmental financial statements. GASB Statement No. 34 requires that these assets be valued and reported within the Governmental column of the Government-wide Statements. Additionally, the Village has chosen to depreciate assets over their useful lives. If a street project is considered maintenance – a recurring cost that does not extend the street’s original useful life or expand its capacity – the cost of the project will be expensed. Resurfacing of a street will be considered maintenance whereas a total rebuild of a street will be capitalized.

Notes to the Financial Statements

The notes provide additional information essential in understanding the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 20 through 53 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning General Fund and Motor Fuel Tax Fund revenues, expenditures and changes in fund balance, as well as the Village’s progress in funding its obligation to provide benefits to its employees. Required supplementary information can be found on pages 54 through 63 of this report.

**VILLAGE OF LAKE IN THE HILLS, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (continued)**

The combining statements referred to earlier in connection with non-major governmental funds is presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 64 through 70 of this report.

Financial Analysis of the Village as a Whole

Beyond presenting current year financial information in the government-wide and major individual fund formats, the Village also presents comparative information from the prior year in Management’s Discussion and Analysis. By doing so, the Village is providing the best means of analyzing its financial condition and position as of December 31, 2019.

GOVERNMENT-WIDE STATEMENTS

Net Position

The following table reflects the condensed Statement of Net Position.

**Table 1
Statement of Net Position
As of December 31, 2019 and 2018
(In millions)**

	Governmental Activities		Business Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Current & Other Assets	24.5	23.2	9.2	7.2	33.7	30.4
Capital Assets	179.3	180.0	54.6	55.4	233.9	235.4
Total Assets	203.8	203.2	63.8	62.6	267.6	265.8
Deferred Outflows	3.2	3.6	1.2	0.2	4.4	3.8
Total Assets & Deferred Outflows	207.0	206.8	65.0	62.8	272.0	269.6
Long Term Liabilities	14.0	14.1	3.4	0.5	17.4	14.6
Other Liabilities	0.9	1.6	0.6	0.9	1.5	2.5
Total Liabilities	14.9	15.7	4.0	1.4	18.9	17.1
Deferred Inflows	9.5	9.1	0.2	0.4	9.7	9.5
Total Liabilities & Deferred Inflows	24.4	24.8	4.2	1.8	28.6	26.6
Net Investment in Capital Assets	179.3	180.0	54.3	55.2	233.6	235.2
Restricted	3.0	2.9	-	-	3.0	2.9
Unrestricted	0.3	(0.9)	6.5	5.8	6.8	4.9
Total Net Position	182.6	182.0	60.8	61.0	243.4	243.0

For more detailed information, see the Statement of Net Position on page 6.

**VILLAGE OF LAKE IN THE HILLS, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (continued)**

Normal Impacts

There are six normal transactions that will affect the comparability of the Statement of Net Position summary presentation.

- 1. Net Results of Activities** – which will impact (increase/decrease) current assets and unrestricted net position.
- 2. Borrowing for Capital** – which will increase current assets and long-term debt.
- 3. Spending Borrowed Proceeds on New Capital** – which will reduce current assets and increase capital assets. There is a second impact, an increase in net investment in capital assets and an increase in related net debt which will not change the net investment in capital assets.
- 4. Spending of Non-borrowed Current Assets on New Capital** – which will (a) reduce current assets and increase capital assets and (b) will reduce unrestricted net position and increase net investment in capital assets.
- 5. Principal Payment on Debt** – which will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net position and increase net investment in capital assets.
- 6. Reduction of Capital Assets through Depreciation** – which will reduce capital assets and net investment in capital assets.

Current Year Impacts

The Village’s combined net position (which is the Village’s bottom line) increased by roughly \$460,000 for the fiscal year ending December 31, 2019. The net position for governmental activities increased by \$0.6 million, while the net position for business-type activities decreased by \$0.2 million.

The governmental activities total assets & deferred outflows increased by \$0.2 million due to:

- \$0.7 million decrease in capital assets
- \$0.4 million decrease in total deferred outflows of resources
- \$1.3 million increase in current & other assets

The \$0.7 million decrease related to governmental capital assets was the result of the reduction of capital assets through depreciation and disposal (as described by #6 above). Just over \$1.7 million was invested into capital assets, while over \$2.2 million was depreciated.

The \$0.4 million decrease related to deferred outflows of resources was a result of IMRF and Police Pension. This represents a consumption of net assets that applies to future periods and therefore is not recognized as an outflow of resources (expense) until then.

**VILLAGE OF LAKE IN THE HILLS, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (continued)**

The \$1.3 million increase related to current and other assets can be mainly attributed to an increase in the Village’s total cash and investments.

The governmental activities total liabilities and deferred inflows decreased by \$0.4 million due to:

- \$0.1 million decrease in long-term liabilities
- \$0.7 million decrease in other liabilities
- \$0.4 million increase in deferred inflows

The \$0.7 million decrease related to other liabilities was the result of less days to accrue for the accrued payroll based on the actual payroll dates in 2019 and 2020. The \$0.4 million decrease in deferred inflows was the net result of the increase to net pension liability for the Police Pension liability and the decrease in the net pension liability for IMRF.

The Business-Type activities total assets & deferred outflows increased by \$2.2 million due mainly to an increase in cash and investments for the bond issuance for Special Service Area (SSA) #51 during the year. In addition, the water main replacement program was completed in 2017 and there was not a significant use of funds related to that project again in 2019. Total liabilities increased significantly, as well, due to the SSA #51 bonds that were issued during the year and the required repayment of the debt over the next 20 years.

Total Primary Government capital assets decrease by \$1.5 million due to depreciation costs related to aging infrastructure and the completion of the water main replacement program.

**VILLAGE OF LAKE IN THE HILLS, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (continued)**

Activities

The following table summarizes the revenue and expenses of the Village’s activities.

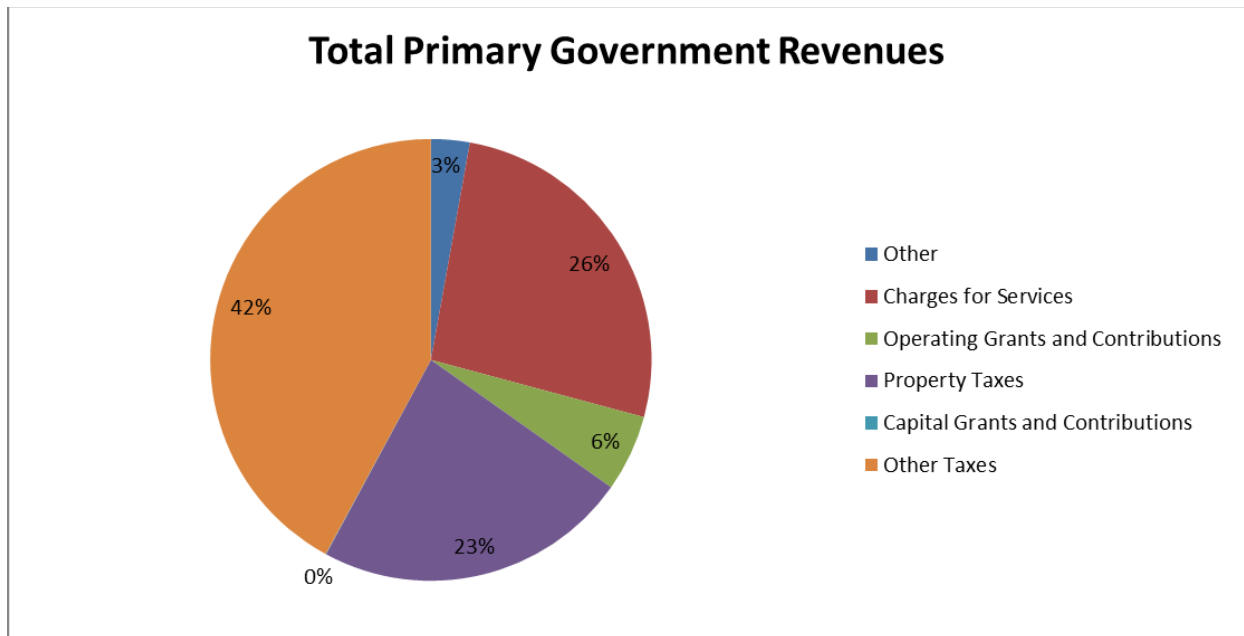
**Table 2
Changes in Net Position
For the Fiscal Years Ended December 31, 2019 and 2018
(In millions)**

	Governmental Activities		Business Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Revenues						
Program Revenues:						
Charges For Services	2.1	2.6	4.9	5.3	7.0	7.9
Operating Grants & Contributions	1.5	0.8	-	-	1.5	0.8
Capital Grants & Contributions	-	-	-	-	-	-
General Revenues:						
Property Taxes	6.1	6.1	-	-	6.1	6.1
Other Taxes	11.1	10.7	-	-	11.1	10.7
Other	0.6	0.6	0.2	0.0	0.8	0.6
Total Revenues	21.4	20.8	5.1	5.3	26.5	26.1
Expenses						
General Government	3.1	3.6	-	-	3.1	3.6
Public Safety	8.7	8.9	-	-	8.7	8.9
Public Works	6.2	6.5	-	-	6.2	6.5
Recreation	2.7	1.5	-	-	2.7	1.5
Interest & Fiscal Charges	-	-	-	-	-	-
Water	-	-	4.1	3.8	4.1	3.8
Airport	-	-	1.2	1.1	1.2	1.1
Total Expenses	20.7	20.5	5.3	4.9	26.0	25.4
Change in Net Position	0.7	0.3	(0.2)	0.4	0.5	0.7
Net Position, January 1	181.9	182.2	61.0	60.7	242.9	242.9
Prior Period Adjustment	-	-	-	-	-	-
Change in Accounting Principle	-	(0.6)	-	(0.1)	-	(0.7)
Net Position, December 31	182.6	181.9	60.8	61.0	243.4	242.9

For the current year, operating grants and contributions nearly doubled due to a grant received from the Illinois Environment Protection Agency (IEPA) to restore and stabilize Wood’s Creek. Other taxes increased mainly due to an increase in Income Tax receipts in 2019 compared to 2018. Expenses saw a slight decrease in total from the prior year. Recreation increased due to capital projects and the Wood’s Creek project.

(See independent auditor’s report)

**VILLAGE OF LAKE IN THE HILLS, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (continued)**



For the fiscal year ended December 31, 2019, revenues totaled \$26.5 million. The Village benefits from a highly diversified revenue base. Revenues from property taxes amounted to \$6.1 million or 23% of total revenues. Property taxes support governmental activities including the Village contribution to the Police Pension Fund. Property tax revenues remained at the same level as last year as the Village did **not increase its total property tax levy for the 9th consecutive year.** Property tax revenues collected in 2019 were based on the 2018 Equalized Assessed Valuation (EAV) and property tax rate. The Village’s 2019 EAV increased by 7.1% to \$737,600,981. The EAV approximates 33 1/3% of the total market value of real estate within the corporate limits of the Village. The property tax rate for 2019 was \$0.7432 per \$100 of EAV.

The “other taxes” classification includes a number of different revenue sources. Among those are sales taxes, income taxes, telecommunications taxes, and use taxes. Sales taxes are collected by the State of Illinois and remitted back to the Village on a monthly basis. The general sales tax collected by the state for sales within the corporate boundaries of the Village is 7.0%. However, only 1% of that total is remitted back to the Village of Lake in the Hills. The remainder goes to the state (5%), McHenry County (.25%) and the Regional Transportation Authority (.75%). In addition, a home rule sales tax of 1% is also collected by the State of Illinois and remitted back to the Village on a monthly basis. The home rule sales tax is not applicable to food, drugs, or licensed vehicle purchases.

In 2019, general sales tax revenues were \$2,943,025 compared to \$2,921,636 for 2018, while home rule sales tax revenues were \$1,912,454 compared to \$1,927,663 for 2018. This represents a 0.7% slight increase in general sales tax revenue and a -0.8% slight decrease in home rule sales tax revenue. The majority of the Village’s retailers sell basic consumer goods such as gasoline, groceries, home improvements supplies and other consumer materials. Therefore, the Village’s sales tax revenues are much more stable than if the underlying sales were dependent on industries with more volatile sales such as automobile dealerships or specialty stores. The year 2019 was the best to date for the Village in regards to general sales tax revenue.

**VILLAGE OF LAKE IN THE HILLS, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (continued)**

Income taxes are shared with municipalities by the state on a per-capita basis. Income tax revenue for the Village increased by \$311,949, or 11.1%, from \$2,799,051 in 2018 to \$3,111,000 in 2019. Individual income tax receipts were stronger than estimated by the State due to the one-time tax amnesty payments that boosted receipts in 2019. In 2017 the state decreased the distributions to local governments by 10% which was later reduced to 5% in 2018 and 2019 as a result of their new distribution policy.

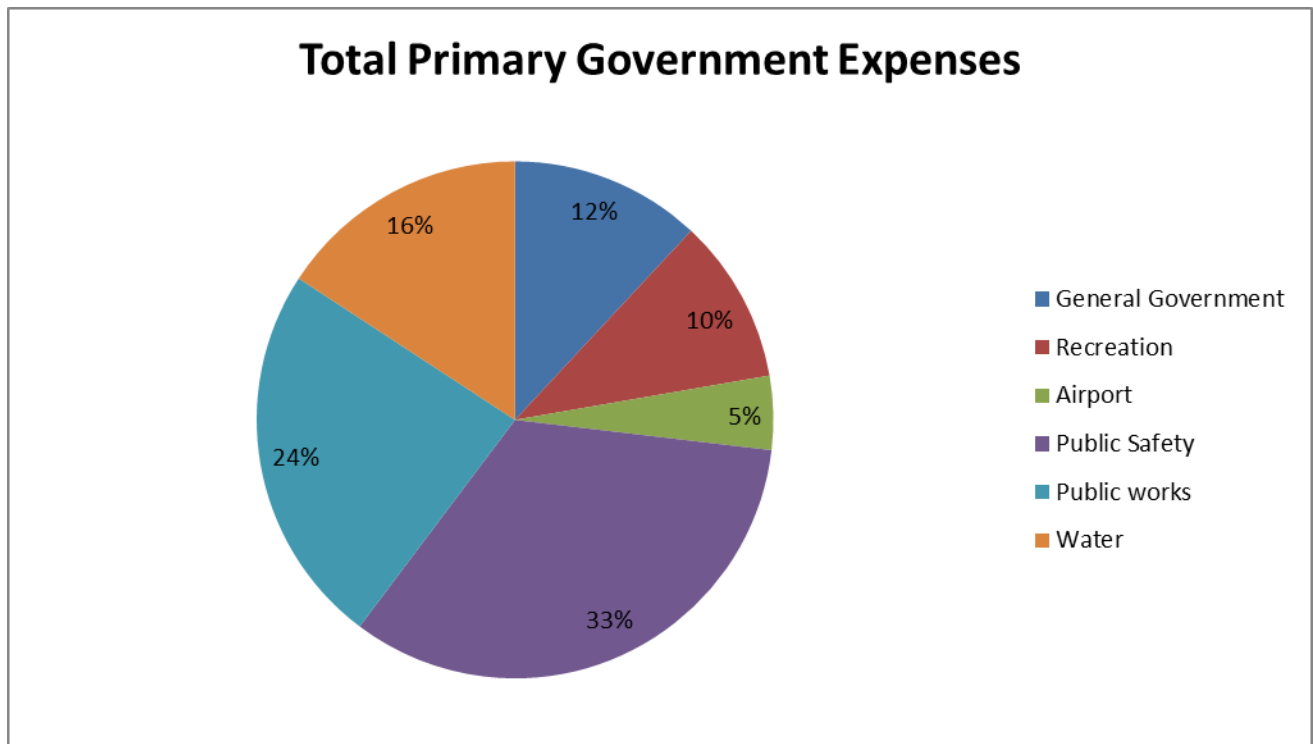
Telecommunications taxes are collected by the state and remitted back to the Village on a monthly basis. The Village’s telecommunications tax rate is 6%. A total of \$368,547 was collected in 2019 which represents a 18.9% decrease from the \$454,644 that was collected in 2018. This revenue source is expected to continue to decrease over the next several years as more residents convert to internet telephone service or cellular telephone service as their primary source of communication and eliminate landline service. This revenue source has been on a steady decline for many years. As a reference, in 2008 the total revenue collected for telecommunication tax was just over \$1 million, which represents a decrease of over 63%.

Use tax is a tax imposed on the privilege of using, in the State of Illinois, any item of tangible personal property that is purchased anywhere at retail. This revenue source is collected by the State and forwarded to the Village on a per capita basis. For the 2019 fiscal year \$986,201 was collected which represents a 14.9% increase from the \$858,587 collected in 2018. This revenue source is expected to increase further due to online retailers now reporting this tax to the Illinois Department of Revenue.

The major revenue component of the Charges for Services classification is fees from the Village water utility; but impact and rental fees are also a portion of this revenue. Total Water Fund revenue was \$3,975,832 in 2019 compared to \$4,377,001 in 2018. The amount of water consumed in 2019 was less than 2018 which decreased water sales revenue slightly by 1.8%. Impact fees decreased significantly from the prior year due to a large senior home development and a commercial business tap in to our water system that happened in 2018.

There was \$1.5 million of operating grants received due to the Wood’s Creek stabilization project.

**VILLAGE OF LAKE IN THE HILLS, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (continued)**



The Village’s expenses totaled just over \$26 million in 2019 which was consistent to the 2018 total expenses.

- Public Safety expenses related to the operations of the Police Department accounted for the largest share of expenses at \$8.7 million or 33% of the total. This represents a 2% decrease from the 2018 total of \$8.9 million. Most of the decrease can be attributed to savings in operating personnel costs (salaries, taxes, insurance, and other benefits) experienced during the year.
- Public Works related expenses were \$6.2 million or 24% of the total. This represents a 5% decrease from the 2018 total of \$6.5 million. The decrease is primarily due to savings in operating personnel costs (salaries, taxes, insurance, and other benefits) as well as utilities costs coming in under budget due to switching over to LED.
- General government expenses were 12% of the total or \$3.1 million. This represents a 14% decrease from the 2018 total of \$3.6 million. This decrease is primarily due to Community Development expenses being moved in FY 19 as a division under Community Services. In FY 18 these expenses were classified under General Government.
- Recreation related expenses accounted for 10% of the total or \$2.7 million. This represents a 80% increase from the 2018 total of \$1.5 million. This increase can be attributed to the Community Development expenses as mentioned in the bullet point above.

**VILLAGE OF LAKE IN THE HILLS, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (continued)**

- Water Operating and Maintenance expenses were \$4.1 or 16% of the total. This represents a 8% increase from the 2018 total of \$3.8 million. The majority of the increase can be attributed to the completion of more capital projects in FY 19, mainly the Village’s share of the Randall Road project.
- The Municipal Airport Fund accounted for \$1.2 or 5% of total expenses. This represents a 9% increase from the 2018 total of \$1.1 million. The increase can be attributed mainly to an increase in operating personnel costs (salaries, taxes, insurance, and other benefits) and a capital project that was not subject to federal or state grant reimbursements.

FINANCIAL ANALYSIS OF THE VILLAGE FUNDS

At December 31, 2019, the governmental funds had a combined fund balance of \$17,360,610. This reflects an 11% or \$1.7 million increase from the prior fiscal year. The General Fund fund balance increased by \$1.5 million or 13%. General Fund revenues ended at 100% of budget and expenses ended at 95% of budget, which resulted in savings of approximately \$874,000 for the year. Personnel costs accounted for 61% of these savings or \$529,000 and operating expenses accounted for 39% or \$345,000.

The Motor Fuel Tax Fund’s fund balance decreased by \$74,712 or 5.0%. The decrease is due to increasing road construction costs and relatively stagnant income. The State of Illinois implemented a policy change in July 2019 by doubling the gas tax rate from \$0.19 cents up to \$0.38 cents. This resulted in an additional \$212,000 for the Village. Motor fuel tax revenues are almost exclusively devoted to capital outlay expenditures and, therefore, the fund balance accumulates over time until sufficient funds are available to complete a project. The Village made a proactive move at the end of FY 18 and passed a resolution to commit \$1.5 million of general fund’s fund balance to the MFT fund as a short-term solution to assist with the decreasing fund balance.

The fund balances of non-major governmental funds decreased by \$215,224 or 10%. The Village maintains twelve separate Special Service Areas (SSA’s). In total for All twelve, fund balance increased by \$134,000. These specific SSA Funds provide for the replacement of playgrounds, skate parks and other equipment needs in defined areas throughout the Village. Also, annual expenses in these funds are detention maintenance, tree trimming, grass mowing and several other general maintenance needs. The Lakes Projects Fund drew down fund balance of \$214,000 during the year in order to perform much needed streambank stabilization along Wood’s Creek. This project was substantially completed in FY 19 and will finish up in early 2020. The Capital Improvement Planning (CIP) Fund experienced an increase to fund balance of \$295,000. This money is restricted for capital projects and the purchase of capital assets for a direct reinvestment back into the Village and is funded by the Utility Taxes that were reimplemented in FY 2018. This fund expended more than \$1.1 million in FY 19 and is budgeted to spend over \$2.1 million in FY 20.

**VILLAGE OF LAKE IN THE HILLS, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (continued)**

**Table 3
General Fund Budgetary Highlights
For the Fiscal Year Ended December 31, 2019**

	Original Budget	Final Budget	Actual
Revenues:			
Taxes	12,527,723	12,527,723	12,249,762
Charges For Services	1,614,154	1,614,154	1,394,972
Fines, Fees, and Forfeits	359,800	359,800	286,627
Other	3,514,987	3,514,987	4,084,926
Transfer In	-	-	9,834
Total Revenues	18,016,664	18,016,664	18,026,121
Expenditures and Transfer Out:			
Expenditures	(17,331,632)	(17,276,879)	(16,403,682)
Transfer Out	(100,000)	(100,000)	(100,000)
Total Expenditures and Transfer Out	(17,431,632)	(17,376,879)	(16,503,682)
Change in Fund Balance	585,032	639,785	1,522,439

The Village had originally budgeted for a \$585,032 increase to the General Fund’s fund balance. The Village conducts periodic budget reviews throughout the fiscal year to identify expenditure line items that require amendments and, accordingly, the Village Board approves a budget amendment. In FY 19, the General Fund did not have a Department that exceeded its legal level of authority to spend. However, some unused budget money in the General Fund, specifically the insurance department was transferred to the Lakes Project fund to cover expenditures that had occurred since the initial budget was adopted and that exceeded the spending level in that fund. Actual results for FY 19 that were audited resulted in \$1,522,439 increase in fund balance. The general fund expenses were under budget by \$873,197, which were made up of \$528,899 in personnel savings and \$344,298 in operating expenses. In total, General Fund revenues ended right on budget at 100% received.

With respect to the business-type activities, the Water Fund reported operating loss of \$16,549 and the Municipal Airport Fund reported an operating loss of \$297,794 for 2019. These Enterprise Funds are subject to annual recording of depreciation expenses and the net activity of capitalization of capital assets. These two accounting transactions can be misleading to financial statement readers and is important to note that cash and investments increased by roughly \$2 million in the Water Fund during the year and by just over \$40,000 in the Airport Fund. The increases to cash and investments provides a more accurate snapshot of how these types of funds perform during a year.

**VILLAGE OF LAKE IN THE HILLS, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (continued)**

Capital Assets

The following schedule reflects the Village’s capital asset balances as of December 31, 2019.

**Table 4
Capital Assets
As of December 31, 2019**

	Governmental Activities	Business-Type Activities	Total
Land & Right of Way	148,157,654	13,578,019	161,735,673
Construction in Progress	869,207	2,276,835	3,146,042
Buildings & Land Improvement	18,959,683	8,327,246	27,286,929
Machinery, Equipment, & Furniture	2,603,942	983,866	3,587,808
Vehicles	2,985,820	381,447	3,367,267
Roadways	32,080,761	-	32,080,761
Storm Sewers	8,399,605	-	8,399,605
Wells, Water Towers, Distribution System	-	54,902,720	54,902,720
Computer Software	400,019	156,560	556,579
Less:			
Accumulated Depreciation	(35,156,233)	(26,024,447)	(61,180,680)
Total	179,300,458	54,582,246	233,882,704

At year-end, the Village’s investment in capital assets for both its governmental and business-type activities was \$233.8 million (net of accumulated depreciation). This represents a decrease of \$1.5 million from December 31, 2018. This slight decrease is due to a combination of the depreciation and disposal of prior years’ capital assets. In 2015 the Village’s capital asset policy called for an increase of the capitalization threshold from \$1,000 to \$3,000. This policy is still in place as of 2019.

See Note 5 to the financial statements for further information on capital assets.

**VILLAGE OF LAKE IN THE HILLS, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (continued)**

Long-Term Debt

As of December 31, 2019, the Village had a total of \$17,464,099 in long-term debt outstanding. The table below summarizes the Village’s bonded and similar indebtedness.

**Table 5
Bonded and Similar Indebtedness
As of December 31, 2019**

	Governmental Activities	Business-Type Activities	Total
G.O. Bonds	-	1,695,000	1,695,000
Premium on Bonds	-	142,283	142,283
Compensated Absences	1,069,420	96,130	1,165,550
Net Pension Liability	12,062,302	738,361	12,800,663
Net OPEB Obligation	889,681	125,922	1,015,603
Asset Retirement Obligation	-	645,000	645,000
Total	14,021,403	3,442,696	17,464,099

In regards to governmental activities, the final payment was made in FY 17 for the 2009 General Obligation Refunding Bonds issued to advance refund the callable portion of the 2002 General Obligation Debt Certificates issued to purchase land to be developed as parks. Additionally, as of December 31, 2019, \$1,069,420 is outstanding for compensated absences payable, \$889,681 is outstanding for net other postemployment benefit obligation. As of December 31, 2019, the net pension liability for Governmental activities is \$12,062,302, which is made up of \$9,361,704 for the Police Pension Net Pension Liability and \$2,700,598 for the IMRF Net Pension Liability.

Business-type activity debt includes \$200,000 outstanding from the 2012 General Obligation Refunding Bonds issued to advance refund the 2003 General Obligation Debt Certificates issued to finance safety improvements at the airport and to partially advance refund the 2006 General Obligation Bonds issued to finance the water main replacement program. New in FY 19 was a new G.O Bond issuance for Special Service Area (SSA) #51 to finance infrastructure and water distribution system in unincorporated Lake in the Hills. The Village issued \$1,495,000 in bonds during the year which will be repaid through a separate SSA#51 property tax levy in that defined area. \$96,130 is outstanding in business-type activity debt in the form of compensated absences payable as of December 31, 2019, \$125,922 is outstanding for net other postemployment benefit obligations, and \$142,283 in unamortized premium on bonds was outstanding which is a significant increase from FY 18 due to the SSA #51 new bond issuance during FY 19. The IMRF Net Pension Liability for business-type activities is \$738,361 as of December 31, 2019.

The Village maintained its credit rating of Aa2 by Moody’s Investors Service in connection with the issuance of its 2019 General Obligation Bonds in the amount of \$1,495,000.

See Note 6 to the financial statements for further information on long-term debt.

**VILLAGE OF LAKE IN THE HILLS, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (continued)**

Economic Factors

The Village’s property tax base is predominantly residential, the commercial and industrial tax base continues to be an important component in the diversification of the Village’s tax base. In 2019, the equalized assessed valuation (EAV) for residential properties was \$661,404,962 or 89.7% of the total EAV. Farm, commercial, industrial, and Mineral EAV totaled \$76,196,019 or 10.3% of the total EAV. EAV approximates 33 1/3% of the market value of real property within the Village’s corporate limits. Property taxes imposed on property within the Village’s corporate limits provide a stable revenue source. Because the Village is a home rule municipality, it is not subject to the Property Tax Extension Limitation Law.

While the Village receives revenue from a variety of sources, it closely monitors its major revenues; property tax, sales tax, home-rule sales tax, income tax, use tax, telecommunications tax, and development and construction related revenue such as building permits, water connection fees, and impact fees. In 2019 total General Fund revenues were \$18,016,286, which was a slight decrease of \$104,015 from 2018. Notable increases in revenue sources were: sales tax, use tax, video gaming, income tax, interest income and sunset fest revenue. Notable decreases in revenue sources were: home-rule sales tax, excise tax, building & occupancy permits, impact fees, court fines and ordinance violations.

The 2010 census found that the Village’s population was 28,965 which is an increase of 25.1% over the 2000 census population of 23,152. Due to the increase in population over the years, the Village has experienced increased per capita revenue from the State of Illinois for income taxes, motor fuel taxes, and use taxes. The special census that took place in 2016 showed an increase of 263 residents, totaling 29,228.

At the time of this report, the COVID-19 pandemic is at its peak. The effects of the virus are still yet to be determined, but it will certainly have an adverse impact on the Village’s revenue sources and local economy. The degree of this impact will be dependent on several factors. Fortunately, the Village is in sound financial position with ample reserves needed to weather this type of unprecedented time. The Village will continue to analyze and monitor revenue sources and adjust our capital and operating budgets as needed.

CONTACTING THE VILLAGE’S FINANCIAL MANAGEMENT

This financial report is designed to provide our residents, customers, investors and creditors with a general overview of the Village’s finances and to demonstrate the Village’s accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to Shane D. Johnson, Assistant Village Administrator/Finance Director, Village of Lake in the Hills, 600 Harvest Gate, Lake in the Hills, Illinois 60156.

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VILLAGE OF LAKE IN THE HILLS, ILLINOIS

STATEMENT OF NET POSITION

December 31, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 15,507,843	\$ 8,208,798	\$ 23,716,641
Due from (to) Other Funds	9,834	(9,834)	-
Due from Other Governments	1,796,767	-	1,796,767
Accounts Receivable	681,466	890,664	1,572,130
Property Taxes Receivable	6,117,027	-	6,117,027
Accrued Interest Receivable	22,854	12,838	35,692
Inventory	89,404	53,584	142,988
Prepaid Expenses	339,463	13,767	353,230
Capital Assets not Being Depreciated	149,026,861	15,854,854	164,881,715
Capital Assets (Net of Accumulated Depreciation)	30,273,597	38,727,392	69,000,989
Total Assets	203,865,116	63,752,063	267,617,179
DEFERRED OUTFLOWS OF RESOURCES			
Pension Items - Police Pension	924,789	-	924,789
Pension Items - IMRF	2,155,476	589,321	2,744,797
OPEB Items	148,442	20,546	168,988
Asset Retirement Obligation Items	-	637,000	637,000
Unamortized Loss on Refunding	-	667	667
Total Deferred Outflows of Resources	3,228,707	1,247,534	4,476,241
Total Assets and Deferred Outflows of Resources	207,093,823	64,999,597	272,093,420
LIABILITIES			
Accounts Payable	435,696	415,687	851,383
Accrued Interest Payable	-	2,905	2,905
Accrued Payroll	176,192	40,655	216,847
Unearned Revenue	25,767	8,918	34,685
Deposits Payable	304,676	117,928	422,604
Noncurrent Liabilities			
Due Within One Year	247,250	138,844	386,094
Due in More Than One Year	13,774,153	3,303,852	17,078,005
Total Liabilities	14,963,734	4,028,789	18,992,523
DEFERRED INFLOWS OF RESOURCES			
Pension Items - IMRF	632,759	173,001	805,760
OPEB Items	37,206	5,313	42,519
Pension Items - Police Pension	2,723,980	-	2,723,980
Deferred Property Taxes	6,117,027	-	6,117,027
Total Deferred Inflows of Resources	9,510,972	178,314	9,689,286
Total Liabilities and Deferred Inflows of Resources	24,474,706	4,207,103	28,681,809
NET POSITION			
Net Investment in Capital Assets	179,300,458	54,254,361	233,554,819
Restricted for			
Public Safety	146,098	-	146,098
Veterans Memorial	12,836	-	12,836
Maintenance of Roadways	1,416,611	-	1,416,611
Special Service Areas	1,425,428	-	1,425,428
Unrestricted	317,686	6,538,133	6,855,819
TOTAL NET POSITION	\$ 182,619,117	\$ 60,792,494	\$ 243,411,611

See accompanying notes to financial statements.

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2019

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 3,108,210	\$ 1,035,586	\$ -	\$ -
Public Safety	8,694,704	318,686	39,633	-
Public Works	6,235,830	-	967,404	-
Recreation	2,687,574	755,344	481,623	-
Total Governmental Activities	20,726,318	2,109,616	1,488,660	-
Business-Type Activities				
Water	4,110,318	3,975,832	-	9,834
Municipal Airport	1,201,964	897,087	-	-
Total Business-Type Activities	5,312,282	4,872,919	-	9,834
TOTAL PRIMARY GOVERNMENT	\$ 26,038,600	\$ 6,982,535	\$ 1,488,660	\$ 9,834

Net (Expense) Revenue and Change in Net Position			
Primary Government			
	Governmental Activities	Business-Type Activities	Total
	\$ (2,072,624)	\$ -	\$ (2,072,624)
	(8,336,385)	-	(8,336,385)
	(5,268,426)	-	(5,268,426)
	(1,450,607)	-	(1,450,607)
	(17,128,042)	-	(17,128,042)
	-	(124,652)	(124,652)
	-	(304,877)	(304,877)
	-	(429,529)	(429,529)
	(17,128,042)	(429,529)	(17,557,571)
General Revenues			
Taxes			
Property	6,118,576	-	6,118,576
Sales	2,943,025	-	2,943,025
Home Rule	1,912,454	-	1,912,454
Use	986,201	-	986,201
Simplified Telecommunications	368,547	-	368,547
Utility	1,328,767	-	1,328,767
Other	385,618	-	385,618
Intergovernmental - Unrestricted			
Income Tax	3,111,000	-	3,111,000
Investment Income	502,675	97,501	600,176
Miscellaneous	127,952	138,848	266,800
Transfers in (out)	9,834	(9,834)	-
Total	17,794,649	226,515	18,021,164
CHANGE IN NET POSITION	666,607	(203,014)	463,593
NET POSITION, JANUARY 1	181,952,510	60,995,508	242,948,018
NET POSITION, DECEMBER 31	\$ 182,619,117	\$ 60,792,494	\$ 243,411,611

See accompanying notes to financial statements.

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2019

	General	Motor Fuel Tax	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 11,998,154	\$ 1,302,509	\$ 2,037,432	\$ 15,338,095
Due from Other Governments	1,668,465	128,302	-	1,796,767
Accounts Receivable	187,900	-	493,566	681,466
Property Taxes Receivable	5,661,747	-	455,280	6,117,027
Accrued Interest Receivable	18,269	-	4,585	22,854
Inventory	89,404	-	-	89,404
Due from Other Funds	9,834	-	-	9,834
Prepaid Items	339,463	-	-	339,463
TOTAL ASSETS	\$ 19,973,236	\$ 1,430,811	\$ 2,990,863	\$ 24,394,910
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 217,420	\$ 14,200	\$ 179,601	\$ 411,221
Accrued Payroll	176,192	-	-	176,192
Unearned Revenues	25,184	-	-	25,184
Deposits Payable	304,676	-	-	304,676
Total Liabilities	723,472	14,200	179,601	917,273
DEFERRED INFLOWS OF RESOURCES				
Unavailable Property Taxes	5,661,747	-	455,280	6,117,027
Total Deferred Inflows of Resources	5,661,747	-	455,280	6,117,027
Total Liabilities and Deferred Inflows of Resources	6,385,219	14,200	634,881	7,034,300
FUND BALANCES				
Nonspendable				
Inventory	89,404	-	-	89,404
Prepaid Items	339,463	-	-	339,463
Restricted				
Public Safety	146,098	-	-	146,098
Veterans Memorial	12,836	-	-	12,836
Maintenance of Roadways	-	1,416,611	-	1,416,611
Special Service Areas	-	-	1,425,428	1,425,428
Assigned				
Capital Projects	-	-	401,266	401,266
Lake Restoration	-	-	529,288	529,288
Unassigned				
General Fund	13,000,216	-	-	13,000,216
Total Fund Balances	13,588,017	1,416,611	2,355,982	17,360,610
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 19,973,236	\$ 1,430,811	\$ 2,990,863	\$ 24,394,910

See accompanying notes to financial statements.

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

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

December 31, 2019

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 17,360,610
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	179,300,458
Compensated absences payable is not due and payable in the current period and, therefore, is not reported in governmental funds	(1,069,420)
Total OPEB Liability is not due and payable in the current period and, therefore, is not reported in governmental funds	(889,681)
Differences between expected and actual experiences, assumption changes, and net differences between projected and actual earnings for the total OPEB liability are recognized as deferred outflows and inflows of resources on the statement of net position	111,236
Net pension liability for the IMRF is shown as a liability on the statement of net position	(2,700,598)
Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings and contributions subsequent to the measurement date for IMRF are recognized as deferred outflows and inflows of resources on the statement of net position	1,522,717
Net pension liability for the Police Pension Plan is shown as a liability on the statement of net position	(9,361,704)
Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings and contributions subsequent to the measurement date for the Police Pension Plan are recognized as deferred outflows and inflows of resources on the statement of net position	(1,799,191)
The net position of the internal service fund are included in the governmental activities in the statement of net position	<u>144,690</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 182,619,117</u></u>

See accompanying notes to financial statements.

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

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

For the Year Ended December 31, 2019

	General	Motor Fuel Tax	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 12,249,762	\$ -	\$ 1,783,601	\$ 14,033,363
Licenses and Permits	289,630	-	-	289,630
Intergovernmental	3,147,838	967,404	494,243	4,609,485
Charges for Services	1,394,972	-	-	1,394,972
Fines, Fees and Forfeits	286,627	-	-	286,627
Developer Contributions	-	-	4,570	4,570
Investment Income	411,323	47,191	44,161	502,675
Miscellaneous	236,135	-	25,634	261,769
Total Revenues	18,016,287	1,014,595	2,352,209	21,383,091
EXPENDITURES				
Current				
General Government	2,379,236	-	483,453	2,862,689
Public Safety	8,162,963	-	-	8,162,963
Public Works	3,946,478	1,089,307	-	5,035,785
Recreation	1,915,005	-	-	1,915,005
Capital Outlay	-	-	1,726,839	1,726,839
Total Expenditures	16,403,682	1,089,307	2,210,292	19,703,281
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,612,605	(74,712)	141,917	1,679,810
OTHER FINANCING SOURCES (USES)				
Transfers In	9,834	-	-	9,834
Transfers (Out)	(100,000)	-	-	(100,000)
Sale of Capital Assets	-	-	73,307	73,307
Total Other Financing Sources (Uses)	(90,166)	-	73,307	(16,859)
NET CHANGE IN FUND BALANCES	1,522,439	(74,712)	215,224	1,662,951
FUND BALANCES, JANUARY 1	12,065,578	1,491,323	2,140,758	15,697,659
FUND BALANCES, DECEMBER 31	\$ 13,588,017	\$ 1,416,611	\$ 2,355,982	\$ 17,360,610

See accompanying notes to financial statements.

VILLAGE OF LAKE IN THE HILLS, 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, 2019

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 1,662,951
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	1,776,002
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	(2,249,368)
Gains (losses) on the disposal of capital assets is reported in the governmental activities	(204,664)
The change in compensated absences payable is shown as an expense on the statement of activities	(35,772)
The change in the total OPEB liability is not a current financial resource and, therefore, is not reported in the governmental funds	(186,989)
The change in the net pension liability for the IMRF Fund is reported only in the statement of activities	(2,306,341)
The change in deferred inflows and outflows of resources for the IMRF Fund is reported only in the statement of activities	2,149,680
The change in deferred inflows and outflows of resources for the total OPEB liability is reported only in the statement of activities	152,502
The change in the net pension liability for the Police Pension Plan is reported only in the statement of activities	2,855,389
The change in deferred inflows and outflows for the Police Pension Plan is reported only in the statement of activities	(3,023,346)
The change in net position of internal service funds is reported with governmental activities	<u>76,563</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 666,607</u></u>

See accompanying notes to financial statements.

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS

December 31, 2019

	Business-Type Activities			Governmental
	Water	Municipal	Total	Internal
		Airport		Service Fund
CURRENT ASSETS				
Cash and Investments	\$ 7,828,060	\$ 380,738	\$ 8,208,798	\$ 169,748
Accounts Receivable	870,794	19,870	890,664	-
Accrued Interest Receivable	12,838	-	12,838	-
Inventory	-	53,584	53,584	-
Prepaid Expenses	11,736	2,031	13,767	-
Total Current Assets	8,723,428	456,223	9,179,651	169,748
NONCURRENT ASSETS				
Capital Assets				
Capital Assets Not Being Depreciated	769,746	15,085,108	15,854,854	-
Capital Assets Being Depreciated	56,408,792	8,343,047	64,751,839	-
Accumulated Depreciation	(22,471,469)	(3,552,978)	(26,024,447)	-
Net Capital Assets	34,707,069	19,875,177	54,582,246	-
Total Noncurrent Assets	34,707,069	19,875,177	54,582,246	-
Total Assets	43,430,497	20,331,400	63,761,897	169,748
DEFERRED OUTFLOWS OF RESOURCES				
Pension Items - IMRF	533,777	55,544	589,321	-
OPEB Items	20,546	-	20,546	-
Asset Retirement Obligation	637,000	-	637,000	-
Unamortized Loss on Refunding	-	667	667	-
Total Deferred Outflows of Resources	1,191,323	56,211	1,247,534	-
Total Assets and Deferred Outflows of Resources	44,621,820	20,387,611	65,009,431	169,748
CURRENT LIABILITIES				
Accounts Payable	334,212	81,475	415,687	24,475
Accrued Interest Payable	2,588	317	2,905	-
Accrued Payroll	37,713	2,942	40,655	-
Accrued Compensated Absences Payable	17,645	1,581	19,226	-
Due to Other Funds	9,834	-	9,834	-
Unearned Revenue	100	8,818	8,918	583
Deposits Payable	106,461	11,467	117,928	-
Total OPEB Liability	4,618	-	4,618	-
General Obligation Bonds Payable	50,000	65,000	115,000	-
Total Current Liabilities	563,171	171,600	734,771	25,058
LONG-TERM LIABILITIES				
Accrued Compensated Absences Payable	70,580	6,324	76,904	-
Net Pension Liability	668,769	69,592	738,361	-
Asset Retirement Obligation	645,000	-	645,000	-
General Obligation Bonds Payable	1,445,000	135,000	1,580,000	-
Unamortized Premium on Bonds	138,673	3,610	142,283	-
Total OPEB Liability	121,304	-	121,304	-
Total Long-Term Liabilities	3,089,326	214,526	3,303,852	-
Total Liabilities	3,652,497	386,126	4,038,623	25,058

(This statement is continued on the following page.)

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

STATEMENT OF NET POSITION (Continued)
 PROPRIETARY FUNDS

December 31, 2019

	Business-Type Activities			Governmental
	Water	Municipal Airport	Total	Internal Service Fund
DEFERRED INFLOWS OF RESOURCES				
Pension Items - IMRF	\$ 156,695	\$ 16,306	\$ 173,001	\$ -
OPEB Items	5,313	-	5,313	-
Total Deferred Inflows of Resources	162,008	16,306	178,314	-
Total Liabilities and Deferred Inflows of Resources	3,814,505	402,432	4,216,937	25,058
NET POSITION				
Net Investment in Capital Assets	\$ 34,582,127	\$ 19,672,234	\$ 54,254,361	\$ -
Unrestricted	6,225,188	312,945	6,538,133	144,690
TOTAL NET POSITION	\$ 40,807,315	\$ 19,985,179	\$ 60,792,494	\$ 144,690

See accompanying notes to financial statements.

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

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

For the Year Ended December 31, 2019

	Business-Type Activities			Governmental
	Water	Municipal	Total	Activities
		Airport		Internal
				Service Fund
OPERATING REVENUES				
Charges for Sales and Services	\$ 3,975,832	\$ 892,965	\$ 4,868,797	\$ 249,519
Intergovernmental	-	4,122	4,122	-
Miscellaneous	135,983	2,865	138,848	-
Total Operating Revenues	4,111,815	899,952	5,011,767	249,519
OPERATING EXPENSES				
Operating and Administrative	2,710,406	805,630	3,516,036	274,258
Depreciation	1,409,958	392,116	1,802,074	-
Amortization	8,000	-	8,000	-
Total Operating Expenses	4,128,364	1,197,746	5,326,110	274,258
OPERATING INCOME (LOSS)	(16,549)	(297,794)	(314,343)	(24,739)
NON-OPERATING REVENUES (EXPENSES)				
Investment Income	90,755	6,746	97,501	1,302
Interest and Fiscal Charges	(2,588)	(4,218)	(6,806)	-
Gain (Loss) on Sale of Capital Assets	20,634	-	20,634	-
Total Non-Operating Revenues (Expenses)	108,801	2,528	111,329	1,302
NET INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	92,252	(295,266)	(203,014)	(23,437)
TRANSFERS				
Transfers in	-	-	-	100,000
Transfers (out)	(9,834)	-	(9,834)	-
Total Transfers	(9,834)	-	(9,834)	100,000
CONTRIBUTIONS	9,834	-	9,834	-
CHANGE IN NET POSITION	92,252	(295,266)	(203,014)	76,563
NET POSITION, JANUARY 1	40,715,063	20,280,445	60,995,508	68,127
NET POSITION, DECEMBER 31	\$ 40,807,315	\$ 19,985,179	\$ 60,792,494	\$ 144,690

See accompanying notes to financial statements.

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended December 31, 2019

	Business-Type Activities			Governmental
				Activities
	Water	Municipal Airport	Total	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers and Users	\$ 4,020,550	\$ 900,933	\$ 4,921,483	\$ 249,519
Receipts from Miscellaneous Revenues	135,983	2,865	138,848	-
Payments to Suppliers	(1,242,070)	(615,263)	(1,857,333)	(287,859)
Payments to Employees	(1,601,421)	(230,655)	(1,832,076)	-
Net Cash from Operating Activities	1,313,042	57,880	1,370,922	(38,340)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers In (Out)	(9,834)	-	(9,834)	100,000
Net Cash from Noncapital Financing Activities	(9,834)	-	(9,834)	100,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of Capital Assets	(957,365)	-	(957,365)	-
Proceeds from Sale of Capital Assets	21,146	-	21,146	-
Proceeds from Long-Term Debt	1,633,673	-	1,633,673	-
Principal Paid on Long-Term Debt	-	(60,000)	(60,000)	-
Interest Payments on Long-Term Debt	-	(5,422)	(5,422)	-
Grants	-	40,854	40,854	-
Net Cash from Capital and Related Financing Activities	697,454	(24,568)	672,886	-
CASH FLOWS FROM INVESTING ACTIVITIES				
(Purchase) Sale of Investments	(95,400)	-	(95,400)	53,407
Interest Received	93,929	6,747	100,676	1,302
Net Cash from Investing Activities	(1,471)	6,747	5,276	54,709
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,999,191	40,059	2,039,250	116,369
CASH AND CASH EQUIVALENTS, JANUARY 1	4,644,803	340,679	4,985,482	53,379
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 6,643,994	\$ 380,738	\$ 7,024,732	\$ 169,748
CASH AND INVESTMENTS				
Cash and Cash Equivalents	\$ 6,643,994	\$ 380,738	\$ 7,024,732	\$ 169,748
Investments	1,184,066	-	1,184,066	-
TOTAL CASH AND INVESTMENTS	\$ 7,828,060	\$ 380,738	\$ 8,208,798	\$ 169,748

(This statement is continued on the following page.)

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

STATEMENT OF CASH FLOWS (Continued)
 PROPRIETARY FUNDS

For the Year Ended December 31, 2019

	Business-Type Activities			Governmental
	Municipal		Total	Activities
	Water	Airport		Internal Service Fund
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (16,549)	\$ (297,794)	\$ (314,343)	\$ (24,739)
Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities				
Depreciation and Amortization	1,417,958	392,116	1,810,074	-
Other Non-Operating Expenses	-	222	222	-
(Increase) Decrease in				
Accounts Receivable	44,693	3,090	47,783	-
Inventory	-	(25,493)	(25,493)	-
Prepaid Expenses	31,073	(600)	30,473	-
Pension Items - IMRF	(335,864)	(39,174)	(375,038)	-
OPEB Items	(20,546)	-	(20,546)	-
Increase (Decrease) in				
Accounts Payable	(139,111)	(16,265)	(155,376)	(14,184)
Deposits Payable	(2,902)	(1,635)	(4,537)	-
Due to Other Funds	9,834	-	9,834	-
Accrued Expenses	(58,186)	(4,516)	(62,702)	-
Unearned Revenue	25	756	781	583
Net Pension Liability	564,434	60,962	625,396	-
Pension Items - IMRF	(207,136)	(13,789)	(220,925)	-
OPEB Items	(562)	-	(562)	-
Total OPEB Liability	25,881	-	25,881	-
NET CASH FROM OPERATING ACTIVITIES	\$ 1,313,042	\$ 57,880	\$ 1,370,922	\$ (38,340)
NONCASH TRANSACTIONS				
Developer Contributions	\$ 9,834	\$ -	\$ 9,834	\$ -
TOTAL NONCASH TRANSACTIONS	\$ 9,834	\$ -	\$ 9,834	\$ -

See accompanying notes to financial statements.

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

**STATEMENT OF FIDUCIARY NET POSITION
POLICE PENSION PLAN**

December 31, 2019

ASSETS	
Cash	\$ 453,809
First American Government Obligation Fund	385,755
Investments	
Illinois Funds	76,884
Illinois Metropolitan Investment Fund	2
U.S. Treasury Securities	3,897,189
U.S. Agency Securities	538,417
Municipal Bonds	230,687
Corporate Bonds	8,088,302
Fixed Income Mutual Funds	338,420
Equity Mutual Funds	20,101,252
Prepays	1,463
Receivables	
Accrued Interest	<u>87,076</u>
Total Assets	34,199,256
LIABILITIES	
Accounts Payable	<u>10,998</u>
NET POSITION RESTRICTED FOR PENSION	
	<u><u>\$ 34,188,258</u></u>

See accompanying notes to financial statements.

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
POLICE PENSION PLAN**

For the Year Ended December 31, 2019

ADDITIONS

Contributions

Employer	\$ 1,370,263
Employee	389,244

Total Contributions	<u>1,759,507</u>
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Investment Income

Net Appreciation in Fair Value of Investments	5,000,228
Interest	686,161

Total Investment Income	5,686,389
Less Investment Expense	<u>(87,987)</u>

Net Investment Income	<u>5,598,402</u>
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Total Additions	<u>7,357,909</u>
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DEDUCTIONS

Pension Benefits	1,135,494
Administrative Expenses	45,326

Total Deductions	<u>1,180,820</u>
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NET INCREASE	6,177,089
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**NET POSITION RESTRICTED
FOR PENSION**

January 1	<u>28,011,169</u>
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December 31	<u><u>\$ 34,188,258</u></u>
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See accompanying notes to financial statements.

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Village of Lake in the Hills, Illinois (the Village) are in accordance with accounting principles generally accepted in the United States of America, as applied to governmental 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 following is a summary of the significant accounting policies of the Village.

A. Reporting Entity

The Village is a municipal corporation established under Illinois Compiled Statutes governed by an elected Board of Trustees and Village President. The Village's reporting entity has been defined pursuant to GASB Statement Nos. 14 and 61.

The Village's financial statements include the Police Pension System (the PPS) as a blended component unit report as a Pension Trust Fund. The Village's sworn police employees participate in the PPS which was established May 10, 2001. The PPS functions for the benefit of those employees and is governed by a five-member pension board. Two members appointed by the Mayor, the Village Treasurer and two elected police officers constitute the pension board. The Village and the PPS participants are obligated to fund all the PPS costs based upon actuarial valuations, including administrative costs. 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 the contribution levels. Accordingly, the PPS is fiscally dependent on the Village.

B. Fund Accounting

The Village uses funds to report on its financial position and the changes in its financial position. 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.

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting (Continued)

Governmental funds are used to account for all or most of the Village's general activities. Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Capital projects funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Debt service funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest. 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 for 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 government (internal service funds).

Fiduciary funds are used to account for fiduciary activities (e.g., assets held on behalf of outside parties, including other governments). The Village utilizes a pension trust fund which is generally used to account for assets that the Village holds in a fiduciary capacity.

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 has been eliminated from these statements. Interfund services provided and used are not eliminated on 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.

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.

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 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 Motor Fuel Tax Fund accounts for capital improvement projects, such as road reconstruction and resurfacing, which are financed by the Village's share of restricted state motor fuel taxes. All projects require the advance approval of the Illinois Department of Transportation. The Village has elected to report this fund as major.

The Village reports the following major proprietary funds:

The Water Fund accounts for the activities of the water operations.

The Municipal Airport Fund accounts for the revenues and expenses associated with the operation and maintenance of the Lake in the Hills Airport.

The Village reports an internal service fund. This fund, the Health Insurance Fund, accounts for the partially self-funded medical insurance plan and the self-funded dental insurance plan for Village employees. 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 enterprise fund services. Incidental revenues/expenses are reported as non-operating.

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

The Village recognizes property taxes when they become both measurable and available in the period the levy is intended to finance. Taxpayer assessed tax revenues are recognized as revenue when owed to the intermediary collecting agent for sales taxes and telecommunications taxes. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

Those revenues susceptible to accrual are property taxes, sales taxes, income taxes, telecommunication taxes, franchise taxes, licenses, interest revenue and charges for services. Permit revenues are not susceptible to accrual because generally they are not measurable until received in cash.

In applying the susceptible to accrual concept to intergovernmental revenues (i.e., federal and state grants), the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Village; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are generally revocable only for failure to comply with prescribed eligibility requirements, such as equal employment opportunity. These resources are reflected as revenues at the time of receipt or earlier if they meet the availability criterion.

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

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Cash and Cash Equivalents

Cash and cash equivalents are defined as cash on hand, demand deposits and highly liquid investments with a maturity of three months or less when purchased.

F. Investments

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

G. Inventory

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The Village uses the consumption method to account for governmental fund inventories.

H. 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. The Village uses the consumption method to account for governmental fund prepaid items.

I. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, storm sewers and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Infrastructure assets have been reported retroactively as of December 31, 2007. Capital assets are defined by the Village as assets with an initial, individual cost in excess of the following and an estimated useful life in excess of one year.

Asset Class	Capitalization Threshold
Computer Software, Office Furniture and Equipment	\$ 3,000
Vehicles and Storm Sewers	20,000
Buildings and Land Improvements	35,000
Roadways, Water Storage and Distribution	80,000

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Capital Assets (Continued)

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs, including street overlays that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings, Land Improvements and Infrastructure	20-65
Vehicles	4-8
Machinery, Furniture and Equipment	5-15

J. Compensated Absences

Vested or accumulated vacation and sick leave that is owed to retirees or terminated employees is reported as an expenditure and a fund liability of the governmental fund that will pay it in the fund financial statements. Vested or accumulated vacation and sick leave of proprietary funds and governmental activities is recorded as an expense and liability of those funds as the benefits accrue to employees.

K. Interfund Transactions

Interfund services transactions 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 transactions and reimbursements, are reported as transfers.

L. Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Interfund Receivables/Payables (Continued)

Advances between funds, if any, as reported in the fund financial statements, are offset by nonspendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

M. Long-Term Obligations

In the government-wide financial statements and the 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 are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are reported as expenses.

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 Balance/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable 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 include 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 Village's Finance Director, subject to the approval of the Village Administrator, through the approved fund balance policy of the Village. Any residual fund balance of the General Fund or any deficit fund balances in other governmental funds are reported as unassigned.

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Fund Balance/Net Position (Continued)

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 policies for their general and special revenue funds. It is the policy of the Village to maintain in the General Fund a minimum fund balance consisting of 25% of the operating expenditures of the General Fund during the prior 12-month period. Special revenue funds shall maintain a fund balance that is the lesser of (a) one year's operating expenditures during the prior 12-month period or (b) \$50,000.

In the government-wide financial statements, restricted net position are legally restricted by outside parties for a specific purpose. Net investment in capital assets represents the Village's investment in the book value of capital assets, less any outstanding debt that was issued to construct or acquire the capital asset.

O. Deferred Outflows/Inflows of Resources

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

P. Use of Estimates

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

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. PROPERTY TAX CALENDAR

The following information gives significant dates on the property tax calendar of the Village.

- The property tax lien date is January 1.
- The annual tax levy ordinance for the 2019 levy was passed on December 12, 2019.
- Property taxes for the 2019 levy are due to the County Collector in two installments, June 4 and September 4. The County Collector remits the collections to the Village primarily in June to November.
- The 2019 taxes are intended to finance the 2020 fiscal year and are not considered available or earned for current operations and, therefore, are shown as unavailable/deferred revenue.

3. DEPOSITS AND INVESTMENTS

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

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

The Illinois Public Treasurers' Investment Pool, known as The Illinois Funds, operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and thus, reports all investments at amortized cost rather than fair value. The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Treasurer's Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. DEPOSITS AND INVESTMENTS (Continued)

IMET is a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members. Investments in IMET are valued at IMET's share price, the price for which the investment could be sold.

A. Deposits

To guard against custodial credit risk for deposits with financial institutions, the Village investment policy require that deposits with financial institutions in excess of FDIC be collateralized with collateral in an amount of 102% of the uninsured deposits with the collateral held by a third party acting as the agent of the Village. The bank balances are covered by federal depository insurance or by collateral held by the Village or its agent in the Village's name.

B. Village Investments

As of December 31, 2019, the Village had the following investments and maturities in securities subject to interest rate risk:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
Municipal Bonds	\$ 941,295	\$ 590,000	\$ 351,295	\$ -	\$ -
Negotiable Certificates of Deposit	3,895,536	3,395,536	500,000	-	-
TOTAL	\$ 4,836,831	\$ 3,985,536	\$ 851,295	\$ -	\$ -

In accordance with its investment policy, the Village limits its exposure to interest rate risk, the risk that changes in interest rates will adversely affect the fair value of an investment, by structuring the portfolio to provide liquidity for short and long-term cash flow needs while providing a reasonable rate of return based on the current market.

The Village has the following recurring fair value measurements as of December 31, 2019: negotiable certificates of deposit of \$3,895,536 and municipal bonds of \$941,295 are valued using significant other observable outputs for similar investments and are part of a limited secondary market (Level 2 inputs).

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 primarily investing in external investment pools, municipal bonds and negotiable certificates of deposit. The municipal bonds are rated from Aa3 to AA.

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. DEPOSITS AND INVESTMENTS (Continued)

B. Village Investments (Continued)

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Village will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Village's investment policy requires 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 in a custodial account with the trust department of an approved financial institution. The Illinois Funds, IMET and money market mutual funds are not subject to custodial credit risk.

Concentration of credit risk is the risk that the Village has a high percentage of their investments invested in one type of investment. The Village's investment policy requires diversification of investments to avoid unreasonable risk.

C. Police Pension Plan Investments

The Police Pension Plan's investment policy authorizes the Police Pension Plan to invest in all investments allowed by Illinois Compiled Statutes (ILCS). These include deposits/investments in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, obligations of states and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standards rating agencies, The Illinois Funds and IMET. Assets of the Police Pension Plan may also be invested in certain non-U.S. obligations, mortgages, equity securities, life insurance company contracts, mutual funds, investment grade corporate bonds, stocks, subject to certain conditions and real estate investment trusts.

The Illinois Public Treasurers' Investment Pool, known as The Illinois Funds, operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and thus, reports all investments at amortized cost rather than fair value. The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Treasurer's Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

IMET is a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an investment company. Investments in IMET are valued at IMET's share price, the price for which the investment could be sold.

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. DEPOSITS AND INVESTMENTS (Continued)

C. Police Pension Plan Investments (Continued)

It is the policy of the Police Pension Plan to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the cash flow demands of the Police Pension Plan and conforming to all state and local statutes governing the investment of public funds, using the “prudent investment expert” standard for managing the overall portfolio. The primary objectives of the policy are, in order of priority, safety of principal, liquidity and return on investments.

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Police Pension Plan’s deposits may not be returned to it. The Police Pension Plan’s investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance, at an amount not less than 110% of the fair value of the funds secured, with the collateral held by an independent third party or the Federal Reserve Bank of Boston.

As of December 31, 2019, the Police Pension Plan had the following investments and maturities in debt securities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury Obligations	\$ 3,897,189	\$ -	\$ 1,833,007	\$ 2,064,182	\$ -
U.S. Agency Obligations	538,417	-	-	357,431	180,986
Fixed Income Mutual Funds	338,420	-	338,420	-	-
Corporate Bonds	8,088,302	320,214	3,367,216	4,400,872	-
Municipal Bonds	230,687	-	230,687	-	-
TOTAL	\$ 13,093,015	\$ 320,214	\$ 5,769,330	\$ 6,822,485	\$ 180,986

In accordance with its investment policy, the Police Pension Plan limits its exposure to interest rate risk, the risk that changes in interest rates will adversely affect the fair value of an investment, by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands.

The Police Pension Plan has the following recurring fair value measurements as of December 31, 2019: the U.S. Treasury obligations, fixed income mutual funds and equity mutual funds are valued using quoted prices in active markets for identical assets (Level 1 inputs). The U.S. agency obligations, corporate bonds and municipal bonds are valued using quoted matrix pricing models (Level 2 inputs).

3. DEPOSITS AND INVESTMENTS (Continued)

C. Police Pension Plan Investments (Continued)

The Police Pension Plan limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in U.S. Treasury securities, U.S. agency securities and corporate bonds. The Police Pension Plan can only buy municipal and corporate bonds if they are in the four highest ratings categories. The U.S. agency obligations are either not rated or rated from AA+ to Aaa. The municipal bonds are either not rated or rated from Aa1 to AA-. The corporate bonds are rated Ba1 to AAA.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Police Pension Plan will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Police Pension Plan's investment policy requires that all security transactions entered into by the Police Pension Plan shall be conducted on a delivery verses payment (DVP) basis. Securities will be held by a third-party custodian designated by the Police Pension Plan and evidenced by safekeeping receipts. If a third-party custodian is not used, then the broker must provide an excess Securities Investor Protection Corporation policy in the name of the Police Pension Plan.

Concentration of credit risk is the risk that the Police Pension Plan has a high percentage of their investments invested in one type of investment. The Police Pension Plan's investment policy requires diversification of investment to avoid unreasonable risk. No financial institution shall hold more than 40% of the Police Pension Plan's investment portfolio, exclusive of U.S. Treasury securities in safekeeping. Monies deposited at a financial institution shall not exceed 75% of the capital stock and surplus of that institution. Commercial paper shall not exceed 10% of the Police Pension Plan's investment portfolio. Deposits in The Illinois Funds shall not exceed 50% of the Police Pension Plan's investment portfolio. Brokered certificates of deposit shall not exceed 25% of the Police Pension Plan's investment portfolio. All investments fall within their acceptable ranges at December 31, 2019. At December 31, 2019, the Police Pension Plan had greater than 5% of its overall portfolio invested in U.S. agency securities and mutual funds which is in accordance with the Police Pension Plan's investment policy.

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. RECEIVABLES

The following receivables are included in due from other governments on the statement of net position:

GOVERNMENTAL ACTIVITIES

Sales Tax	\$ 725,095
Home Rule Sales Tax	476,596
Motor Fuel Tax	128,302
Local Use Tax	302,653
Simplified Telecommunications Tax	89,173
Court Fines	12,282
Video Gaming Tax	34,507
Amusement Tax	19,379
Due from other Government Grants	<u>8,777</u>

TOTAL GOVERNMENTAL ACTIVITIES \$ 1,796,764

BUSINESS-TYPE ACTIVITIES

None	<u>\$ -</u>
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5. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital Assets not Being Depreciated				
Land and Land Right of Way	\$ 148,157,654	\$ -	\$ -	\$ 148,157,654
Construction in Progress	23,793	845,414	-	869,207
Total Capital Assets Not Being Depreciated	<u>148,181,447</u>	<u>845,414</u>	<u>-</u>	<u>149,026,861</u>
Capital Assets Being Depreciated				
Buildings and Improvements	19,187,056	75,167	302,540	18,959,683
Equipment	2,000,110	250,700	79,870	2,170,940
Office Equipment and Furniture	419,884	13,118	-	433,002
Vehicles	2,678,378	553,347	245,905	2,985,820
Roadways	32,080,761	-	-	32,080,761
Storm Sewers	8,399,605	-	-	8,399,605
Computer Software	361,763	38,256	-	400,019
Total Capital Assets Being Depreciated	<u>65,127,557</u>	<u>930,588</u>	<u>628,315</u>	<u>65,429,830</u>

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. CAPITAL ASSETS (Continued)

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
(Continued)				
Less Accumulated Depreciation for				
Buildings and Improvements	\$ 7,990,201	\$ 465,997	\$ 97,876	\$ 8,358,322
Equipment	1,236,193	124,891	79,870	1,281,214
Office Equipment and Furniture	311,158	13,990	-	325,148
Vehicles	1,773,989	245,863	245,905	1,773,947
Roadways	17,455,402	1,073,250	-	18,528,652
Storm Sewers	4,407,596	277,102	-	4,684,698
Computer Software	155,977	48,275	-	204,252
Total Accumulated Depreciation	<u>33,330,516</u>	<u>2,249,368</u>	<u>423,651</u>	<u>35,156,233</u>
Total Capital Assets Being Depreciated, Net	<u>31,797,041</u>	<u>(1,318,780)</u>	<u>204,664</u>	<u>30,273,597</u>
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET				
	<u>\$ 179,978,488</u>	<u>\$ (473,366)</u>	<u>\$ 204,664</u>	<u>\$ 179,300,458</u>
BUSINESS-TYPE ACTIVITIES				
Capital Assets not Being Depreciated				
Land	\$ 13,578,019	\$ -	\$ -	\$ 13,578,019
Construction in Progress	2,326,515	85,086	134,766	2,276,835
Total Capital Assets Not Being Depreciated	<u>15,904,534</u>	<u>85,086</u>	<u>134,766</u>	<u>15,854,854</u>
Capital Assets Being Depreciated				
Buildings and Improvements	8,327,246	-	-	8,327,246
Wells and Distribution Systems	54,073,227	829,493	-	54,902,720
Equipment	881,419	104,404	3,839	981,984
Office Equipment and Furniture	1,882	-	-	1,882
Vehicles and Equipment	354,150	82,981	55,684	381,447
Computer Software	156,560	-	-	156,560
Total Capital Assets Being Depreciated	<u>63,794,484</u>	<u>1,016,878</u>	<u>59,523</u>	<u>64,751,839</u>
Less Accumulated Depreciation for				
Buildings and Improvements	3,181,595	386,673	-	3,568,268
Wells and Distribution Systems	20,296,389	1,311,154	-	21,607,543
Equipment	492,114	61,154	3,327	549,941
Office Equipment and Furniture	2,603	-	-	2,603
Vehicles and Equipment	258,557	20,830	55,684	223,703
Computer Software	50,126	22,263	-	72,389
Total Accumulated Depreciation	<u>24,281,384</u>	<u>1,802,074</u>	<u>59,011</u>	<u>26,024,447</u>
Total Capital Assets Being Depreciated, Net	<u>39,513,100</u>	<u>(785,196)</u>	<u>512</u>	<u>38,727,392</u>
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET				
	<u>\$ 55,417,634</u>	<u>\$ (700,110)</u>	<u>\$ 135,278</u>	<u>\$ 54,582,246</u>

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. CAPITAL ASSETS (Continued)

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

GOVERNMENTAL ACTIVITIES	
General Government	\$ 88,101
Public Safety	160,149
Public Works	1,769,464
Recreation	<u>231,654</u>
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	<u><u>\$ 2,249,368</u></u>

6. LONG-TERM DEBT

The following is a summary in long-term liabilities during the year ended December 31, 2019:

	Balances January 1	Additions	Reductions	Balances December 31	Current Portion
GOVERNMENTAL ACTIVITIES					
Compensated Absences*	\$ 1,033,648	\$ 242,502	\$ 206,730	\$ 1,069,420	\$ 213,884
Net Pension Liability - IMRF*	394,257	2,306,341	-	2,700,598	-
Net Pension Liability - Police Pension*	12,217,093	-	2,855,389	9,361,704	-
Total OPEB Liability*	<u>702,692</u>	<u>186,989</u>	<u>-</u>	<u>889,681</u>	<u>33,366</u>
TOTAL GOVERNMENTAL ACTIVITIES	<u><u>\$ 14,347,690</u></u>	<u><u>\$ 2,735,832</u></u>	<u><u>\$ 3,062,119</u></u>	<u><u>\$ 14,021,403</u></u>	<u><u>\$ 247,250</u></u>

*These liabilities are typically liquidated by the General Fund

	Balances January 1, Restated	Additions	Reductions	Balances December 31	Current Portion
BUSINESS-TYPE ACTIVITIES					
General Obligation Bonds - Airport	\$ 260,000	\$ -	\$ 60,000	\$ 200,000	\$ 65,000
General Obligation Bonds - Water	-	1,495,000	-	1,495,000	50,000
Premium on Bonds	4,814	138,673	1,204	142,283	-
Compensated Absences	114,961	4,161	22,992	96,130	19,226
Net Pension Liability - IMRF	112,965	625,396	-	738,361	-
Total OPEB Liability	100,041	25,881	-	125,922	4,618
Asset Retirement Obligation	<u>645,000</u>	<u>-</u>	<u>-</u>	<u>645,000</u>	<u>-</u>
TOTAL BUSINESS-TYPE ACTIVITIES	<u><u>\$ 1,237,781</u></u>	<u><u>\$ 2,289,111</u></u>	<u><u>\$ 84,196</u></u>	<u><u>\$ 3,442,696</u></u>	<u><u>\$ 138,844</u></u>

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

Long-term liabilities payable from business-type activities at December 31, 2019 comprise the following:

	<u>Total</u>	<u>Current Portion</u>
\$1,275,000 2012 General Obligation Refunding Bonds dated December 20, 2012, in annual installments of \$60,000 to \$70,000 to December 15, 2022, interest at 2%. This debt was issued to partially refund the 2003 General Obligation Debt Certificates and the 2006 General Obligation Bonds.	\$ 200,000	\$ 65,000
TOTAL	<u>\$ 200,000</u>	<u>\$ 65,000</u>

	<u>Total</u>	<u>Current Portion</u>
\$1,495,000 2019 General Obligation Bonds dated November 7, 2019, in annual installments of \$50,000 to \$105,000 to December 15, 2039, interest at 3% to 4%.	\$ 1,495,000	\$ 50,000
TOTAL	<u>\$ 1,495,000</u>	<u>\$ 50,000</u>

The annual debt service requirements to retire these outstanding obligations at December 31, 2019 are as follows:

<u>Fiscal Year</u>	<u>Business-Type Activities</u>	
	<u>2012 General Obligation Refunding Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 65,000	\$ 4,000
2021	65,000	2,700
2022	70,000	1,400
TOTAL	<u>\$ 200,000</u>	<u>\$ 8,100</u>

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

Fiscal Year	Business-Type Activities 2019 General Obligation Bonds	
	Principal	Interest
2020	\$ 50,000	\$ 56,052
2021	55,000	49,200
2022	60,000	47,550
2023	60,000	46,500
2024	60,000	45,450
2025-2029	335,000	207,500
2030-2034	395,000	144,400
2035-2039	480,000	59,200
TOTAL	\$ 1,495,000	\$ 655,852

Asset Retirement Obligations

The Village has recognized an asset retirement obligation (ARO) and related deferred outflow of resources in connection with its obligation to seal and abandon various water wells at the end of their estimated useful lives in accordance with federal, state and/or local requirements. The ARO was measured using actual historical costs for similar abandonments, adjusted for inflation through the end of the year. The estimated remaining useful lives of the water wells range from 73 to 92 years.

7. DEFINED BENEFIT PENSION PLANS

The Village contributes to two defined benefit pension plans: the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system and the Police Pension Plan which is a single-employer pension plan. The benefits, benefit levels, employee contributions and employer contributions for all plans are governed by ILCS and can only be amended by the Illinois General Assembly. The Police Pension Plan issues a separate report that can be obtained from the Treasurer of the pension plan at 600 Harvest Gate, Lake in the Hills, Illinois 60156. IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523 or at www.imrf.org.

The aggregate total net pension liability, deferred outflows, deferred inflows, and expense for all pension plans was \$12,800,663, \$3,669,589, \$3,529,650, and \$2,155,702 at December 31, 2019.

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions

Illinois Municipal Retirement Fund

Plan Administration

All employees (other than those covered by the Police Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

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, 2018 (measurement date), IMRF membership consisted of:

Inactive Employees or Their Beneficiaries	
Currently Receiving Benefits	39
Inactive Employees Entitled to but not yet	
Receiving Benefits	102
Active Employees	<u>77</u>
 TOTAL	 <u><u>218</u></u>

Benefits Provided

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

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Contributions

Participating members are required to contribute 4.50% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rate for the year ended December 31, 2019 was 7.94% of covered payroll.

Net Pension Liability

The Village's net pension liability was measured as of December 31, 2018 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 Cost Method	Entry-Age Normal
Assumptions	
Inflation	2.50%
Salary Increases	3.39% to 14.25%
Interest Rate	7.25%
Cost of Living Adjustments	3.00%
Asset Valuation Method	Fair Value

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). 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-2017 (base year 2015). 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-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.25% (7.50% in 2017). The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. 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.

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2018	\$ 20,852,287	\$ 20,345,065	\$ 507,222
Changes for the Period			
Service Cost	514,234	-	514,234
Interest	1,564,885	-	1,564,885
Difference Between Expected and Actual Experience	286,461	-	286,461
Changes in Assumptions	765,579	-	765,579
Employer Contributions	-	533,671	(533,671)
Employee Contributions	-	271,263	(271,263)
Net Investment Income	-	(790,437)	790,437
Benefit Payments and Refunds	(488,533)	(488,533)	-
Administrative Expense	-	-	-
Other (Net Transfer)	-	184,925	(184,925)
Net Changes	2,642,626	(289,111)	2,931,737
BALANCES AT DECEMBER 31, 2018	\$ 23,494,913	\$ 20,055,954	\$ 3,438,959

A change to the discount rate was made in 2018.

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

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

For the year ended December 31, 2019, the Village recognized pension expense of \$617,482. At December 31, 2019, 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
	<u> </u>	<u> </u>
Difference Between Expected and Actual Experience	\$ 389,040	\$ 402,207
Changes in Assumption	691,520	403,553
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,203,416	-
Contributions Subsequent to Measurement Date	460,821	-
	<u> </u>	<u> </u>
TOTAL	\$ 2,744,797	\$ 805,760

\$460,821 reported as deferred outflows of resources related to pensions resulting from the Village's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2020. The remaining amounts reported as deferred outflows of resources related to IMRF will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	
2020	\$ 545,602
2021	227,353
2022	183,438
2023	521,823
2024	-
Thereafter	-
	<u> </u>
TOTAL	\$ 1,478,216

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Village calculated using the discount rate of 7.25% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability	\$ 6,965,169	\$ 3,438,959	\$ 605,798

Police Pension Plan

Plan Administration

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

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

The Police Pension 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.

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Plan Membership

At December 31, 2018 (actuarial valuation date), the Police Pension Plan membership consisted of:

Inactive Plan Members or Beneficiaries Currently	
Receiving Benefits	18
Inactive Plan Members Entitled to but not yet	
Receiving Benefits	2
Active Plan Members	38
 TOTAL	58

Benefits Provided

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

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Benefits Provided (Continued)

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the greater of the average monthly salary obtained by dividing the total salary during the 48 consecutive months of service within the last of 60 months in which the total salary was the highest by the number of months in that period; or the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the 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 Police Pension Plan, including the costs of administering the plan, 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. However, the Village has elected to fund 100% of the past service cost for the Police Pension Plan by 2033. For the year ended December 31, 2019, the Village's contribution was 41.83% of covered payroll.

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. DEFINED BENEFIT PENSION PLANS (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, 2019	\$ 40,228,262	\$ 28,011,169	\$ 12,217,093
Changes for the Period			
Service Cost	1,017,162	-	1,017,162
Interest	2,677,085	-	2,677,085
Difference Between Expected and Actual Experience	127,910	-	127,910
Changes in Assumptions	463,113	-	463,113
Changes of Benefit Terms	171,924	-	171,924
Employer Contributions	-	1,370,263	(1,370,263)
Employee Contributions	-	389,244	(389,144)
Other Contributions	-	-	-
Net Investment Income	-	5,598,402	(5,598,502)
Benefit Payments and Refunds	(1,135,494)	(1,135,494)	-
Administrative Expense	-	(45,326)	45,326
Net Changes	3,321,700	6,177,089	(2,855,389)
BALANCES AT			
DECEMBER 31, 2019	\$ 43,549,962	\$ 34,188,258	\$ 9,361,704

There was a change with respect to actuarial assumptions to reflect revised expectations with respect to inflation rate, individual pay increases, mortality rates, mortality improvement rates, retirement rates, termination rates, disability rates and marital assumptions. In addition, there were changes in plan benefits required under PA-101-0610 (SB 1300).

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation using the following actuarial methods and assumptions. The total pension liability was rolled forward by the actuary using updating procedures to December 31, 2019.

Actuarial Valuation Date	December 31, 2019
Actuarial Cost Method	Entry-Age Normal
Assumptions	
Inflation	2.50%
Salary Increases	4.00% to 11.02%
Interest Rate	6.75%
Cost of Living Adjustments	3.00% - Tier 1 One-Half of CPI-U - Tier 2
Asset Valuation Method	Fair Value

Mortality rates are based on the assumption study prepared by Lauterbach & Amen, LLP in 2016. Active mortality follows the Sex Distinct Raw Rates as developed in the RP-2014 Study, with Blue Collar Adjustment. These rates are improved generationally using MP-2016 Improvement Rates.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. 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 Police Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Village calculated using the discount rate of 6.75% 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 (5.75%) or 1 percentage point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net Pension Liability	\$ 17,274,563	\$ 9,361,704	\$ 3,111,170

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

For the year ended December 31, 2019, the Village recognized police pension expense of \$1,538,219. At December 31, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to the police pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 213,489	\$ 853,619
Changes in Assumption	711,300	453,256
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	1,417,105
TOTAL	\$ 924,789	\$ 2,723,980

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (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 the police pension will be recognized in pension expense as follows:

<u>Year Ending</u> <u>December 31,</u>	
2020	\$ (399,416)
2021	(438,306)
2022	(180,391)
2023	(841,698)
2024	(29,006)
Thereafter	<u>89,626</u>
TOTAL	<u><u>\$ (1,799,191)</u></u>

8. INTERFUND ACCOUNTS

Interfund transfers during the year ended December 31, 2019 consisted of the following:

	<u>Transfers</u> <u>In</u>	<u>Transfers</u> <u>Out</u>
General		
Health Insurance	\$ -	\$ 100,000
Water	9,834	-
Health Insurance		
General	100,000	-
Water		
General	-	9,834
TOTAL	<u><u>\$ 109,834</u></u>	<u><u>\$ 109,834</u></u>

The purposes of significant interfund transfers are as follows:

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. INTERFUND ACCOUNTS (Continued)

- \$100,000 transferred to the Health Insurance Fund from the General Fund to cover current year expenditures. This transfer will not be repaid.

9. CONTINGENT LIABILITIES

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.

10. 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; employee health, injuries to employees; and net income losses. The Village pays for health insurance for employees through third party indemnity insurance.

The Village participates in the Intergovernmental Risk Management Agency (IRMA) which is an organization of municipalities and special districts in Northeastern Illinois which have formed an association under the Illinois Intergovernmental Cooperation's Statute to pool its risk management needs. The Village pays annual premiums to IRMA for its workers' compensation, general liability and property coverage.

The Village assumes the first \$2,500 of each occurrence, with IRMA having a mix of self-insurance and commercial insurance at various amounts above that level. The Village appoints one delegate, along with an alternate delegate, to represent the Village on the Board of Directors. The Village does not exercise any control over the activities of IRMA beyond its representation on the Board of Directors.

The Village, along with IRMA's other members, has a contractual obligation to fund any deficit of IRMA attributable to a membership year during which it was a member. Supplemental contributions may be required to fund these deficits. No such contributions have occurred during the past three years.

11. OTHER POSTEMPLOYMENT BENEFITS

A. Plan Description

In addition to providing the pension benefits described, the Village provides postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the Village and can be amended by the Village through its personnel manual and union contracts. No assets

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

A. Plan Description (Continued)

are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The plan does not issue a separate report. The activity of the plan is reported in the Village's governmental and business-type activities.

B. Benefits Provided

The Village provides postemployment health care benefits to its retirees and certain disabled employees. To be eligible for benefits, an employee must qualify for retirement under one of the Village's retirement plans or meet COBRA requirements. All health care benefits are provided through the Village's insured health plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous and substance abuse care; vision care; dental care; and prescriptions. Once reaching Medicare age, retirees are covered by a Medicare supplement plan as opposed to the Village's active employee health plan. For certain disabled employees who qualify for health insurance benefits under the Public Safety Employee Benefits Act (PSEBA), the Village is required to pay 100% of the cost of basic health insurance for the employee and their dependents for their lifetime. All retirees contribute 100% of the actuarially determined premium to the plan to cover the cost of providing the benefits to the current members via the insured plan (pay-as-you-go) which results in an implicit subsidy to the Village.

C. Membership

At December 31, 2017 (actuarial valuation date) membership consisted of:

Inactive Employees Currently Receiving Benefit Payments	3
Inactive Employees Entitled to but not yet Receiving Benefit Payments	-
Active Employees	<u>106</u>
 TOTAL	 <u><u>109</u></u>
 Participating Employers	 <u><u>1</u></u>

D. Total OPEB Liability

The Village's total OPEB liability of \$1,015,603 was measured as of December 31, 2019 and was determined by an actuarial valuation as of December 31, 2017.

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

E. Actuarial Assumptions and Other Inputs

The total OPEB liability at December 31, 2019, as determined by an actuarial valuation as of December 31, 2017, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified. The total OPEB liability was rolled forward by the actuary using updating procedures to December 31, 2019, including updating the discount rate at December 31, 2019, as noted below.

Actuarial Cost Method	Entry-Age Normal
Actuarial Value of Assets	N/A
Salary Increases	2.75%
Discount Rate	2.74%
Healthcare Cost Trend Rates	6.50% to 7.50% Initial 5.00% Ultimate
Retirees Share of Benefit-Related Costs	100% Regular Plan

The actuarial assumptions used in the December 31, 2019 valuation are based on 30% participation assumed and 0% are assumed to elect spousal coverage.

F. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
BALANCES AT JANUARY 1, 2019	\$ 802,733
Changes for the Period	
Service Cost	33,157
Interest	32,141
Difference Between Expected and Actual Experience	-
Changes in Benefit Terms	-
Changes in Assumptions	185,556
Benefit Payments	<u>(37,984)</u>
Net Changes	<u>212,870</u>
BALANCES AT DECEMBER 31, 2019	<u>\$ 1,015,603</u>

The changes in the Net OPEB Liability related to changes in assumptions due to a change in discount rate from beginning of the Village's fiscal year to the end.

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

G. Rate Sensitivity

The following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the Village calculated using the discount rate of 2.74% as well as what the Village total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.74%) or 1 percentage point higher (3.74%) than the current rate:

	1% Decrease (1.74%)	Current Discount Rate (2.74%)	1% Increase (3.74%)
Total OPEB Liability	\$ 1,124,616	\$ 1,015,603	\$ 919,519

The table below presents the total OPEB liability of the Village calculated using the healthcare rate of 5.00% to 7.50% as well as what the Village's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (3.00% to 6.50%) or 1 percentage point higher (6.00% to 9.50%) than the current rate:

	1% Decrease (4.00% to 6.50%)	Current Healthcare Rate (5.00% to 7.50%)	1% Increase (6.00% to 8.50%)
Total OPEB Liability	\$ 877,170	\$ 1,015,603	\$ 1,181,904

H. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2019, the Village recognized OPEB expense of \$34,487. At December 31, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ -
Changes in Assumptions	168,988	42,519
TOTAL	\$ 168,988	\$ 42,519

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

H. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

<u>Year Ending</u> <u>December 31,</u>	
2020	\$ 11,946
2021	11,946
2022	11,946
2023	11,946
2024	11,946
Thereafter	<u>66,739</u>
 TOTAL	 <u>\$ 126,469</u>

12. SUBSEQUENT EVENT

Beginning around March 2020, The Covid-19 virus has been declared a global pandemic as it continues to spread rapidly. As a result, equity investments of the Police Pension Plan have experienced significant declines in quoted prices on active markets. Management of the Police Pension Plan is carefully monitoring the situation and evaluating its options during this time. No adjustments have been made to these financial statements as a result of this uncertainty.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

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

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Taxes	\$ 12,527,723	\$ 12,527,723	\$ 12,249,762	\$ (277,961)
Licenses and Permits	341,547	341,547	289,630	(51,917)
Intergovernmental	2,827,740	2,827,740	3,147,838	320,098
Charges for Services	1,614,154	1,614,154	1,394,972	(219,182)
Fines, Fees and Forfeits	359,800	359,800	286,627	(73,173)
Investment Income	125,000	125,000	411,323	286,323
Miscellaneous	220,700	220,700	236,135	15,435
Total Revenues	18,016,664	18,016,664	18,016,287	(377)
EXPENDITURES				
General Government				
Executive				
Personal Services	59,423	59,423	54,067	(5,356)
Professional Development	32,850	32,850	26,083	(6,767)
Contractual Services	29,065	29,065	24,186	(4,879)
Commodities	880	880	603	(277)
Total Executive	122,218	122,218	104,939	(17,279)
Village Administration				
Personal Services	619,896	619,896	549,096	(70,800)
Professional Development	22,346	22,346	15,451	(6,895)
Contractual Services	159,784	159,784	113,866	(45,918)
Commodities	5,956	5,956	4,559	(1,397)
Total Village Administration	807,982	807,982	682,972	(125,010)
Finance				
Personal Services	741,657	741,657	723,287	(18,370)
Professional Development	10,450	10,450	3,698	(6,752)
Contractual Services	29,037	29,037	31,870	2,833
Commodities	5,319	5,319	3,235	(2,084)
Total Finance	786,463	786,463	762,090	(24,373)
Insurance and Tort				
Contractual Services - Insurance	486,750	431,997	423,526	(8,471)
Total Insurance and Tort	486,750	431,997	423,526	(8,471)
Management Information Systems				
Personal Services	116,810	116,810	115,476	(1,334)
Professional Development	269,916	269,916	252,641	(17,275)
Contractual Services	59,530	59,530	37,592	(21,938)
Total Management Information Systems	446,256	446,256	405,709	(40,547)
Total General Government	2,649,669	2,594,916	2,379,236	(215,680)

(This schedule is continued on the following pages.)

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance Over (Under)
EXPENDITURES (Continued)				
Public Safety				
Police Administration				
Personal Services	\$ 781,003	\$ 781,003	\$ 768,180	\$ (12,823)
Professional Development	7,946	7,946	6,554	(1,392)
Contractual Services	573,426	573,426	543,808	(29,618)
Commodities	25,196	25,196	21,953	(3,243)
Total Police Administration	1,387,571	1,387,571	1,340,495	(47,076)
Patrol				
Personal Services	5,397,596	5,397,596	5,220,401	(177,195)
Professional Development	39,565	39,565	16,580	(22,985)
Contractual Services	42,456	42,456	42,619	163
Commodities	217,612	217,612	177,669	(39,943)
Total Patrol	5,697,229	5,697,229	5,457,269	(239,960)
Support Services				
Personal Services	1,332,956	1,332,956	1,310,947	(22,009)
Professional Development	20,830	20,830	18,449	(2,381)
Contractual Services	12,504	12,504	9,575	(2,929)
Commodities	27,011	27,011	26,228	(783)
Total Support Services	1,393,301	1,393,301	1,365,199	(28,102)
Total Public Safety	8,478,101	8,478,101	8,162,963	(315,138)
Public Works				
Public Works Administration				
Personal Services	342,497	342,497	326,629	(15,868)
Professional Development	7,943	7,943	8,324	381
Contractual Services	72,578	72,578	57,070	(15,508)
Commodities	3,739	3,739	4,204	465
Total Public Works Administration	426,757	426,757	396,227	(30,530)
Streets and Roads				
Personal Services	1,518,766	1,518,766	1,501,243	(17,523)
Professional Development	13,086	13,086	10,412	(2,674)
Contractual Services	181,928	181,928	207,950	26,022
Commodities	455,286	455,286	482,707	27,421
Total Streets and Roads	2,169,066	2,169,066	2,202,312	33,246
Public Properties				
Personal Services	997,198	997,198	973,655	(23,543)
Professional Development	5,583	5,583	4,107	(1,476)
Contractual Services	302,375	302,375	250,686	(51,689)
Commodities	112,725	112,725	119,491	6,766
Total Public Properties	1,417,881	1,417,881	1,347,939	(69,942)
Total Public Works	4,013,704	4,013,704	3,946,478	(67,226)

(This schedule is continued on the following pages.)

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance Over (Under)
EXPENDITURES (Continued)				
Community Services				
Parks and Recreation				
Personal Services	\$ 768,120	\$ 768,120	\$ 646,537	\$ (121,583)
Professional Development	222,568	222,568	197,756	(24,812)
Contractual Services	433,420	433,420	430,213	(3,207)
Commodities	101,440	101,440	96,432	(5,008)
Total Parks and Recreation	1,525,548	1,525,548	1,370,938	(154,610)
Community Development				
Personal Services	497,278	497,278	458,146	(39,132)
Professional Development	152,592	152,592	72,497	(80,095)
Contractual Services	5,950	5,950	4,132	(1,818)
Commodities	8,790	8,790	9,292	502
Total Community Development	664,610	664,610	544,067	(120,543)
Total Parks and Recreation	2,190,158	2,190,158	1,915,005	(275,153)
Total Expenditures	17,331,632	17,276,879	16,403,682	(873,197)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	685,032	739,785	1,612,605	872,820
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	9,834	9,834
Transfers (Out)	(100,000)	(100,000)	(100,000)	-
Total Other Financing Sources (Uses)	(100,000)	(100,000)	(90,166)	9,834
NET CHANGE IN FUND BALANCE	\$ 585,032	\$ 639,785	1,522,439	\$ 882,654
FUND BALANCE, JANUARY 1			12,065,578	
FUND BALANCE, DECEMBER 31			<u>\$ 13,588,017</u>	

(This schedule is continued on the following page.)

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

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

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Intergovernmental				
Motor Fuel Tax Allotments	\$ 755,740	\$ 755,740	\$ 967,404	\$ 211,664
Investment Income	17,000	17,000	47,191	30,191
Total Revenues	<u>772,740</u>	<u>772,740</u>	<u>1,014,595</u>	<u>241,855</u>
EXPENDITURES				
Current				
Public Works				
Contractual Services	1,101,000	1,101,000	1,089,307	(11,693)
Total Expenditures	<u>1,101,000</u>	<u>1,101,000</u>	<u>1,089,307</u>	<u>(11,693)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (328,260)</u>	<u>\$ (328,260)</u>	(74,712)	<u>\$ 253,548</u>
FUND BALANCE, JANUARY 1			<u>1,491,323</u>	
FUND BALANCE, DECEMBER 31			<u><u>\$ 1,416,611</u></u>	

(See independent auditor's report.)

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2019

BUDGETS AND BUDGETARY ACCOUNTING

The Village follows these procedures in establishing the budgetary data reflected in the financial statements.

1. The budgets for the governmental funds are adopted on a basis consistent with GAAP (modified accrual basis).
2. The Village each year must file and pass the budget ordinance for the fiscal year ended December 31. This budget can be subsequently amended by the budget officer and/or a vote of the Board of Trustees. The amounts shown in the final budget column reflect several amendments that have been adopted since the original budget was passed.
3. Budgets are adopted and integrated in the accounting system as a control device during the year for the general, special revenue, debt service, capital project and proprietary funds.
4. All budgets lapse at the end of the fiscal year for which the budget is adopted.
5. The budget officer can transfer budget amounts between line items within a department. However, transfers between departments require approval of the Board of Trustees. The legal level of budgetary control is at the department level.

There were no funds that had an excess of actual expenditures/expenses (exclusive of depreciation and amortization) over budget for the fiscal year.

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

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

Last Two Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2018	2019
TOTAL OPEB LIABILITY		
Service Cost	\$ 35,948	\$ 33,157
Interest	27,761	32,141
Differences Between Expected and Actual Experience	-	-
Changes of Benefit Terms	-	-
Changes of Assumptions	(51,763)	185,556
Benefit Payments	(31,432)	(37,984)
Net Change in Total Pension Liability	(19,486)	212,870
Total OPEB Liability - Beginning	822,219	802,733
TOTAL OPEB LIABILITY - ENDING	\$ 802,733	\$ 1,015,603
Covered Payroll	\$ 5,671,095	\$ 5,995,529
Employer's Total OPEB Liability as a Percentage of Covered Payroll	14.15%	16.94%

There were changes to the discount rate in 2018 and 2019.

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

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

(See independent auditor's report.)

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND**

Last Five Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2015	2016	2017	2018	2019
Actuarially Determined Contribution	\$ 625,872	\$ 609,857	\$ 590,932	\$ 515,933	\$ 460,821
Contributions in Relation to the Actuarially Determined Contribution	625,872	609,857	590,932	515,933	460,821
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 5,953,927	\$ 5,933,525	\$ 5,748,364	\$ 5,428,425	\$ 5,800,373
Contributions as a Percentage of Covered Payroll	10.51%	10.28%	10.28%	9.50%	7.94%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 25 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 3.75% to 14.50% compounded annually and postretirement benefit increases of 3.00% compounded annually.

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

(See independent auditor's report.)

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION PLAN

Last Ten Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Actuarially Determined Contribution	\$ 910,443	\$ 951,305	\$ 932,539	\$ 913,030	\$ 1,018,934	\$ 1,067,861	\$ 1,250,911	\$ 1,293,479	\$ 1,370,179	\$ 1,372,114
Contributions in Relation to the Actuarially Determined Contribution	911,933	961,269	933,602	914,128	1,020,259	1,066,419	1,248,941	1,292,435	1,369,010	1,370,263
CONTRIBUTION DEFICIENCY (Excess)	\$ (1,490)	\$ (9,964)	\$ (1,063)	\$ (1,098)	\$ (1,325)	\$ 1,442	\$ 1,970	\$ 1,044	\$ 1,169	\$ 1,851
Covered Payroll	\$ 3,059,285	\$ 3,080,126	\$ 3,045,224	\$ 3,194,090	\$ 3,507,517	\$ 3,833,606	\$ 3,628,173	\$ 3,746,089	\$ 3,172,999	\$ 3,276,121
Contributions as a Percentage of Covered Payroll	29.81%	31.21%	30.66%	28.62%	29.09%	27.82%	34.42%	34.50%	43.15%	41.83%

Notes to Required Supplementary Information

Valuation Date Actuarially determined contribution rates are calculated as of January 1 of the prior fiscal year.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry-Age Normal
Amortization Method	Level Percent of Pay, Closed; 100% through 2033
Remaining Amortization Period	16 Years
Asset Valuation Method	Five-Year Smoothed Market
Return on Investments	6.75%
Inflation	2.50%
Salary Increases	4.00% to 11.02%
Payroll Growth	3.25%
Mortality	RP-14 adjusted for plan status, collar, and Illinois public pension data, as appropriate

(See independent auditor's report.)

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

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

Last Five Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2014	2015	2016	2017	2018
TOTAL PENSION LIABILITY					
Service Cost	\$ 625,988	\$ 624,607	\$ 623,734	\$ 604,315	\$ 514,234
Interest	1,145,350	1,295,898	1,436,784	1,508,681	1,564,885
Changes of Benefit Terms	-	-	-	-	-
Differences Between Expected and Actual Experience	174,674	427,511	(595,827)	(211,790)	286,461
Changes of Assumptions	463,039	29,763	(29,281)	(623,698)	765,579
Benefit Payments, Including Refunds of Member Contributions	(363,167)	(438,933)	(507,648)	(477,631)	(488,533)
Net Change in Total Pension Liability	2,045,884	1,938,846	927,762	799,877	2,642,626
Total Pension Liability - Beginning	15,139,918	17,185,802	19,124,648	20,052,410	20,852,287
TOTAL PENSION LIABILITY - ENDING	\$ 17,185,802	\$ 19,124,648	\$ 20,052,410	\$ 20,852,287	\$ 23,494,913
PLAN FIDUCIARY NET POSITION					
Contributions - Employer	\$ 599,711	\$ 625,872	\$ 609,857	\$ 590,932	\$ 533,671
Contributions - Member	262,532	270,908	280,301	289,155	271,263
Net Investment Income	878,917	79,133	1,095,186	2,845,511	(790,437)
Benefit Payments, Including Refunds of Member Contributions	(363,167)	(438,933)	(507,648)	(477,631)	(488,533)
Administrative Expense	60,813	(353,942)	15,112	(176,499)	184,925
Net Change in Plan Fiduciary Net Position	1,438,806	183,038	1,492,808	3,071,468	(289,111)
Plan Fiduciary Net Position - Beginning	14,158,945	15,597,751	15,780,789	17,273,597	20,345,065
PLAN FIDUCIARY NET POSITION - ENDING	\$ 15,597,751	\$ 15,780,789	\$ 17,273,597	\$ 20,345,065	\$ 20,055,954
EMPLOYER'S NET PENSION LIABILITY	\$ 1,588,051	\$ 3,343,859	\$ 2,778,813	\$ 507,222	\$ 3,438,959
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.76%	82.52%	86.14%	97.57%	85.36%
Covered Payroll	\$ 5,620,210	\$ 5,953,927	\$ 5,933,525	\$ 5,748,364	\$ 5,428,425
Employer's Net Pension Liability as a Percentage of Covered Payroll	28.26%	56.16%	46.83%	8.82%	63.35%

Notes to Required Supplementary Information

Measurement Date December 31, 2018 - There was a change in assumption related to the discount rate made since the prior measurement date. The discount rate used in the current actuarial valuation, dated December 31, 2018, is 7.25%. The discount rate used in the prior actuarial valuation, dated December 31, 2017, was 7.50%.

Measurement Date December 31, 2017 - There was a change with respect to actuarial assumptions. Certain demographic assumptions were changed, which impacted mortality rates, mortality improvement rates, retirement rates, disability rates and termination rates.

Measurement Date December 31, 2016 - There was a change in assumption related to the discount rate made since the prior measurement date. The discount rate used in the current actuarial valuation, dated December 31, 2016, is 7.50%. The discount rate used in the prior actuarial valuation, dated December 31, 2015, was 7.49%.

Measurement Date December 31, 2015 - There was a change in assumption related to the discount rate made since the prior measurement date. The discount rate used in the current actuarial valuation, dated December 31, 2015, is 7.49%. The discount rate used in the prior actuarial valuation, dated December 31, 2014, was 7.50%.

Measurement Date December 31, 2014 - There was a change with respect to actuarial assumptions. Certain demographic assumptions were changed, which impacted mortality rates, mortality improvement rates, retirement rates, disability rates and termination rates.

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

(See independent auditor's report.)

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

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

Last Five Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018	2019
TOTAL PENSION LIABILITY					
Service Cost	\$ 819,172	\$ 927,272	\$ 989,863	\$ 973,114	\$ 1,017,162
Interest	2,166,890	2,290,894	2,385,137	2,551,157	2,677,085
Changes of Benefit Terms	-	-	-	-	171,924
Differences Between Expected and Actual Experience	(965,189)	56,947	109,340	(581,406)	127,910
Changes of Assumptions	709,326	(862,520)	-	-	463,113
Benefit Payments, Including Refunds of Member Contributions	(783,911)	(1,002,314)	(1,030,489)	(1,019,055)	(1,135,494)
Net Change in Total Pension Liability	1,946,288	1,410,279	2,453,851	1,923,810	3,321,700
Total Pension Liability - Beginning	32,494,034	34,440,322	35,850,601	38,304,452	40,228,262
TOTAL PENSION LIABILITY - ENDING	\$ 34,440,322	\$ 35,850,601	\$ 38,304,452	\$ 40,228,262	\$ 43,549,962
PLAN FIDUCIARY NET POSITION					
Contributions - Employer	\$ 1,066,419	\$ 1,248,941	\$ 1,292,435	\$ 1,369,010	\$ 1,370,263
Contributions - Member	347,585	410,317	379,776	352,025	389,244
Contributions - Other	105	-	-	-	-
Net Investment Income	(83,151)	1,386,255	3,005,889	(1,388,420)	5,598,402
Benefit Payments, Including Refunds of Member Contributions	(783,911)	(1,002,314)	(1,030,489)	(1,019,055)	(1,135,494)
Administrative Expense	(27,935)	(27,378)	(25,049)	(44,211)	(45,326)
Net Change in Plan Fiduciary Net Position	519,112	2,015,821	3,622,562	(730,651)	6,177,089
Plan Fiduciary Net Position - Beginning	22,584,325	23,103,437	25,119,258	28,741,820	28,011,169
PLAN FIDUCIARY NET POSITION - ENDING	\$ 23,103,437	\$ 25,119,258	\$ 28,741,820	\$ 28,011,169	\$ 34,188,258
EMPLOYER'S NET PENSION LIABILITY	\$ 11,336,885	\$ 10,731,343	\$ 9,562,632	\$ 12,217,093	\$ 9,361,704
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.1%	70.1%	75.0%	69.6%	78.5%
Covered Payroll	\$ 3,833,606	\$ 3,628,173	\$ 3,746,089	\$ 3,172,999	\$ 3,276,121
Employer's Net Pension Liability as a Percentage of Covered Payroll	295.7%	295.8%	255.3%	385.0%	285.8%

Note to Required Supplementary Information

Year Ended December 31, 2019 - There was a change with respect to actuarial assumptions to reflect revised expectations with respect to inflation rate, individual pay increases, mortality rates, mortality improvement rates, retirement rates, termination rates, disability rates, and marital assumptions. In addition, there were changes in plan benefits required under PA-101-0610 (SB 1300).

Year Ended December 31, 2016 - The mortality assumption was updated to include mortality improvements as stated in the most recently released MP-2016 table and rates are now being applied on a fully-generational basis.

Year Ended December 31, 2015 - There was a change with respect to actuarial assumptions related to the assumed rate on High Quality 20-Year Tax-Exempt G.O. Bonds. The rate was changed to 3.57%. Additionally, the discount rate used in the determination of the total pension liability was changed from 7.00% to 6.75%. Certain demographic assumptions were also changed, which impacted mortality rates, mortality improvement rates, retirement rates, disability rates and termination rates.

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

(See independent auditor's report.)

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUND

Special Service Areas Fund - to account for revenues and expenditures restricted to the 14 special service areas within the Village. Maintenance and infrastructure concerns involve items such as detention and retention facilities, wetlands and stormwater drainage. The 14 special service areas are as follows:

<u>SSA#</u>	<u>Development Name</u>
1	Spring Lake Farm North
2	Meadowbrook
3	Big Sky
4A	Hidden Valley/Stoneybrook
4B	Hidden Valley/Stoneybrook
5	Spring Lake Farm South
6	Hampton West
7	Heron Bay
8B	Crystal Creek Commons
8C	Prairie Point
10	Bank of America
14	Life Storage
15	Cheswick Place
24	Harvest Gate Detention

CAPITAL PROJECTS FUNDS

Capital Improvement Plan Fund - to account for the acquisition of capital assets for all General Fund programs.

Lake Projects Fund - to account for lake restoration related capital projects within the Village.

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2019

	<u>Special Revenue Special Service Areas</u>	<u>Capital Projects Capital Improvement Plan</u>	<u>Lake Projects</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS				
Cash and Investments	\$ 1,418,155	\$ 307,401	\$ 311,876	\$ 2,037,432
Property Tax Receivable	455,280	-	-	455,280
Accounts Receivable	2,722	158,993	331,851	493,566
Accrued Interest Receivable	4,585	-	-	4,585
TOTAL ASSETS	\$ 1,880,742	\$ 466,394	\$ 643,727	\$ 2,990,863
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 34	\$ 65,128	\$ 114,439	\$ 179,601
Total Liabilities	34	65,128	114,439	179,601
DEFERRED INFLOWS OF RESOURCES				
Unavailable Property Taxes	455,280	-	-	455,280
Total Deferred Inflows of Resources	455,280	-	-	455,280
Total Liabilities and Deferred Inflows of Resources	455,314	65,128	114,439	634,881
FUND BALANCES				
Restricted				
Special Service Areas	1,425,428	-	-	1,425,428
Assigned				
Capital Projects	-	401,266	-	401,266
Lake Restoration	-	-	529,288	529,288
Total Fund Balances	1,425,428	401,266	529,288	2,355,982
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 1,880,742	\$ 466,394	\$ 643,727	\$ 2,990,863

(See independent auditor's report.)

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

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

For the Year Ended December 31, 2019

	Special Revenue	Capital Projects		Total Nonmajor Governmental Funds
	Special Service Areas	Capital Improvement Plan	Lake Projects	
REVENUES				
Taxes	\$ 454,834	\$ 1,328,767	\$ -	\$ 1,783,601
Contributions	4,570	-	-	4,570
Intergovernmental	-	33,280	460,963	494,243
Investment Income	29,457	-	14,704	44,161
Miscellaneous	-	20,186	5,448	25,634
Total Revenues	488,861	1,382,233	481,115	2,352,209
EXPENDITURES				
Current				
General Government	327,318	31,442	124,693	483,453
Capital Outlay	27,200	1,129,042	570,597	1,726,839
Total Expenditures	354,518	1,160,484	695,290	2,210,292
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	134,343	221,749	(214,175)	141,917
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	-	73,307	-	73,307
Total Other Financing Sources (Uses)	-	73,307	-	73,307
NET CHANGE IN FUND BALANCES	134,343	295,056	(214,175)	215,224
FUND BALANCES, JANUARY 1	1,291,085	106,210	743,463	2,140,758
FUND BALANCES, DECEMBER 31	\$ 1,425,428	\$ 401,266	\$ 529,288	\$ 2,355,982

(See independent auditor's report.)

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL SERVICE AREAS FUND**

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Taxes				
Property	\$ 455,280	\$ 455,280	\$ 454,834	\$ (446)
Contributions	1,010	1,010	4,570	3,560
Investment Income	12,765	12,765	29,457	16,692
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	469,055	469,055	488,861	19,806
	<hr/>	<hr/>	<hr/>	<hr/>
EXPENDITURES				
General Government				
Personal Services	83,840	83,840	80,637	(3,203)
Contractual Services	273,050	273,050	233,943	(39,107)
Commodities	16,770	16,770	12,738	(4,032)
Capital Outlay	56,960	56,960	27,200	(29,760)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	430,620	430,620	354,518	(76,102)
	<hr/>	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ 38,435</u>	<u>\$ 38,435</u>	134,343	<u>\$ 95,908</u>
FUND BALANCE, JANUARY 1			<u>1,291,085</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 1,425,428</u>	

(See independent auditor's report.)

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL IMPROVEMENT PLAN FUND**

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Taxes				
Utility Tax	\$ 1,385,000	\$ 1,385,000	\$ 1,328,767	\$ (56,233)
Intergovernmental	166,500	166,500	33,280	(133,220)
Miscellaneous	-	-	20,186	20,186
Total Revenues	1,551,500	1,551,500	1,382,233	(169,267)
EXPENDITURES				
General Government				
Contractual Services	50,000	31,442	31,442	-
Capital Outlay	1,496,021	1,129,042	1,129,042	-
Total Expenditures	1,546,021	1,160,484	1,160,484	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	5,479	391,016	221,749	(169,267)
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	82,350	82,350	73,307	(9,043)
Total Other Financing Sources (Uses)	82,350	82,350	73,307	(9,043)
NET CHANGE IN FUND BALANCE	\$ 87,829	\$ 473,366	295,056	\$ (178,310)
FUND BALANCE, JANUARY 1			106,210	
FUND BALANCE, DECEMBER 31			\$ 401,266	

(See independent auditor's report.)

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

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

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Intergovernmental	\$ 153,000	\$ 153,000	\$ 460,963	\$ 307,963
Investment Income	4,000	4,000	14,704	10,704
Miscellaneous	-	-	5,448	5,448
Total Revenues	157,000	157,000	481,115	324,115
EXPENDITURES				
General Government				
Contractual Services	255,000	124,693	124,693	-
Capital Outlay	-	570,597	570,597	-
Total Expenditures	255,000	695,290	695,290	-
NET CHANGE IN FUND BALANCE	\$ (98,000)	\$ (538,290)	(214,175)	\$ 324,115
FUND BALANCE, JANUARY 1			743,463	
FUND BALANCE, DECEMBER 31			\$ 529,288	

(See independent auditor's report.)

SUPPLEMENTARY FINANCIAL INFORMATION

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

**SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Taxes				
Property Tax	\$ 5,661,723	\$ 5,661,723	\$ 5,663,742	\$ 2,019
Sales Tax	3,130,000	3,130,000	2,943,025	(186,975)
Home Rule Sales Tax	2,080,000	2,080,000	1,912,454	(167,546)
Use Tax	875,000	875,000	986,201	111,201
Simplified Telecommunications Tax	405,000	405,000	368,547	(36,453)
Video Gaming Tax	195,000	195,000	203,581	8,581
Charitable Games/Pull Tab/Utility Tax	1,000	1,000	930	(70)
Amusement Tax	180,000	180,000	171,282	(8,718)
Total Taxes	12,527,723	12,527,723	12,249,762	(277,961)
Licenses and Permits				
Business Licenses	5,970	5,970	4,900	(1,070)
Contractor Licenses	30,000	30,000	32,325	2,325
Other Licenses	27,592	27,592	32,097	4,505
Liquor and Tobacco Licenses	48,775	48,775	52,712	3,937
Building Permits	219,640	219,640	158,521	(61,119)
Lake Use Permits and Fees	9,570	9,570	9,075	(495)
Total Licenses and Permits	341,547	341,547	289,630	(51,917)
Intergovernmental				
Income Tax	2,720,000	2,720,000	3,111,000	391,000
Personal Property Replacement Tax	4,500	4,500	9,825	5,325
Grants	103,240	103,240	27,013	(76,227)
Total Intergovernmental	2,827,740	2,827,740	3,147,838	320,098
Charges for Services				
Planning and Zoning Hearing Fees	8,746	8,746	11,128	2,382
Road Impact Fees	129,293	129,293	38,787	(90,506)
Annexation/Platting Fees	14,100	14,100	283	(13,817)
Cable Franchise Fees	415,000	415,000	433,412	18,412
Natural Gas Franchise Fees	33,000	33,000	33,732	732
Police Services	74,800	74,800	32,058	(42,742)
Commercial Activity Fees	34,305	34,305	24,744	(9,561)
Parks Programs	561,710	561,710	542,680	(19,030)
Facility Rental Fee	73,200	73,200	65,202	(7,998)
Rental Income	270,000	270,000	212,946	(57,054)
Total Charges for Services	1,614,154	1,614,154	1,394,972	(219,182)

(This schedule is continued on the following page.)

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

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

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES (Continued)				
Fines, Fees and Forfeits				
Court Fines	\$ 195,000	\$ 195,000	\$ 168,209	\$ (26,791)
Ordinance Violations	120,000	120,000	80,717	(39,283)
Redlight Enforcement Fines	-	-	1,407	1,407
Electronic Citation Fines	1,100	1,100	547	(553)
Warrant Execution Fees	3,700	3,700	3,700	-
Vehicle Impoundment Fees	40,000	40,000	32,047	(7,953)
Total Fines, Fees and Forfeits	359,800	359,800	286,627	(73,173)
Investment Income	125,000	125,000	411,323	286,323
Miscellaneous				
Miscellaneous	23,000	23,000	36,952	13,952
Contributions	10,000	10,000	4,224	(5,776)
Sunset Fest	167,600	167,600	138,387	(29,213)
Insurance/Restitutions	20,000	20,000	56,321	36,321
Penalties and Interest	100	100	251	151
Total Miscellaneous	220,700	220,700	236,135	15,435
TOTAL REVENUES	\$ 18,016,664	\$ 18,016,664	\$ 18,016,287	\$ (377)

(See independent auditor's report.)

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.	71-80
Revenue Capacity These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.	81-85
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.	86-89
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.	90-91
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.	92-95

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

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

NET POSITION BY COMPONENT

Last Ten Fiscal Years

Fiscal Year	2010	2011	2012	2013
GOVERNMENTAL ACTIVITIES				
Net Investment in Capital Assets	\$ 179,404,320	\$ 185,778,927	\$ 186,825,953	\$ 190,880,305
Restricted for				
Maintenance of Roadways	1,303,946	1,515,928	1,734,520	1,710,589
Special Service Areas	800,695	901,274	1,045,614	1,173,573
Special Projects	552,449	-	-	-
Other Restrictions	14,857	20,497	19,133	26,568
Unrestricted	8,051,583	10,351,410	11,382,687	10,480,167
TOTAL GOVERNMENTAL ACTIVITIES	\$ 190,127,850	\$ 198,568,036	\$ 201,007,907	\$ 204,271,202
BUSINESS-TYPE ACTIVITIES				
Net Investment in Capital Assets	\$ 56,433,299	\$ 58,344,423	\$ 58,684,839	\$ 59,134,371
Unrestricted	4,789,487	4,116,885	4,224,357	4,349,867
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 61,222,786	\$ 62,461,308	\$ 62,909,196	\$ 63,484,238
PRIMARY GOVERNMENT				
Net Investment in Capital Assets	\$ 235,837,619	\$ 244,123,350	\$ 245,510,792	\$ 250,014,676
Restricted	2,671,947	2,437,699	2,799,267	2,910,730
Unrestricted	12,841,070	14,468,295	15,607,044	14,830,034
TOTAL PRIMARY GOVERNMENT	\$ 251,350,636	\$ 261,029,344	\$ 263,917,103	\$ 267,755,440

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

Data Source

Audited Financial Statements

2014	2015*	2016	2017	2018	2019
\$ 190,299,799	\$ 182,703,352	\$ 182,548,831	\$ 180,977,897	\$ 179,978,488	\$ 179,300,458
1,891,178	1,763,871	1,837,522	1,603,067	1,491,323	1,416,611
1,226,390	1,362,670	1,412,319	1,410,574	1,291,085	1,425,428
-	-	-	-	-	-
98,565	98,032	90,910	108,344	147,380	158,934
10,594,215	(1,665,860)	(2,363,502)	(1,919,310)	(955,766)	317,686
<u>\$ 204,110,147</u>	<u>\$ 184,262,065</u>	<u>\$ 183,526,080</u>	<u>\$ 182,180,572</u>	<u>\$ 181,952,510</u>	<u>\$ 182,619,117</u>
\$ 59,627,543	\$ 54,165,955	\$ 56,382,842	\$ 55,987,721	\$ 55,153,709	\$ 54,254,361
4,403,249	3,749,125	3,881,369	4,724,410	5,841,799	6,538,133
<u>\$ 64,030,792</u>	<u>\$ 57,915,080</u>	<u>\$ 60,264,211</u>	<u>\$ 60,712,131</u>	<u>\$ 60,995,508</u>	<u>\$ 60,792,494</u>
\$ 249,927,342	\$ 236,869,307	\$ 238,931,673	\$ 236,965,618	\$ 235,132,197	\$ 233,554,819
3,216,133	3,224,573	3,340,751	3,121,985	2,929,788	3,000,973
14,997,464	2,083,265	1,517,867	2,805,100	4,886,033	6,855,819
<u>\$ 268,140,939</u>	<u>\$ 242,177,145</u>	<u>\$ 243,790,291</u>	<u>\$ 242,892,703</u>	<u>\$ 242,948,018</u>	<u>\$ 243,411,611</u>

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	2010	2011	2012	2013
EXPENSES				
Governmental Activities				
General Government	\$ 2,756,874	\$ 3,001,000	\$ 2,846,340	\$ 2,916,173
Public Safety	6,952,776	7,024,528	7,241,194	7,215,337
Public Works	5,576,347	5,272,820	5,420,142	6,000,330
Recreation	2,004,982	1,895,953	2,011,052	2,109,937
Interest and Fiscal Charges	278,062	251,610	213,951	184,812
Total Governmental Activities Expenses	<u>17,569,041</u>	<u>17,445,911</u>	<u>17,732,679</u>	<u>18,426,589</u>
Business-Type Activities				
Water	4,211,333	4,480,756	4,214,749	4,535,991
Airport	517,303	426,894	511,305	565,908
Total Business-Type Activities Expenses	<u>4,728,636</u>	<u>4,907,650</u>	<u>4,726,054</u>	<u>5,101,899</u>
TOTAL PRIMARY GOVERNMENT EXPENSES	<u><u>\$ 22,297,677</u></u>	<u><u>\$ 22,353,561</u></u>	<u><u>\$ 22,458,733</u></u>	<u><u>\$ 23,528,488</u></u>
PROGRAM REVENUES				
Governmental Activities				
Charges for Services				
General Government	\$ 861,786	\$ 1,436,931	\$ 920,836	\$ 1,058,446
Public Safety	798,129	925,385	1,011,831	859,968
Recreation	727,706	791,893	792,538	818,100
Operating Grants and Contributions	945,687	1,040,253	927,061	922,687
Capital Grants and Contributions	444,341	7,829,360	2,414,232	3,904,728
Total Governmental Activities Program Revenues	<u>3,777,649</u>	<u>12,023,822</u>	<u>6,066,498</u>	<u>7,563,929</u>
Business-Type Activities				
Charges for Services				
Water	3,558,943	3,958,174	4,066,215	4,108,973
Airport	363,213	351,412	365,898	387,085
Capital Grants and Contributions	3,569,378	1,787,805	726,691	1,160,016
Total Business-Type Activities Program Revenues	<u>7,491,534</u>	<u>6,097,391</u>	<u>5,158,804</u>	<u>5,656,074</u>
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	<u><u>\$ 11,269,183</u></u>	<u><u>\$ 18,121,213</u></u>	<u><u>\$ 11,225,302</u></u>	<u><u>\$ 13,220,003</u></u>
NET (EXPENSE) REVENUE				
Governmental Activities	\$ (13,791,392)	\$ (5,422,089)	\$ (11,666,181)	\$ (10,862,660)
Business-Type Activities	2,762,898	1,189,741	432,750	554,175
TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE	<u><u>\$ (11,028,494)</u></u>	<u><u>\$ (4,232,348)</u></u>	<u><u>\$ (11,233,431)</u></u>	<u><u>\$ (10,308,485)</u></u>

	2014	2015	2016	2017	2018	2019
\$	3,164,822	\$ 3,206,741	\$ 3,470,801	\$ 3,910,029	\$ 3,615,672	\$ 3,108,210
	7,734,387	8,112,242	8,155,273	7,810,395	8,877,522	8,694,704
	5,935,828	6,148,140	6,316,629	6,909,990	6,462,566	6,235,830
	2,204,367	2,036,187	2,020,268	1,630,270	1,536,271	2,687,574
	102,320	82,009	60,047	27,819	-	-
	19,141,724	19,585,319	20,023,018	20,288,503	20,492,031	20,726,318
	4,133,675	4,028,662	3,782,467	4,108,906	3,829,950	4,110,318
	1,106,268	992,321	1,046,942	1,064,947	1,135,554	1,201,964
	5,239,943	5,020,983	4,829,409	5,173,853	4,965,504	5,312,282
\$	24,381,667	\$ 24,606,302	\$ 24,852,427	\$ 25,462,356	\$ 25,457,535	\$ 26,038,600
\$	1,428,689	\$ 1,065,735	\$ 1,109,517	\$ 1,264,642	\$ 1,488,670	\$ 1,035,586
	868,174	819,907	670,837	420,859	377,920	318,686
	896,943	929,274	961,771	893,510	763,008	755,344
	1,044,453	761,270	814,318	913,585	805,205	1,488,660
	752,635	-	-	-	-	-
	4,990,894	3,576,186	3,556,443	3,492,596	3,434,803	3,598,276
	4,236,612	4,099,079	4,296,307	4,364,784	4,377,001	3,975,832
	582,746	725,460	769,586	801,009	887,571	897,087
	939,150	21,672	1,625,824	453,019	-	9,834
	5,758,508	4,846,211	6,691,717	5,618,812	5,264,572	4,882,753
\$	10,749,402	\$ 8,422,397	\$ 10,248,160	\$ 9,111,408	\$ 8,699,375	\$ 8,481,029
\$	(14,150,830)	\$ (16,009,133)	\$ (16,466,575)	\$ (16,795,907)	\$ (17,057,228)	\$ (17,128,042)
	518,565	(174,772)	1,862,308	444,959	299,068	(429,529)
\$	(13,632,265)	\$ (16,183,905)	\$ (14,604,267)	\$ (16,350,948)	\$ (16,758,160)	\$ (17,557,571)

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

Fiscal Year	2010	2011	2012	2013
GENERAL REVENUES AND OTHER				
CHANGES IN NET ACTIVITIES				
Governmental Activities				
Taxes				
Property	\$ 6,271,536	\$ 6,297,822	\$ 6,261,402	\$ 6,169,924
Sales	2,115,982	2,315,114	2,398,850	2,434,315
Home Rule	940,832	1,225,340	1,262,631	1,262,587
Use	394,911	424,051	455,888	498,975
Simplified Telecommunications	963,719	923,246	903,227	799,915
Utility	-	-	-	-
Income	2,297,709	2,282,179	2,545,079	2,759,796
Other	9,048	8,371	8,865	25,850
Investment Income	84,888	93,178	94,971	59,790
Miscellaneous	117,371	292,974	249,864	114,803
Transfers in	-	-	-	-
Total Governmental Activities	13,195,996	13,862,275	14,180,777	14,125,955
Business-Type Activities				
Investment Income	90,554	36,943	26,629	16,514
Miscellaneous	429,976	11,838	19,448	4,353
Gain (Loss) on Sale of Capital Assets	-	-	-	-
Transfers (out)	-	-	-	-
Total Business-Type Activities	520,530	48,781	46,077	20,867
TOTAL PRIMARY GOVERNMENT	\$ 13,716,526	\$ 13,911,056	\$ 14,226,854	\$ 14,146,822
CHANGES IN NET POSITION				
Governmental Activities	\$ (595,396)	\$ 8,440,186	\$ 2,514,596	\$ 3,263,295
Business-Type Activities	3,283,428	1,238,522	478,827	575,042
TOTAL PRIMARY GOVERNMENT	\$ 2,688,032	\$ 9,678,708	\$ 2,993,423	\$ 3,838,337
CHANGES IN NET POSITION				

Data Source

Audited Financial Statements

	2014	2015	2016	2017	2018	2019
\$	6,145,378	\$ 6,140,013	\$ 6,124,535	\$ 6,134,871	\$ 6,125,852	\$ 6,118,576
	2,527,527	2,589,229	2,648,940	2,871,786	2,921,636	2,943,025
	1,305,137	1,301,079	1,529,995	1,853,019	1,927,663	1,912,454
	565,875	644,237	684,747	774,313	858,587	986,201
	667,704	653,187	576,941	504,066	454,644	368,547
	-	-	-	-	1,372,683	1,328,767
	2,773,220	3,081,968	2,819,570	2,675,681	2,799,051	3,111,000
	36,319	114,690	154,114	361,606	385,743	385,618
	(179,964)	48,875	72,650	113,607	363,672	502,675
	148,579	65,870	123,494	161,450	193,450	127,952
	-	-	-	-	-	9,834
	13,989,775	14,639,148	14,734,986	15,450,399	17,402,981	17,794,649
	16,814	13,442	23,780	29,793	73,773	97,501
	11,175	9,475	198,829	7,656	6,050	138,848
	-	-	5,820	(34,488)	-	-
	-	-	-	-	-	(9,834)
	27,989	22,917	228,429	2,961	79,823	226,515
\$	14,017,764	\$ 14,662,065	\$ 14,963,415	\$ 15,453,360	\$ 17,482,804	\$ 18,021,164
\$	(161,055)	\$ (1,369,985)	\$ (1,731,589)	\$ (1,345,508)	\$ 345,753	\$ 666,607
	546,554	(151,855)	2,090,737	447,920	378,891	(203,014)
\$	385,499	\$ (1,521,840)	\$ 359,148	\$ (897,588)	\$ 724,644	\$ 463,593

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2010	2011	2012	2013
GENERAL FUND				
Reserved for				
Inventory	\$ 38,743	\$ -	\$ -	\$ -
Prepaid Items	2,873	-	-	-
Public Safety	14,857	-	-	-
Unreserved	7,460,890	-	-	-
Nonspendable				
Inventory	-	43,824	49,638	57,893
Prepaid Items	-	75,831	154,345	231,913
Restricted				
Public Safety	-	20,497	19,133	26,568
Veterans Memorial	-	-	-	-
Committed				
Maintenance of Roadways	-	-	-	-
Assigned				
Subsequent Year's Budget	-	-	-	-
Unassigned	-	9,142,834	10,130,121	9,087,964
TOTAL GENERAL GOVERNMENT	\$ 7,517,363	\$ 9,282,986	\$ 10,353,237	\$ 9,404,338
ALL OTHER GOVERNMENTAL FUNDS				
Reserved for				
Special Revenue Funds				
Maintenance of Roadways	\$ 1,303,946	\$ -	\$ -	\$ -
Special Service Areas	800,695	-	-	-
Capital Project Funds	552,449	-	-	-
Restricted				
Maintenance of Roadways	-	1,515,928	1,734,520	1,710,589
Special Service Areas	-	901,274	1,045,614	1,173,573
Assigned				
Capital Projects	-	-	-	-
Lake Restoration	-	696,331	708,819	708,211
Unassigned	-	-	-	-
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 2,657,090	\$ 3,113,533	\$ 3,488,953	\$ 3,592,373

Note: The Village implemented GASB Statement No. 54 as of December 31, 2011. Information for prior years is not available.

Data Source

Audited Financial Statements

	2014	2015	2016	2017	2018	2019
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	73,684	77,649	87,539	90,113	83,601	89,404
	352,844	224,956	303,737	134,755	249,508	339,463
	33,004	72,658	73,316	93,152	134,255	146,098
	65,561	25,374	17,594	15,192	13,125	12,836
	-	-	-	-	1,500,000	-
	-	260,354	903,368	-	-	-
	9,106,526	9,377,612	8,461,085	9,545,408	10,085,089	13,000,216
\$	9,631,619	\$ 10,038,603	\$ 9,846,639	\$ 9,878,620	\$ 12,065,578	\$ 13,588,017
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
	-	-	-	-	-	-
	-	-	-	-	-	-
	1,891,178	1,763,871	1,837,522	1,603,067	1,491,323	1,416,611
	1,226,390	1,362,670	1,412,319	1,410,574	1,291,085	1,425,428
	-	-	-	-	106,210	401,266
	709,672	718,140	726,675	744,194	743,463	529,288
	-	(429)	-	-	-	-
\$	3,827,240	\$ 3,844,252	\$ 3,976,516	\$ 3,757,835	\$ 3,632,081	\$ 3,772,593

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2010	2011	2012	2013
REVENUES				
Taxes	\$ 12,993,737	\$ 13,476,123	\$ 13,835,942	\$ 11,184,734
Licenses and Permits	196,101	295,746	168,060	271,729
Intergovernmental	1,009,403	1,035,132	1,053,103	3,785,000
Charges for Services	1,095,631	1,743,986	1,660,154	1,751,849
Fines, Fees and Forfeits	618,152	631,147	712,271	559,811
Donations	2,500	6,215	1,810	2,500
Investment Income	84,888	93,178	94,971	59,790
Miscellaneous	595,107	776,304	434,584	267,929
Total Revenues	16,595,519	18,057,831	17,960,895	17,883,342
EXPENDITURES				
General Government	2,780,849	2,892,001	2,836,440	3,020,558
Public Safety	6,863,044	6,869,887	7,176,443	7,144,603
Public Works	2,867,913	3,039,716	3,192,445	3,501,702
Recreation	1,658,903	1,546,072	1,728,484	1,770,917
Capital Outlay	359,262	522,018	626,285	829,344
Debt Service				
Principal	715,000	740,000	770,000	2,315,000
Interest	265,895	237,520	212,208	185,500
Total Expenditures	15,510,866	15,847,214	16,542,305	18,767,624
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,084,653	2,210,617	1,418,590	(884,282)
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	52,785	11,449	27,081	38,803
Transfers In	1,009,493	1,053,964	1,010,697	2,529,218
Transfers (Out)	(1,009,493)	(1,053,964)	(1,010,697)	(2,529,218)
Total Other Financing Sources (Uses)	52,785	11,449	27,081	38,803
NET CHANGE IN FUND BALANCES	\$ 1,137,438	\$ 2,222,066	\$ 1,445,671	\$ (845,479)
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES				
	6.35%	6.30%	6.30%	13.75%

Data Source

Audited Financial Statements

	2014	2015	2016	2017	2018	2019
\$	11,241,651	\$ 11,434,902	\$ 11,714,267	\$ 12,493,651	\$ 14,042,810	\$ 14,033,363
	369,805	256,269	280,094	368,371	398,604	289,630
	3,900,761	3,850,770	3,638,894	3,595,276	3,608,255	4,609,485
	2,091,826	1,882,622	1,815,358	1,699,988	1,747,391	1,394,972
	561,990	497,924	461,476	353,762	367,653	286,627
	2,500	4,810	4,580	41	1,010	4,570
	(179,964)	48,875	72,650	113,607	363,672	502,675
	318,764	239,162	304,110	318,299	308,389	261,769
	18,307,333	18,215,334	18,291,429	18,942,995	20,837,784	21,383,091
	3,123,204	3,378,531	3,327,033	3,599,983	3,297,081	2,862,689
	7,603,204	7,558,232	7,838,943	7,909,995	7,935,683	8,162,963
	3,652,589	3,551,762	4,213,400	4,881,972	4,662,039	5,035,785
	1,854,634	1,754,322	1,691,213	1,483,491	1,361,209	1,915,005
	858,046	822,311	572,041	578,254	1,609,755	1,726,839
	690,000	655,000	650,000	650,000	-	-
	100,488	79,788	58,499	26,000	-	-
	17,882,165	17,799,946	18,351,129	19,129,695	18,865,767	19,703,281
	425,168	415,388	(59,700)	(186,700)	1,972,017	1,679,810
	36,980	8,608	-	-	89,187	73,307
	819,218	763,090	2,019,912	1,246,755	20,005	9,834
	(819,218)	(763,090)	(2,019,912)	(1,246,755)	(20,005)	(100,000)
	36,980	8,608	-	-	89,187	(16,859)
\$	462,148	\$ 423,996	\$ (59,700)	\$ (186,700)	\$ 2,061,204	\$ 1,662,951
	4.63%	4.16%	4.01%	3.67%	0.00%	0.00%

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Levy Year	Farm Property	Residential Property	Commercial Property	Industrial Property	Mineral Property	Rail Local	Rail State	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Estimated Actual Taxable Value
2010	\$ 272,367	\$ 648,470,539	\$ 63,667,812	\$ 21,074,142	\$ 3,898,357	\$ -	\$ -	\$ 737,383,217	\$ 0.7632	\$ 2,212,149,651	33.333%
2011	284,241	628,557,057	54,110,363	20,265,604	3,901,552	-	-	707,118,817	0.7863	2,121,356,451	33.333%
2012	334,562	552,175,200	47,272,094	18,211,723	3,894,070	-	-	621,887,649	0.8832	1,865,662,947	33.333%
2013	326,929	517,637,826	41,492,688	16,546,082	3,594,510	-	-	579,598,035	0.9461	1,738,794,105	33.333%
2014	337,729	500,232,836	39,842,919	15,762,642	3,592,332	-	-	559,768,458	0.9794	1,679,305,374	33.333%
2015	339,858	512,782,359	41,717,939	16,208,605	3,594,790	-	-	574,643,551	0.9541	1,723,930,653	33.333%
2016	359,329	547,463,788	43,998,527	17,146,121	3,598,226	-	-	612,565,991	0.8949	1,837,697,973	33.333%
2017	284,104	580,496,043	45,614,071	17,896,239	3,624,406	-	-	647,914,863	0.8461	1,943,744,589	33.333%
2018	274,112	617,749,425	47,850,516	19,067,848	3,628,035	-	-	688,569,936	0.7961	2,065,709,808	33.333%
2019	369,182	661,404,962	51,841,878	20,351,757	3,633,202	-	-	737,600,981	0.7432	2,212,802,943	33.333%

Note: Property in the Village is reassessed each year. Property is assessed at 33% of actual value.

Data Source

Office of the County Clerk

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Levy Years

Tax Levy Year	2010	2011	2012	2013
VILLAGE DIRECT RATES				
Corporate	0.3566	0.3549	0.3971	0.4010
Audit	0.0013	0.0014	0.0017	0.0017
School Crossing Guard	0.0000	0.0000	0.0000	0.0000
Unemployment	0.0000	0.0000	0.0000	0.0000
Emergency Disaster	0.0000	0.0000	0.0000	0.0000
Retirement	0.0636	0.0676	0.0750	0.0853
Police Protection	0.0836	0.0832	0.0931	0.0941
Police Pension	0.1305	0.1321	0.1471	0.1761
Tort Insurance	0.0229	0.0258	0.0292	0.0323
Social Security	0.0808	0.0844	0.0980	0.1074
Workers' Compensation	0.0238	0.0370	0.0420	0.0482
Street and Bridge	0.0000	0.0000	0.0000	0.0000
Total Direct Rate	0.7632	0.7863	0.8832	0.9461
OVERLAPPING RATES				
McHenry County	0.7927	0.8879	0.9958	1.0960
McHenry County Conservation	0.1956	0.2191	0.2481	0.2748
Algonquin Township	0.0577	0.0659	0.0742	0.0821
Algonquin Township Road and Bridge	0.1270	0.1450	0.1627	0.1827
Grafton Township	0.0720	0.0717	0.0831	0.0887
Grafton Township Road and Bridge	0.0508	0.0506	0.0586	0.0626
Algonquin - Lake in the Hills				
Fire Protection District	0.6378	0.7212	0.8267	0.9364
Cary Fire District	0.4101	0.4712	0.5446	0.6153
Crystal Lake Rural Fire Protection	0.4018	0.4032	0.4035	0.4585
Huntley Fire Protection	0.7182	0.7213	0.8353	0.8864
Cary Park District	0.5752	0.6591	0.7580	0.8360
Crystal Lake Park District	0.3758	0.4135	0.4605	0.5193
Huntley Park District	0.3651	0.3747	0.4314	0.4208
Algonquin Public Library District	0.4086	0.4582	0.5243	0.5868
Cary Area Public Library District	0.1849	0.2118	0.2440	0.2761
Huntley Library District	0.2352	0.2086	0.2442	0.2627
Lake in the Hills Sanitary District	0.0663	0.0702	0.0832	0.0908
LITH Special Service Area #1	0.0168	0.0200	0.0088	0.0092
LITH Special Service Area #2	0.0739	0.0749	0.0879	0.0965
LITH Special Service Area #3	0.1659	0.1926	0.2222	0.1954
LITH Special Service Area #4A	0.1249	0.1451	0.1627	0.1791
LITH Special Service Area #4B	0.1424	0.1910	0.2105	0.2160
LITH Special Service Area #5	0.2251	0.2173	0.2398	0.2520
LITH Special Service Area #6	0.1852	0.1784	0.1164	0.1207
LITH Special Service Area #7	0.0283	0.0350	0.0167	0.0173
LITH Special Service Area #8B	0.0024	0.0027	0.0115	0.0221
LITH Special Service Area #8C	0.0005	0.0006	0.0024	0.0042
LITH Special Service Area #10	3.7841	4.0786	4.4561	4.8655
LITH Special Service Area #14	2.3036	2.5033	2.7349	2.9862
LITH Special Service Area #15	0.1111	0.1684	0.1773	0.1812
Unit School District Number 26	2.9158	3.3759	3.9289	4.4433
Unit School District Number 47	3.1075	3.4334	3.9477	4.4072
Unit School District Number 155	2.0347	2.2979	2.6450	2.9613
Unit School District Number 158	4.8118	4.8291	5.4781	5.8963
Unit School District Number 300	4.4103	4.8406	5.6052	6.3519
Community College District Number 509	0.3782	0.4799	0.5329	0.5101
Community College District Number 528	0.3039	0.3395	0.3921	0.4306
Total Overlapping Rate	30.8010	33.5574	37.9553	41.8221

Data Source

Office of the County Clerk

2014	2015	2016	2017	2018	2019
0.3858	0.3344	0.3069	0.2830	0.2809	0.2495
0.0019	0.0022	0.0023	0.0026	0.0019	0.0018
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0950	0.0910	0.0809	0.0740	0.0620	0.0487
0.1023	0.1061	0.1023	0.0943	0.0936	0.0832
0.1908	0.2177	0.2112	0.2115	0.1993	0.2031
0.0348	0.0347	0.0310	0.0298	0.0248	0.0259
0.1186	0.1179	0.1158	0.1073	0.0989	0.0944
0.0502	0.0501	0.0446	0.0434	0.0348	0.0366
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.9794	0.9541	0.8950	0.8459	0.7961	0.7432
1.1412	1.0781	1.0539	0.9019	0.8317	0.7868
0.2840	0.2766	0.2588	0.2449	0.2380	0.2286
0.0851	0.0828	0.0712	0.0638	0.0603	0.0573
0.1913	0.1862	0.1705	0.1527	0.1417	0.1323
0.0918	0.0888	0.0746	0.0638	0.0546	0.0031
0.0647	0.0639	0.0608	0.0575	0.0507	0.0443
0.9987	0.9915	1.0436	1.0133	0.9848	0.9600
0.6547	0.6220	0.6065	0.5841	0.5665	0.5530
0.4938	0.4924	0.4764	0.4679	0.6407	0.4583
0.8756	0.8559	0.8049	0.7567	0.7290	0.7189
0.9027	0.8818	0.8359	0.8049	0.7797	0.7632
0.5582	0.5535	0.5310	0.5178	0.5003	0.4886
0.3991	0.3737	0.2700	0.2043	0.1970	0.1960
0.6245	0.6218	0.5957	0.5761	0.4803	0.4677
0.2936	0.2876	0.2731	0.2637	0.2557	0.2508
0.2679	0.2627	0.2559	0.2439	0.2349	0.3023
0.1312	0.0939	0.0891	0.0861	0.0829	0.0699
0.0101	0.0096	0.0090	0.0083	0.0078	0.0073
0.1005	0.0997	0.9178	0.0872	0.0821	0.0765
0.2047	0.1951	0.3739	0.1750	0.1646	0.1589
0.1878	0.1743	0.1711	0.1598	0.1499	0.1382
0.2261	0.2228	0.2039	0.1883	0.1758	0.1611
0.2791	0.2482	0.2392	0.2269	0.2133	0.1944
0.1186	0.1178	0.1104	0.1050	0.0986	0.0000
0.0176	0.0179	0.0161	0.0151	0.0144	0.0144
0.0428	0.0424	0.0397	0.0371	0.0355	0.0318
0.0075	0.0075	0.0068	0.0062	0.0058	0.0051
5.0799	4.8394	5.3062	4.9768	0.0000	0.0000
3.1178	0.0000	0.0000	0.0000	0.0000	0.0000
0.1621	0.1805	0.1676	0.1606	0.1537	0.1617
4.7482	4.6246	4.2998	4.0553	3.8647	3.7802
4.6522	4.5591	4.3736	4.2607	3.9469	3.8851
3.0948	3.0255	2.8287	2.7019	2.6130	2.5702
5.9712	5.9472	5.7231	5.5002	5.3084	5.2659
6.7147	6.5321	6.1309	5.8706	5.6857	5.7791
0.6738	0.5657	0.5342	0.5130	0.5207	0.5019
0.4453	0.4348	0.4066	0.3847	0.3655	0.3564
43.9129	39.6574	39.3305	36.4361	30.2351	29.5693

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Taxpayer	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation
Costco Wholesale Corp	3,313,122.00	1	0.45%	\$ 4,761,184	2	0.65%
Randall Algonquin Plaza LLC	2,698,444.00	2	0.37%			
Lowe's Home Centers Inc	2,382,221.00	3	0.32%	4,150,335	3	0.56%
AMH 2014 2 Borrower LLC	2,325,676.00	4	0.32%			
Amerco Real Estate Co.	2,294,059.00	5	0.31%			
Realty Income IL Prop 3 LLC / Kerasotes Theaters	2,091,186.00	6	0.28%	2,103,883	5	0.29%
1st Midwest Bank Trust 12871	1,527,490.00	7	0.21%			
ARSC Real Est Holdings LLC	1,449,784.00	8	0.20%	1,864,296	7	0.25%
Prairie Stone Shops LLC	1,397,127.00	9	0.19%	2,024,871	6	0.27%
Urbco LLC	1,301,781.00	10	0.18%			
LITH Shopping Center LLC				4,965,715	1	0.67%
North Star TR Co TR				2,904,537	4	0.39%
Chicago Title Land TR				1,847,606	8	0.25%
Riggsby Rental LLC				1,661,909	9	0.23%
Bell Chase Commons LLC				1,377,951	10	0.19%
TOTAL	\$ 20,780,890		2.82%	\$ 27,662,287		3.75%

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

Office of the County Clerk

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Levy Years

Levy Year	Tax Levied	Collected within the Fiscal Year of the Levy		Collected in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	\$ 6,304,526	\$ 6,297,822	99.89%	N/A	\$ 6,297,822	99.89%
2011	6,265,005	6,261,402	99.94%	N/A	6,261,402	99.94%
2012	6,173,522	6,169,924	99.94%	N/A	6,169,924	99.94%
2013	6,149,493	6,145,378	99.93%	N/A	6,145,378	99.93%
2014	6,146,900	6,140,013	99.89%	\$ (2,703)	6,137,310	99.84%
2015	6,134,420	6,124,535	99.84%	N/A	6,124,535	99.84%
2016	6,139,150	6,134,871	99.93%	N/A	6,134,871	99.93%
2017	6,139,968	6,125,852	99.77%	N/A	6,125,852	99.77%
2018	6,127,367	6,118,576	99.86%	N/A	6,118,576	99.86%
2019	6,192,399	-	0.00%	N/A	-	0.00%

Note: Property in the Village is reassessed each year. Property is assessed at 33 1/3% of actual value. Collections in subsequent years are immaterial.

N/A - Information not available

Data Source

Office of the County Clerk

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of	
	General Obligation Bonds	Installment Notes Payable	Special Assessment Payable	General Obligation Bonds	Installment Notes Payable	Capital Leases		Personal Income*	Per Capita*
2010	\$ 6,470,000	\$ -	\$ -	\$ 2,185,000	\$ -	\$ -	\$ 8,655,000	0.97%	\$ 299
2011	5,730,000	-	-	1,865,000	-	-	7,595,000	0.85%	262
2012	4,960,000	-	-	1,575,000	-	-	6,535,000	0.72%	225
2013	2,645,000	-	-	1,210,000	-	-	3,855,000	0.41%	133
2014	1,955,000	-	-	825,000	-	-	2,780,000	0.29%	96
2015	1,348,455	-	-	448,426	-	-	1,796,881	0.19%	62
2016	674,230	-	-	387,221	-	-	1,061,451	0.11%	37
2017	-	-	-	326,018	-	-	326,018	0.03%	11
2018	-	-	-	264,814	-	-	264,814	0.03%	9
2019	-	-	-	2,358,952	-	-	2,358,952	0.23%	81

**See the Schedule of Demographic and Economic Statistics on page 94 for personal income and population data.

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

Data Source

Village Records

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less Amounts Available In Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2010	\$ 6,470,000	\$ -	\$ 6,470,000	0.29%	\$ 223.37
2011	5,730,000	-	5,730,000	0.27%	197.59
2012	4,960,000	-	4,960,000	0.27%	171.03
2013	2,645,000	-	2,645,000	0.15%	91.21
2014	1,955,000	-	1,955,000	0.12%	67.41
2015	1,796,881	-	1,796,881	0.10%	61.96
2016	1,061,451	-	1,061,451	0.06%	36.60
2017	326,018	-	326,018	0.02%	11.15
2018	264,814	-	264,814	0.01%	9.06
2019	2,358,952	-	2,358,952	0.11%	80.71

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

Data Source

Village and County Records

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

December 31, 2019

Governmental Unit	Gross Debt	(1) Percentage Debt Applicable to the Village	The Village's Share of Debt
McHenry County Conservation District	\$ 100,273,461	8.20%	\$ 8,222,424
Cary Park District	7,369,365	0.01%	737
Crystal Lake Park District	6,216,805	1.20%	74,602
Huntley Park District	5,896,306	33.42%	1,970,545
Algonquin Area Public Library District	1,717,538	36.87%	633,256
LITH Sanitary District	5,907,700	86.48%	5,108,979
Schools			
Elementary			
District No. 47	15,227,081	8.65%	1,317,143
District No. 155	15,630,000	5.71%	892,473
District No. 158	174,542,788	27.22%	47,510,547
District No. 300	311,591,026	25.49%	79,424,553
Community College District No. 509	<u>170,648,452</u>	25.18%	<u>42,969,280</u>
Subtotal, Overlapping Debt	<u>\$ 815,020,522</u>		<u>\$ 188,124,538</u>
Village of Lake in the Hills, Direct Debt	<u>\$ 2,358,952</u>	100.00%	<u>\$ 2,358,952</u>
Total direct and overlapping debt	<u><u>\$ 817,379,474</u></u>		<u><u>\$ 190,483,490</u></u>

(1) Determined by ratio of assessed valuation of property subject to taxation in the Village to valuation of property subject to taxation in overlapping unit.

(2) Outstanding debt data comes from taxing bodies CAFR

<https://emma.msrb.org/>

Data Source

Village and County Records

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

SCHEDULE OF LEGAL DEBT MARGIN

December 31, 2019

Under the 1970 Illinois Constitution, there is no legal limit for home rule municipalities except as set by the General Assembly.

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income	Per Capita Personal Income (2)	Unemployment Rate (3)
2010	28,965 A	\$ 894,873,675	\$ 30,895	9.30%
2011	29,000 E	895,955,000	30,895	8.90%
2012	29,000 E	909,614,000	31,366	8.20%
2013	29,000 E	944,240,000	32,560	7.60%
2014	29,000 E	948,474,000	32,706	6.10%
2015	29,000 E	960,886,000	33,134	5.10%
2016	29,000 E	955,753,000	32,957	5.10%
2017	29,228 A	967,534,484	33,103	4.40%
2018	29,228 E	987,234,156	33,777	3.5%
2019	29,228 E	1,036,191,056	35,452	3.3%

A - Actual

E - Estimated

Data Sources

- (1) U.S. Census Bureau and Village Records
- (2) U.S. Census Bureau
- (3) Illinois Department of Employment Security

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	2019			2010		
	Employees	Rank	Percent of Total Village Population	Employees	Rank	Percent of Total Village Population
School District 158	440	1	1.51%	395	1	1.33%
Costco Wholesale	227	2	0.78%	150	2	0.51%
Advanced Flexible Composites	150	3	0.51%			
Boulder Ridge Country Club	120	4	0.41%	120	5	0.40%
Lowe's Home Center	111	5	0.38%	105	6	0.35%
School District 300	100	6	0.34%	90	8	0.30%
Village of Lake in the Hills	90	7	0.31%	138	3	0.46%
Moretti's Ristorante & Pizza	86	8	0.29%	75	9	0.25%
Alg-LITH Fire Protection District	85	9	0.29%			
JA Frate Inc	72	10	0.25%	72	10	
Dominick's Finer Foods				123	4	0.41%
Electrical Conduit Construction Inc				100	7	0.34%
TOTAL	<u>1,481</u>		<u>5.07%</u>	<u>1,368</u>		<u>4.36%</u>

Data Source

Village Records (Laura Pekovic)

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
GENERAL GOVERNMENT										
Executive	0.58	0.50	0.50	0.50	0.50	0.50	0.50	0.50	-	-
Administration	3.00	3.00	3.00	3.00	3.00	3.00	3.70	4.80	4.60	5.0
Management Information Systems	-	-	-	-	-	-	1.00	1.00	1.00	1.0
Community Development	-	-	-	-	-	-	7.90	6.10	4.60	4.2
Planning	2.50	2.50	2.50	2.50	2.50	2.50	-	-	-	-
Building and Zoning	4.00	3.60	3.60	3.60	3.60	4.00	-	-	-	-
Finance	8.50	8.35	8.36	8.30	8.90	9.00	8.00	7.00	8.20	9.5
PUBLIC SAFETY										
Police										
Officers	42.00	38.00	38.00	38.00	39.00	39.00	-	-	-	-
Civilians	18.00	19.00	18.50	18.92	17.50	17.50	-	-	-	-
Administration	-	-	-	-	-	-	4.00	4.00	4.00	4.0
Patrol	-	-	-	-	-	-	33.50	33.78	33.40	33.0
Communications	-	-	-	-	-	-	10.50	2.50	-	-
Support Services	-	-	-	-	-	-	9.00	9.00	10.00	10.0
PUBLIC WORKS										
Administration	6.00	6.00	5.00	5.00	5.00	5.00	5.00	5.00	4.00	4.1
Airport	-	-	-	-	3.50	3.00	2.90	2.80	3.10	2.1
Street Maintenance	10.94	10.94	10.47	15.04	15.00	14.50	15.60	15.40	15.50	15.0
Public Properties	13.00	13.00	13.00	12.15	12.15	9.00	11.30	11.10	9.20	8.0
Water Operations	13.00	13.00	13.00	12.64	12.00	13.50	13.00	13.00	12.00	12.0
RECREATION										
Administration	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	0.80	2.5
Parks	-	-	0.92	0.92	0.92	0.92	0.82	0.80	1.00	-
Recreation and Beaches	13.38	13.09	11.27	12.53	14.08	14.08	18.40	17.30	14.00	7.2
TOTAL FULL-TIME EQUIVALENT EMPLOYEES										
	138.65	133.48	133.48	135.60	140.15	138.00	147.62	136.58	125.40	117.53

Data Source

Village records

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

OPERATING INDICATORS

Last Ten Fiscal Years

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
GENERAL GOVERNMENT										
Administration										
Resolutions Adopted	14	19	22	19	29	14	25	30	17	7
Ordinances Adopted	74	54	66	64	64	60	62	65	88	66
Village Newsletters	2	2	2	2	2	2	2	2	2	2
Village eNewsletters	52	62	56	57	64	146	173	247	209	138
Symposiums and Trade Shows	1	-	-	-	-	-	-	2	-	-
Business Relations Committee Meetings	10	9	4	-	-	-	-	-	-	-
Business Retention Programs	3	2	1	-	-	-	-	1	1	1
Shop LITH Partners	36	56	67	25	32	81	79	-	-	-
Shop LITH Registrations	273	672	1,027	1,150	1,264	1,320	1,450	-	-	-
Community Development - Planning										
Sketch Plans Reviewed	2	1	4	1	2	3	1	1	-	-
Tentative Plats Reviewed	1	-	1	1	2	2	-	-	-	-
Final Plats Reviewed	-	1	1	-	3	2	-	4	-	-
Development Plans Reviewed	2	1	3	1	2	3	1	-	-	-
Planning and Zoning Commission Meetings	11	7	10	9	9	-	11	9	-	-
Planning and Zoning Commission Public Hearings	16	8	10	7	9	-	17	14	-	-
Community Development - Building and Zoning										
Contractor Licenses	408	474	389	452	683	485	484	348	421	450
Certificates of Occupancy - Comm.	33	39	32	45	41	28	12	8	4	9
Building Inspections	1,783	2,136	1,796	1,899	5,413	2,300	2,940	3,525	3,233	3,373
Construction										
Single Family Detached	3	13	2	2	2	2	8	7	12	2
Duplex	-	-	2	16	12	10	2	10	14	6
Townhomes	-	-	-	-	-	-	-	-	-	-
Commercial	1	1	1	1	3	3	3	2	2	4
Permits Issued	985	1,252	1,000	1,078	3,257	1,520	1,317	1,493	1,523	1,482
Finance										
Vendor Checks Issued	3,970	4,058	3,972	4,030	4,096	3,800	4,128	3,666	3,256	3,265
Payroll Checks/Vouchers Issued	4,106	4,070	4,144	4,205	4,194	4,330	5,455	4,354	4,486	4,233
Business Licenses Issued	610	575	623	570	630	550	551	526	462	435
Purchase Orders Issued	171	196	185	218	228	205	264	222	192	131
Garage Sale Permits Issued	858	739	722	673	540	640	528	452	388	354
Receipts Processed	46,263	46,482	45,978	46,165	46,187	46,150	44,059	44,273	46,568	43,157
Investment Portfolio Value	\$16.3 mil	\$15.9 mil	\$17.4 mil	\$16.4 mil	\$16.6 mil	\$18.5 mil	\$16.6 mil	\$17.2 mil	\$20.6 mil	\$23.7 mil

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

OPERATING INDICATORS (Continued)

Last Ten Fiscal Years

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
PUBLIC SAFETY										
Police										
Traffic Arrests	3,852	3,546	3,754	3,471	3,530	2,367	3,778	2,083	2,262	1,708
Traffic Accidents	674	656	596	668	595	624	739	526	566	463
Investigation Case Workload	279	148	126	108	154	174	123	87	-	99
Ordinance Citations Issued	2,083	1,852	2,048	2,216	1,550	2,268	2,424	2,606	2,019	1,371
Calls for Service	15,815	13,584	13,632	13,122	13,347	13,160	17,371	12,306	11,268	10,486
Training Hours (External)	3,973	2,613	2,471	2,421	3,002	3,258	1,489	1,008	1,251	1,686
Social Service Case Contacts	836	819	816	684	799	723	833	970	736	763
Total Number of CPA Grads	417	444	462	480	494	494	494	-	-	-
Crime Prevention Meetings	387	321	232	247	276	266	247	189	294	291
PUBLIC WORKS										
Maintenance Performed on										
Streets (in Miles)	78.3	79.7	79.8	79.8	80.0	80	80	80	80	80
Cul-De-Sacs/Courts	161	165	166	166	167	167	167	167	167	167
Vehicles/Major Equipment	106	106	107	107	107	107	107	107	107	107
Miles of Streets Resurfaced	2.7	2.8	3.6	4.0	3.2	3	3.25	4.43	4.05	4.63
Miles of Streets Reconstructed	-	-	-	-	-	-	-	-	-	-
RECREATION										
Playground Install/Renovations	-	-	-	-	-	-	1	3	4	1
Park Acreage and Open Space	803	803	803	803	803	803	803	803	803	803
New Park Sites	-	-	-	-	-	-	-	-	-	-
Labahn Hain House Uses	213	97	103	143	148	307	195	240	268	259
Picnic Shelter Uses	86	89	82	97	88	84	81	58	98	79
Village Hall Facility Rentals	486	509	363	305	312	571	372	582	642	532
Recreation Programs	1,161	1,099	963	950	825	756	826	704	672	642
Program Participants	9,634	8,752	8,359	6,389	7,851	12,874	5,131	4,908	5,348	5,129
WATER										
Number of Water Services	9,403	9,416	9,422	9,432	9,432	9,463	9,471	9,509	9,535	9,541
Number of J.U.L.I.E. locations	1,541	2,199	2,291	2,617	2,120	2,467	2,820	4,912	3,898	3,877
Average Daily Pumpage (Gallons)	2,254,483	2,216,116	2,436,593	2,241,988	2,233,146	2,117,702	2,119,562	2,128,770	2,073,414	2,066,223
Peak Daily Pumpage (Gallons)	3,788,300	4,766,000	5,500,000	3,256,460	2,916,475	3,294,200	3,322,200	3,648,000	3,498,000	3,446,000

Data Source

Village Records

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
PUBLIC SAFETY										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	30	29	28	29	29	28	25	26	26	26
PUBLIC WORKS										
Miles of Streets	89.50	90.90	91.00	91.00	91.00	91.00	91.00	91	91	91
Miles of Storm Sewer	101.25	104.10	104.27	104.39	104.39	104.39	104.39	104.39	104.39	104.39
WATER										
Water Mains (Miles)	138.42	140.19	140.19	140.19	140.70	141.10	141.10	141.10	141.60	142.00
Fire Hydrants	1,325	1,334	1,364	1,364	1,374	1,380	1,384	1,384	1,388	1,394
Valves	1,382	1,404	1,014	1,023	1,025	1,034	1,038	1,038	1,043	1,048
Storage Capacity (Gallons)	2,900,000	2,900,000	2,900,000	2,900,000	2,900,000	2,900,000	2,900,000	2,900,000	2,900,000	2,900,000

Data Source

Village Records

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

CONTINUING DISCLOSURES

December 31, 2019

**Village of Lake in the Hills, McHenry County, Illinois
2019 Continuing Disclosures Relating to the Following Debt Issues:**

\$1,275,000 General Obligation Refunding Bonds, Series 2012

\$1,495,000 General Obligation Bonds, Series 2019

For further information please contact:

Mr. Shane D. Johnson
Assistant Village Administrator/Finance Director
Village of Lake in the Hills
600 Harvest Gate
Lake in the Hills, Illinois 60156-4803

Telephone Number: (847) 960-7400

Fax Number: (847) 960-7415

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

RETAILER'S OCCUPATION, SERVICE OCCUPATION AND USE TAX

Last Ten Fiscal Years

Fiscal Year	State Sales Tax Distributions	Annual Percent Change
2010	2,115,982	8.10%
2011	2,315,114	9.41%
2012	2,398,850	3.62%
2013	2,434,315	1.48%
2014	2,527,527	3.83%
2015	2,589,229	2.44%
2016	2,648,940	2.31%
2017	2,871,786	8.41%
2018	2,921,636	1.74%
2019	2,943,025	0.73%
Growth from 2010 to 2019		39.09%

Notes:

Tax distributions are based on records of the Illinois Department of Revenue relating to the 1% municipal portion of the Retailer's Occupation, Service Occupation and Use Tax, collected on behalf of the Village, less a State administration fee. The municipal 1% includes tax receipts from the sale of food and drugs which are not taxed by the State.

Data Source

GL Data

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
PROPERTY ASSESSMENT AND TAX INFORMATION
EQUALIZED ASSESSED VALUATION

Last Five Levy Years

Property Class	Levy Year				
	2015	2016	2017	2018	2019
Residential	512,782,359	547,463,788	580,496,043	617,749,425	661,404,962
Farm	339,858	359,329	284,104	274,112	369,182
Commercial	41,717,939	43,998,527	45,614,071	47,850,516	51,841,878
Industrial	16,208,605	17,146,121	17,896,239	19,067,848	20,351,757
Mineral	3,594,790	3,598,226	3,624,406	3,628,035	3,633,202
Railroad	-	-	0	0	0
Total	\$ 574,643,551	\$ 612,565,991	647,914,863	688,569,936	737,600,981
Percent Change	2.66%	6.60%	5.77%	6.27%	7.12%

Data Source

McHenry County Clerk

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
PROPERTY ASSESSMENT AND TAX INFORMATION

REPRESENTATIVE TAX RATES

Last Five Levy Years

Tax Levy Year	2015	2016	2017	2018	2019
Village Rates					
Corporate	0.3344	0.3069	0.2830	0.2809	0.2495
Audit	0.0022	0.0023	0.0026	0.0019	0.0018
Retirement	0.0910	0.0809	0.0740	0.0620	0.0487
Police Protection	0.1061	0.1023	0.0943	0.0936	0.0832
Police Pension	0.2177	0.2112	0.2115	0.1993	0.2031
Tort Insurance	0.0347	0.0310	0.0298	0.0248	0.0259
Social Security	0.1179	0.1158	0.1073	0.0989	0.0944
Worker's Compensation	0.0501	0.0446	0.0434	0.0348	0.0366
Street and Bridge	0.0000	0.0000	0.0000	0.0000	0.0000
Total Village Rate	0.9539	0.8950	0.8461	0.7961	0.7432
McHenry County	1.0781	1.0539	0.902	0.8317	0.7868
McHenry County Conservation	0.2766	0.2588	0.245	0.2380	0.2286
Algonquin Township	0.0828	0.0712	0.064	0.0603	0.0573
Algonquin Township Road and Bridge	0.1862	0.1705	0.153	0.1417	0.1323
Algonquin - Lake in the Hills					
Fire Protection District	0.9915	1.0436	1.013	0.9848	0.9600
Algonquin Public Library District	0.6218	0.5957	0.576	0.4803	0.4677
Lake in the Hills Sanitary District	0.0939	0.0891	0.086	0.0829	0.0699
Unit School District Number 300	6.5321	6.1309	5.871	5.6857	5.7791
Community College District Number 509	0.5657	0.5342	0.513	0.5207	0.5019
Total Tax Rates	11.3826	10.8429	10.2684	9.8222	9.7268

Data Source

McHenry County Clerk

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
PROPERTY ASSESSMENT AND TAX INFORMATION
TAX EXTENSIONS AND COLLECTIONS

Last Five Levy Years

Levy Year	Collection Year	Tax Extended	Total Collections	
			Amount	Percent
2014	2015	5,665,345	5,657,491	99.86%
2015	2016	5,663,809	5,654,754	99.84%
2016	2017	5,663,870	5,659,921	99.93%
2017	2018	5,657,207	5,650,845	99.89%
2018	2019	5,672,110	5,663,742	99.85%

Note:

Includes Road and Bridge Levy

Data Source

McHenry County Treasurer

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

PRINCIPAL VILLAGE TAXPAYERS

December 31, 2019

Taxpayer	Business/Service	2019
Costco Wholesale Corp	Retail Warehouse	\$ 3,313,122
Randall Algonquin Plaza LLC	Real Property	2,698,444
Lowe's Home Centers Inc.	Hardware Store	2,382,221
AMH 2014 2 Borrower LLC	Real Property	2,325,676
Amerco Real Estate Co.	Real Property	2,294,059
Realty Income II Prop 3 LLC / Kerasotes Theaters	Entertainment	2,091,186
1st Midwest Bank Trust 12871	Real Property	1,527,490
ARSC Real Est Holdings LLC	Real Property	1,449,784
Prairie Stone Shops LLC	Real Property	1,397,127
URBCO LLC	Real Property	<u>1,301,781</u>
Total		\$ 20,780,890
Ten Largest Taxpayers as a Percent of the Village's 2019 EAV (\$737,600,981)		2.82%

Note:

Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers contain multiple parcels, and it is possible that some parcels and their valuations have been overlooked. The 2016 EAV is the most current available.

Data Source

McHenry County Clerk

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

DEBT INFORMATION

GENERAL OBLIGATION BONDED AND INSTALLMENT CONTRACT CERTIFICATED DEBT
(PRINCIPAL ONLY)

Calendar Year	General Obligation Refunding Bonds		Total Debt	Cumulative Principal Retired	
	Series 2019	Series 2012		Amount	Percent
2020	50,000	65,000	115,000	1,075,000	38.81%
2021	55,000	65,000	120,000	1,195,000	43.14%
2022	60,000	70,000	130,000	1,325,000	47.83%
2023	60,000	-	60,000	1,385,000	50.00%
2024	60,000	-	60,000	1,445,000	52.17%
2025 - 2039	1,210,000	-	1,210,000	2,655,000	95.85%
Total	\$ 1,495,000	\$ 200,000	\$ 1,695,000		

Data Source

Village Records

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

DEBT INFORMATION

DETAILED OVERLAPPING BONDED DEBT

December 31, 2019

Governmental Unit	Outstanding Debt	Applicable to Village	
		Percent	Amount
Schools:			
School District Number 47	15,227,081	8.65%	\$ 1,317,143
High School District Number 155	15,630,000	5.71%	892,473
Unit School District Number 158	174,542,788	27.22%	47,510,547
Unit School District Number 300	311,591,026	25.49%	79,424,553
Community College District Number 509	170,648,452	25.18%	42,969,280
Total Schools			<u>172,113,995</u>
Other:			
McHenry County Conservation District	\$ 100,273,461	8.20%	\$ 8,222,424
Cary Park District	7,369,365	0.01%	737
Crystal Lake Park District	6,216,805	1.20%	74,602
Huntley Park District	5,896,306	33.42%	1,970,545
Algonquin Library District	1,717,538	36.87%	633,256
LITH Sanitary District	5,907,700	86.48%	<u>5,108,979</u>
Total Other			\$ 16,010,543
Total Schools and Others Overlapping Bonded Debt			\$ 188,124,538

Note:

Overlapping debt percentages based on 2018 EAV, the most current available.

Data Source

McHenry County Clerk

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

DEBT INFORMATION
STATEMENT OF BONDED INDEBTEDNESS

December 31, 2019

	Amount Applicable	Ratio To		Per Capita
		Equalized Assessed	Estimated Actual	
Village EAV of Taxable Property, 2019	\$ 737,600,981	100.00%	33.33%	\$ 25,236.11
Estimated Actual Value, 2019	2,212,802,943	300.00%	100.00%	\$ 75,708.33
Total Direct Bonded and Certificated Debt	\$ 1,695,000	0.23%	0.08%	\$ 57.99
Less: Self-Supporting	-	0.00%	0.00%	\$ -
Net Direct Bonded and Certificated Debt	\$ 1,695,000	0.23%	0.08%	\$ 57.99
Overlapping Bonded Debt:				
Schools	\$ 172,113,995	23.33%	7.78%	\$ 5,888.67
Other	16,010,543	2.17%	0.72%	\$ 547.78
Total Overlapping Bonded Debt	\$ 188,124,538	25.50%	8.50%	\$ 6,436.45
Net Direct and Total Overlapping Bonded Debt	\$ 189,819,538	25.73%	8.58%	\$ 6,494.44

Note:

The most recent per capita number is from the 2016 Special Census - 29,228

Date Source

McHenry County Clerk

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

GOVERNMENTAL ACTIVITIES
STATEMENT OF NET POSITION

Last Two Fiscal Years

Fiscal Year	2018	2019
Assets:		
Cash and Investments	14,694,028	15,498,009
Inventory	83,601	89,404
Due from Other Governments	1,736,314	1,796,764
Due from (to) Other Funds	-	9,834
Accounts Receivable	363,846	681,466
Property Tax Receivable	6,117,003	6,117,027
Accrued Interest Receivable	17,021	22,854
Prepaid Expenses	249,508	339,463
Land Held for Resale		
Capital Assets not Being Depreciated	148,181,447	149,026,861
Capital Assets (Net of Accumulated Depreciation)	31,797,041	30,273,597
Deferred Charges		
Net Pension Asset		
Total Assets	203,239,809	203,855,279
Deferred Outflows of Resources:		
Pension Items - Police Pension	2,813,421	924,789
Pension Items - IMRF	747,864	2,155,476
OPEB Items	-	148,442
Total Deferred Outflows of Resources	3,561,285	3,228,707
Total Assets and Deferred Outflows of Resources	206,801,094	207,083,986
Liabilities:		
Accounts Payable	501,067	435,697
Accrued Interest Payable	-	-
Accrued Payroll	519,996	176,192
Unearned Revenue	36,139	25,767
Deposits Payable	321,330	304,676
Noncurrent Liabilities:		
Due within One Year	234,246	247,250
Due in More Than One Year	14,113,444	13,774,153
Total Liabilities	15,726,222	14,963,735
Deferred Inflows of Resources:		
Pension Items - Police Pension	1,589,266	2,723,980
Pension Items - IMRF	1,374,827	632,759
OPEB Items	41,266	37,206
Unearned Property Taxes	6,117,003	6,117,027
Total Deferred Inflows of Resources	9,122,362	9,510,972
Total Liabilities and Deferred Outflows of Resources	24,848,584	24,474,707
Net Position:		
Investment in Capital Assets, Net of Related Debt	179,978,488	179,300,458
Restricted for:		
Public Safety	134,255	146,098
Veterans Memorial	13,125	12,836
Maintenance of Roadways	1,491,323	1,416,611
Special Service Areas	1,291,085	1,425,428
Special Projects		
Unrestricted	(955,766)	307,848
Total Net Position	181,952,510	182,609,279

Note:

Each Fiscal Year has been audited as of December 31.

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

GOVERNMENTAL ACTIVITIES
STATEMENT OF ACTIVITIES

Last Two Fiscal Years

Fiscal Year	2018	2019
Governmental Activities:		
General Government	(3,615,672)	(3,108,210)
Public Safety	(8,877,522)	(8,694,704)
Public Works	(6,462,566)	(6,235,830)
Recreation	(1,536,271)	(2,687,574)
Interest and Fiscal Charges	-	-
Total Governmental Activities	(20,492,031)	(20,726,318)
General Revenues:		
Taxes:		
Property	6,125,852	6,118,576
Sales	2,921,636	2,943,025
Home Rule	1,927,663	1,912,454
Use	858,587	986,198
Utility	1,372,683	1,328,767
Simplified Telecommunications	454,644	368,547
Income	2,799,051	3,111,000
Other	385,743	385,618
Investment Income	363,672	502,675
Miscellaneous	193,450	127,951
Total General Revenues	17,402,981	17,784,811
CHANGE IN NET POSITION	345,753	656,769
NET POSITION, JANUARY 1	182,180,572	181,952,510
Prior Period Adjustment		
Change in Accounting Principle	(573,815)	-
NET ASSETS, DECEMBER 31	181,952,510	182,609,279

Note:

Each Fiscal Year has been audited as of December 31.

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

GENERAL FUND
BALANCE SHEET

Last Five Fiscal Years

Fiscal Year	2015	2016	2017	2018	2019
Assets					
Cash and Investments	\$ 8,763,805	\$ 8,430,721	\$ 8,801,981	11,050,281	11,988,320
Inventory	77,649	87,539	90,113	83,601	89,404
Prepaid Items	224,956	303,737	134,755	249,508	339,463
Due from Other Governments	1,784,986	1,812,403	1,708,851	1,672,832	1,668,462
Accounts Receivable	213,106	231,870	226,114	218,884	187,900
Property Tax Receivable	5,663,787	5,663,870	5,664,688	5,661,723	5,661,747
Due from Other Funds	-	-	-	-	9,834
Accrued Interest Receivable	2,031	2,077	4,121	6,261	18,269
Total Assets	16,730,320	16,532,217	16,630,623	18,943,090	19,963,399
Liabilities					
Liabilities:					
Accounts Payable	\$ 255,945	\$ 12,746	\$ 306,253	338,324	217,421
Accrued Payroll	464,733	468,544	447,084	519,996	176,192
Unearned Revenue	50,674	35,771	41,233	36,139	25,184
Deposits Payable	256,578	504,647	292,745	321,330	304,676
Total Liabilities	1,027,930	1,021,708	1,087,315	1,215,789	723,473
Deferred Inflows of Resources					
Unavailable Property Taxes	5,663,787	5,663,870	5,664,688	5,661,723	5,661,747
Total Deferred Inflows of Resources	5,663,787	5,663,870	5,664,688	5,661,723	5,661,747
Total Liabilities and Deferred Inflows of Resources	6,691,717	6,685,578	6,752,003	6,877,512	6,385,220
Fund Balances					
Fund Balances:					
Nonspendable	\$ 302,605	\$ 391,276	\$ 224,868	333,109	428,867
Restricted	98,032	90,910	108,344	147,380	158,934
Committed	-	-	-	1,500,000	1,500,000
Unassigned	9,637,966	9,364,453	9,545,408	10,085,089	11,490,378
Total Fund Balances	10,038,603	9,846,639	9,878,620	12,065,578	13,578,179
Total Liabilities and Fund Equity	16,730,320	16,532,217	16,630,623	18,943,090	19,963,399

Notes:

Each Fiscal Year has been audited as of December 31.

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

GENERAL FUND
REVENUES AND EXPENDITURES

Last Five Fiscal Years

Fiscal Year	2015	2016	2017	2018	2019
Revenues					
Taxes	\$ 10,952,380	\$ 11,244,486	\$ 12,018,701	12,195,120	12,249,759
Licenses and Permits	256,269	280,094	368,371	398,604	289,630
Intergovernmental	3,099,245	2,866,980	2,802,147	2,825,128	3,147,838
Charges for Services	1,876,957	1,815,358	1,699,987	1,747,391	1,394,972
Fines, Fees, and Forfeits	497,924	461,476	353,762	367,653	286,626
Investment Income	32,656	48,153	75,415	298,018	411,323
Miscellaneous	239,162	304,110	282,998	288,387	236,135
Total Revenues	16,954,593	17,020,657	17,601,380	18,120,301	18,016,283
Expenditures					
Current:					
General Government	\$ 3,049,155	\$ 2,914,258	\$ 3,131,040	2,919,808	2,379,236
Public Safety	7,558,232	7,838,943	7,909,997	7,935,683	8,162,963
Public Works	3,488,983	3,506,435	3,838,118	3,736,648	3,946,478
Recreation	1,751,757	1,691,213	1,483,492	1,361,209	1,915,005
Debt Service:					
Interest and Fiscal Charges					
Total Expenditures	15,848,127	15,950,849	16,362,646	15,953,348	16,403,682
Excess of Revenues over (under) Expenditures	1,106,466	1,069,808	1,238,734	2,166,953	1,612,601
Other financing Sources (Uses)					
Operating Transfers In	\$ 27,500	\$ 20,000	\$ 20,001	20,005	-
Operating Transfers Out	(735,590)	(1,281,772)	(1,226,754)	-	(100,000)
Sale of Capital Assets	8,608	-	-	-	-
Bond Proceeds					
Total Other Financing Sources (Uses)	(699,482)	(1,261,772)	(1,206,753)	20,005	(100,000)
Excess of revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	\$ 406,984	\$ (191,964)	\$ 31,981	\$ 2,186,958	\$ 1,512,601
Beginning Fund Balance	\$ 9,631,619	\$ 10,038,603	\$ 9,846,639	\$ 9,878,620	\$ 12,065,578
Ending Fund Balance	\$ 10,038,603	\$ 9,846,639	\$ 9,878,620	\$ 12,065,578	\$ 13,578,179

Notes:

Each Fiscal Year has been audited as of December 31.

Significant interfund transfers are for debt service, capital improvements, and lake restoration.

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

GENERAL FUND
BUDGET AND FINANCIAL INFORMATION

	Budget Twelve Months Ending 12/31/2019	Budget Twelve Months Ending 12/31/2020
Revenues		
Taxes	\$ 12,527,723	\$ 12,112,747
Licenses and Permits	341,547	280,830
Intergovernmental	2,827,740	3,075,925
Charges for Services	1,614,154	1,515,070
Fines, Fees, and Forfeits	359,800	319,400
Investment Income	125,000	250,000
Miscellaneous	220,700	215,133
Sale of Capital Assets	-	-
Transfers	-	-
Total Revenues	\$ 18,016,664	\$ 17,769,105
Expenditures		
Current:		
General Government	3,314,279	3,441,267
Public Safety	8,478,101	8,651,005
Public Works	4,013,704	4,088,360
Recreation	1,525,548	1,588,473
Transfers	100,000	194,599
Total Expenditures	\$ 17,431,632	\$ 17,963,704



VILLAGE OF LAKE IN THE HILLS, ILLINOIS

AUDITOR'S COMMUNICATION TO THE
BOARD OF TRUSTEES

For the Year Ended December 31, 2019



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VILLAGE OF LAKE IN THE HILLS, ILLINOIS
AUDITOR’S COMMUNICATION TO THE BOARD OF TRUSTEES
TABLE OF CONTENTS

	<u>Page(s)</u>
COVER LETTER	1
REQUIRED COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE	2-5
Adjusting Journal Entries	
COMMUNICATION OF DEFICIENCIES IN INTERNAL CONTROL AND OTHER COMMENTS TO MANAGEMENT	6-8
FIRM PROFILE	

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

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May 28, 2020

The Honorable President
Members of the Board of Trustees
Village of Lake in the Hills
600 Harvest Gate
Lake in the Hills, Illinois 60156

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 the Statements on 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 January 16, 2020.

In addition, auditing standards require the communication of internal control related matters to those charged with governance. That communication, 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 President, Board of Trustees and management of the Village of Lake in the Hills and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Sikich LLP

Sikich LLP
By: James Savio, CPA, MAS
Partner

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

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May 28, 2020

Honorable President
Members of the Board of Trustees
Village of Lake in the Hills
Lake in the Hills, 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 which collectively comprise the basic financial statements of the Village of Lake in the Hills, Illinois (the Village) for the year ended December 31, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and Government 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 October 28, 2019. 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, 2019, except for the implementation for GASB Statement No.83, *Certain Asset Retirement Obligations* and GASB Statement No.84, *Fiduciary Activities*. We noted no transactions entered into by the Village during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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 basic financial statements except for the actuarial assumptions used to calculate the total pension liabilities and total OPEB liability.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. We noted no particularly sensitive disclosures during the audit of our financial statements. The financial statement disclosures are neutral, consistent and clear.

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. 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 a whole, except for AJE#01.

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 May 28, 2020.

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 financial statements or a determination of the type of auditor's opinion that may be expressed on those financial 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.

With respect to the combining and individual fund financial statements and schedules accompanying the basic financial statements, 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 basic financial statements. We compared and reconciled the combining and individual fund financial statements and schedules to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves.

We were not engaged to report on the introductory and statistical sections, which accompany the financial statements but are 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 on Use

This information is intended solely for the use of the President, Board of Trustees and management of the Village 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, please give me a call.

Sincerely,

Sikich LLP

Sikich LLP

By: James R. Savio, CPA, MAS
Partner

Village of Lake in the Hills

Year End: December 31, 2019

Adjusting Journal Entries

Date: 1/1/2019 To 12/31/2019

Account No: AJE#01 To AJE#04

Number	Date	Name	Account No	Amount
AJE#01	12/31/2019	A/R Property Tax	100.00.00.12.04 GEN11	180,000.00
AJE#01	12/31/2019	Deferred Revenue Property Tax	100.00.00.22.04 GEN11	(180,000.00)
		To book Road and Bridge receivable and deferred		
AJE#02	12/31/2019	Salaries & Wages Full Time	100.18.52.50.04 GEN11	16,691.92
AJE#02	12/31/2019	Salaries & Wages Boards & Commissions	100.18.52.50.16 GEN11	250.00
AJE#02	12/31/2019	Salaries & Wages Over Time	100.18.52.50.20 GEN11	86.40
AJE#02	12/31/2019	Taxes & Benefits FICA	100.18.52.51.04 GEN11	1,266.95
AJE#02	12/31/2019	Taxes & Benefits IMRF	100.18.52.51.08 GEN11	1,354.02
AJE#02	12/31/2019	Salaries & Wages Boards & Commissions	100.18.50.50.16 GEN11	250.00
AJE#02	12/31/2019	Taxes & Benefits FICA	100.18.50.51.04 GEN11	19.15
AJE#02	12/31/2019	Salaries & Wages Full Time	100.18.50.50.04 GEN11	5,587.93
AJE#02	12/31/2019	Salaries & Wages Part Time	100.18.50.50.12 GEN11	8,254.30
AJE#02	12/31/2019	Taxes & Benefits FICA	100.18.50.51.04 GEN11	1,050.18
AJE#02	12/31/2019	Taxes & Benefits IMRF	100.18.50.51.08 GEN11	827.19
AJE#02	12/31/2019	Payroll Accrued Wages	100.00.00.21.50 GEN11	(31,120.55)
AJE#02	12/31/2019	Payroll Accrued FICA/IMRF	100.00.00.21.52 GEN11	(4,517.49)
AJE#02	12/31/2019	Salaries & Wages Full Time	100.18.52.50.04 GEN11	1,669.18
AJE#02	12/31/2019	Salaries & Wages Over Time	100.18.52.50.20 GEN11	86.40
AJE#02	12/31/2019	Taxes & Benefits FICA	100.18.52.51.04 GEN11	130.07
AJE#02	12/31/2019	Taxes & Benefits IMRF	100.18.52.51.08 GEN11	141.68
AJE#02	12/31/2019	Salaries & Wages Full Time	100.18.50.50.04 GEN11	558.78
AJE#02	12/31/2019	Salaries & Wages Part Time	100.18.50.50.12 GEN11	267.71
AJE#02	12/31/2019	Taxes & Benefits FICA	100.18.50.51.04 GEN11	62.32
AJE#02	12/31/2019	Taxes & Benefits IMRF	100.18.50.51.08 GEN11	66.70
AJE#02	12/31/2019	Payroll Accrued Wages	100.00.00.21.50 GEN11	(2,582.07)
AJE#02	12/31/2019	Payroll Accrued FICA/IMRF	100.00.00.21.52 GEN11	(400.77)
AJE#02	12/31/2019	Taxes & Benefits Compensated Absences Gen Gov	920.00.00.51.50 GLT90	77.30
AJE#02	12/31/2019	Taxes & Benefits Compensated Absences Pub Wrk	920.00.00.51.54 GLT90	(77.30)
		To correct accrued payroll		
AJE#03	12/31/2019	Debt Service Interest Payment	520.00.00.90.12 WOM52	2,588.47
AJE#03	12/31/2019	Accrued Interest Payable	520.00.00.20.94 WOM52	(2,588.47)
		To book accrued interest		
AJE#04	12/31/2019	Utilities Electrical	100.30.32.62.04 GEN11	16,087.32
AJE#04	12/31/2019	A/P Accounts Payable	100.00.00.20.04 GEN11	(16,087.32)
AJE#04	12/31/2019	Operating Supplies Fuel & Petroleum Supplies	620.00.00.72.12 AIR22	24,295.02
AJE#04	12/31/2019	A/P Accounts Payable	620.00.00.20.04 AIR22	(24,295.02)
		To adjust AP at year end		

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

**COMMUNICATION OF DEFICIENCIES IN
INTERNAL CONTROL AND
OTHER COMMENTS TO MANAGEMENT**

December 31, 2019

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

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The Honorable President
Members of the Board of Trustees
Village of Lake in the Hills
Lake in the Hills, 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 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. 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.

During our audit, we also identify certain matters which we communicate only to management. While many of these matters are operational in nature, they may include internal control deficiencies that do not meet the definition of a significant deficiency or material weakness. We have chosen to communicate these matters in this communication. We noted no deficiencies during our audit.

This memorandum 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
May 28, 2020

OTHER INFORMATION

Future Accounting Pronouncements

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

GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for the fiscal year December 31, 2020.

GASB Statement No. 91, *Conduit Debt Obligations*, was issued in May 2019. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improved required note disclosures. This statement is effective for fiscal year ending December 31, 2021.

GASB Statement No. 92, *Omnibus 2020*, addresses a variety of topics including: The effective date of Statement No. 87 for interim financial reports; reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan; the applicability of Statements No. 73 to certain provisions of GASB Statement Nos. 67 and 68, as amended, and No. 74, as amended, to reporting assets accumulated for postemployment benefits; the applicability of certain requirements of Statement No. 84, to postemployment benefit arrangements; measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition; reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers; reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature and terminology used to refer to derivative instruments. The requirements of this Statement are effective for the fiscal years ending December 31, 2021 and thereafter, except for the requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.

FIRM PROFILE



ORGANIZATION

Sikich LLP, a leading professional services firm specializing in accounting, technology, investment banking* and advisory services**, has 1,000+ professionals throughout the country. Founded in 1982, Sikich now ranks within the country's top 30 largest Certified Public Accounting firms and is among the top one percent of all enterprise resource planning solution partners in the world. From corporations and not-for-profits to state and local governments, Sikich clients can use a broad spectrum of services and products that help them reach long-term, strategic goals.

INDUSTRIES

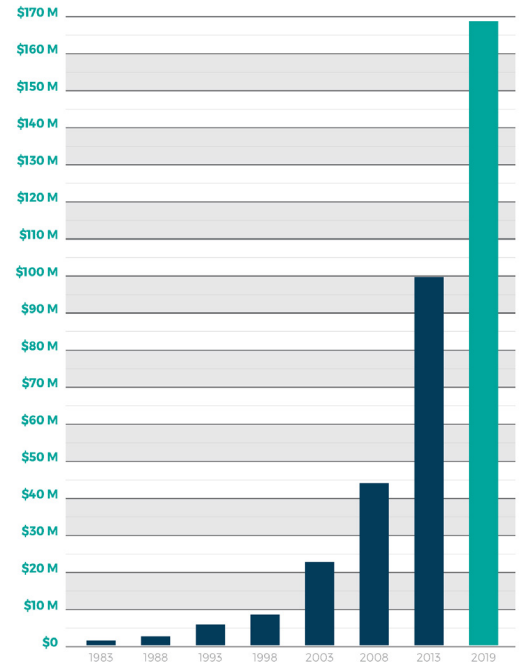
Sikich provides services and solutions to a wide range of industries. We have devoted substantial resources to develop a significant base of expertise and experience in:

AGRICULTURE	AUTOMOTIVE	CONSTRUCTION & REAL ESTATE
DISTRIBUTION & SUPPLY CHAIN	GOVERNMENT	HIGH-TECH
LIFE SCIENCES	MANUFACTURING	NOT-FOR-PROFIT
PRIVATE EQUITY	PROFESSIONAL SERVICES	

STATISTICS

2019 Revenue \$167.4M
 Total Partners 100+
 Total Personnel 1,000+
Personnel count as of January 1, 2020

SIKICH TOTAL REVENUE



SERVICES

ACCOUNTING, TAX & ASSURANCE

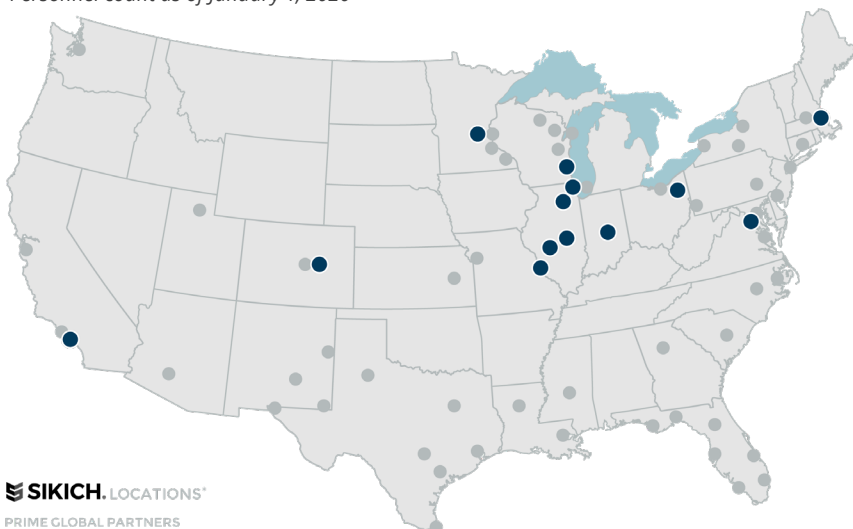
TECHNOLOGY

- Business Application
- Cloud & Infrastructure
- Consulting & Implementation
- Security and Compliance
- Digital Transformation Consulting

ADVISORY

- Business Succession Planning
- Insurance Services
- Forensic and Valuation Services
- Human Capital Management & Payroll Consulting
- Investment Banking
- Marketing & Design
- Public Relations
- Retirement Plan Services
- Supply Chain
- Transaction Advisory Services
- Wealth Management

* Securities offered through Sikich Corporate Finance LLC, member FINRA/SIPC.
 ** Investment advisory services offered through Sikich Financial, an SEC Registered Investment Advisor.



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 ● PRIME GLOBAL PARTNERS

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Akron, OH (330) 864-6661	Crofton, MD (410) 451-5150	Indianapolis, IN (317) 842-4466	Minneapolis, MN (331) 229-5235	St. Louis, MO (314) 275-7277
Boston, MA (508) 485-5588	Decatur, IL (217) 423-6000	Los Angeles, CA (877) 279-1900	Naperville, IL (630) 566-8400	

CERTIFICATIONS

All professional accounting staff with more than one year of experience have earned or are working toward earning the Certified Public Accountant designation. Sikich is a member of the American Institute of Certified Public Accountants' Governmental Audit Quality Center and the Employee Benefit Plan Audit Quality

Center. We adhere to the strict requirements of membership which assure we meet the highest standards of audit quality. In 2017 Sikich LLP received its 10th consecutive unmodified ("pass") peer review report, the highest level of recognition conferred upon a public accounting firm for its quality control systems.

AWARDS

2018-2020 AWARDS

- 2020 & 2019 Oracle® NetSuite 5 Star Award
- 2019/2020 & 2018/2019 Inner Circle for Microsoft Dynamics
- *Accounting Today* Top 100 Firms - ranked top 30 nationally
- Best Places to Work in Illinois
- Best Places to Work in Indiana
- Milwaukee's Best and Brightest Companies to Work For®
- Chicago's Best and Brightest Companies to Work For®
- Boston's Best and Brightest Companies to Work For®
- Bob Scott's Top 100 Value Added Reseller Stars (VARs)-ranked #8

2017 AWARDS

- Bob Scott's Top 100 (VARs) - ranked #7
- *Accounting Today* Top 100 VARs - ranked #6
- Vault Accounting Top Ranked
- When Work Works Award
- WorldatWork Work-Life Seal of Distinction
- Microsoft Dynamics Inner Circle and President's Club
- Best Places to Work in Illinois
- Milwaukee's 101 Best and Brightest Companies to Work For®
- Best Places to Work in Indiana
- Chicago's 101 Best and Brightest Companies to Work For®
- *Milwaukee Journal Sentinel* Top Workplaces in Milwaukee
- *Chicago Tribune's* Top Workplaces
- *Crain's List* Chicago's Largest Privately Held Companies - ranked #234
- Boston's 101 Best and Brightest Companies to Work For®
- National Best and Brightest in Wellness
- National Best and Brightest Companies to Work For

2019/2020 INNERCIRCLE

for Microsoft Business Applications

SIKICH IS PROUD TO BE PART OF:

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



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The Honorable President
Members of the Board of Trustees
Lake in the Hills, 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 Lake in the Hills, Illinois, (the Village) as of and for the year ended December 31, 2019 in accordance with auditing standards generally accepted in the United States of America we considered its internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the basic 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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 first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report is intended solely for the information and use of the President, 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
May 28, 2020



**VILLAGE OF LAKE IN THE HILLS, ILLINOIS
POLICE PENSION PLAN**
(A Fiduciary Component Unit of the
Village of Lake in the Hills)

ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2019



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VILLAGE OF LAKE IN THE HILLS, ILLINOIS
POLICE PENSION PLAN
TABLE OF CONTENTS

	<u>Page(s)</u>
INDEPENDENT AUDITOR’S REPORT	1-2
BASIC FINANCIAL STATEMENTS	
Statement of Fiduciary Net Position	3
Statement of Changes in Fiduciary Net Position	4
Notes to Financial Statements	5-14
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Changes in the Employer’s Net Pension Liability and Related Ratios.....	15-16
Schedule of Employer Contributions	17
Schedule of Investment Returns.....	18
SUPPLEMENTAL DATA	
Schedule of Deposits and Investments.....	19-20

1415 West Diehl Road, Suite 400
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INDEPENDENT AUDITOR'S REPORT

The Honorable President
Members of the Police Pension Plan
Board of Trustees
Police Pension Plan
Village of Lake in the Hills, Illinois

We have audited the accompanying financial statements of the Police Pension Plan (the Plan), a fiduciary component unit of the Village of Lake in the Hills, Illinois, as of and for the year ended December 31, 2019, and the related notes to financial statements, which collectively comprise the Plan'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 an opinion 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 Plan'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 Plan'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 opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Police Pension Plan of the Village of Lake in the Hills, Illinois as of December 31, 2019, and the change in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

The Plan has not presented a Management's Discussion and Analysis as required supplementary information that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the required supplementary information 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 an opinion on the basic financial statements taken as a whole. The supplemental data listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Plan. The supplemental data is the responsibility of management and was 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.

Sikich LLP

Naperville, Illinois

May 28, 2020

BASIC FINANCIAL STATEMENTS

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
POLICE PENSION PLAN

STATEMENT OF FIDUCIARY NET POSITION

December 31, 2019

ASSETS	
Cash	\$ 453,809
First American Government Obligation Fund	385,755
Investments, at Fair Value	
Illinois Funds	76,884
Illinois Metropolitan Investment Fund	2
U.S. Treasury Securities	3,897,189
U.S. Agency Securities	538,417
Municipal Bonds	230,687
Corporate Bonds	8,088,302
Fixed Income Mutual Funds	338,420
Equity Mutual Funds	20,101,252
Prepays	1,463
Receivables	
Accrued Interest	<u>87,076</u>
 Total Assets	 34,199,256
 LIABILITIES	
Accounts Payable	<u>10,998</u>
 NET POSITION RESTRICTED	
FOR PENSION	
	<u><u>\$ 34,188,258</u></u>

See accompanying notes to financial statements.

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
POLICE PENSION PLAN

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the Year Ended December 31, 2019

ADDITIONS

Contributions

Employer	\$ 1,370,263
Employee	<u>389,244</u>

Total Contributions	<u>1,759,507</u>
---------------------	------------------

Investment Income

Net Appreciation in Fair Value of Investments	5,000,228
Interest	<u>686,161</u>

Total Investment Income	5,686,389
Less Investment Expense	<u>(87,987)</u>

Net Investment Income	<u>5,598,402</u>
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Total Additions	<u>7,357,909</u>
-----------------	------------------

DEDUCTIONS

Pension Benefits	1,135,494
Administrative Expenses	<u>45,326</u>

Total Deductions	<u>1,180,820</u>
------------------	------------------

NET INCREASE	6,177,089
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**NET POSITION RESTRICTED
FOR PENSION**

January 1	<u>28,011,169</u>
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December 31	<u><u>\$ 34,188,258</u></u>
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See accompanying notes to financial statements.

**VILLAGE OF LAKE IN THE HILLS, ILLINOIS
POLICE PENSION PLAN**

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Police Pension Plan of the Village of Lake in the Hills, Illinois (the Plan), 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 Plan's accounting policies are described below.

A. Reporting Entity

The Plan is a blended fiduciary component unit reported as a pension trust fund of the Village of Lake in the Hills, Illinois (the Village) pursuant to GASB Statement Nos. 61 and 84.

B. Fund Accounting

The Plan uses funds to report on its financial position and the changes in its financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified in this report into the fiduciary category.

Fiduciary funds are used to account for fiduciary activities (e.g., assets held on behalf outside parties, including other governments). When pension plan assets are held under the terms of a formal trust agreement, a pension trust fund is used.

C. Basis of Accounting

The pension trust fund is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of this fund are included on the statement of fiduciary net position. Pension trust fund operating statements present increases (e.g., additions) and decreases (e.g., deductions) in net total position.

The accrual basis of accounting is utilized by the pension trust fund. Under this method, additions are recorded when earned and deductions are recognized when due.

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
POLICE PENSION PLAN
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Investments

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

E. Accounting Estimates

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

2. PLAN DESCRIPTION

Police Pension Plan

Plan Administration

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

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

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.

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
POLICE PENSION PLAN
NOTES TO FINANCIAL STATEMENTS (Continued)

2. PLAN DESCRIPTION (Continued)

Police Pension Plan (Continued)

Plan Membership

At December 31, 2019 (actuarial valuation date), the Plan membership consisted of:

Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	18
Inactive Plan Members Entitled to but not yet Receiving Benefits	2
Active Plan Members	<u>38</u>
 TOTAL	 <u><u>58</u></u>

Benefits Provided

The Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired as a police officer prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive 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 greater of the average monthly salary obtaining by dividing the total salary during the 48 consecutive months of service within the last of 60 months in which the total salary was the highest by the number of months in that period; or the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55).

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
POLICE PENSION PLAN
NOTES TO FINANCIAL STATEMENTS (Continued)

2. PLAN DESCRIPTION (Continued)

Police Pension Plan (Continued)

Benefits Provided (Continued)

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 Illinois Compiled Statutes (ILCS) to contribute 9.91% of their base salary to the 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, including the costs of administering the plan, as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90% the past service cost for the Plan. However, the Village has elected to fund 100% of the past service cost for the Plan by 2033. For the year ended December 31, 2019, the Village's contribution was 41.83% of covered payroll.

3. INVESTMENTS

The deposits and investments of the Plan are held separately from those of the Village and are under the control of the Plan's Board of Trustees.

A. Investment Policy

ILCS limits the Plan's investments to those allowable by ILCS and require the Plan's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees. The Plan can invest 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 agreement to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, The Illinois Funds and IMET, certain non-U.S. obligations (corporate debt securities) rated as investment grade by one of the two largest rating services at the time of purchase, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political divisions (rated Aa or better), Illinois insurance company general and separate accounts, equity mutual funds, equity securities and real estate investment trusts. The investment policy was not revised during the year ended December 31, 2019.

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
POLICE PENSION PLAN
NOTES TO FINANCIAL STATEMENTS (Continued)

3. INVESTMENTS (Continued)

A. Investment Policy (Continued)

The Illinois Public Treasurers' Investment Pool, known as The Illinois Funds, operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and thus, reports all investments at amortized cost rather than fair value. The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Treasurer's Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

The Plan's investment manager establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Global Cash	0.60%	1.20%
U.S. Large Cap	36.70%	6.90%
U.S. Mid Cap	7.30%	7.80%
U.S. Small Cap	3.30%	7.30%
International Equities	9.70%	6.90%
U.S Fixed Income Taxable	38.70%	2.20%
High Yield Fixed Income	1.00%	4.10%
Alternative	2.70%	4.40%

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future arithmetic real rates of return (expected returns, net of pension plan investment expense and inflation of 1.70%) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of December 31, 2019 are listed in the table above.

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
POLICE PENSION PLAN
NOTES TO FINANCIAL STATEMENTS (Continued)

3. INVESTMENTS (Continued)

B. Investment Rate of Return

For the year ended December 31, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 20.20%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

C. 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 Plan's deposits may not be returned to them. The Plan'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 Plan's deposits with financial institutions.

D. Interest Rate Risk

The following table presents the investments and maturities of the Plan's debt securities and money market mutual funds as of December 31, 2019:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury Obligations	\$ 3,897,189	\$ -	\$ 1,833,007	\$ 2,064,182	\$ -
U.S. Agency Obligations	538,417	-	-	357,431	180,986
Fixed Income Mutual Funds	338,420	-	338,420	-	-
Corporate Bonds	8,088,302	320,214	3,367,216	4,400,872	-
Municipal Bonds	230,687	-	230,687	-	-
TOTAL	\$ 13,093,015	\$ 320,214	\$ 5,769,330	\$ 6,822,485	\$ 180,986

In accordance with its investment policy, the Plan limits its exposure to interest rate risk, the risk that changes in interest rates will adversely affect the fair value of an investment, by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed within a one-year period. The investment policy does not limit the maximum maturity length of investments in the Plan.

E. Fair Value Measurements

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

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
POLICE PENSION PLAN
NOTES TO FINANCIAL STATEMENTS (Continued)

3. INVESTMENTS (Continued)

E. Fair Value Measurements (Continued)

The Plan has the following recurring fair value measurements as of December 31, 2019: the U.S. Treasury obligations, fixed income mutual funds and equity mutual funds are valued using quoted prices in active markets for identical assets (Level 1 inputs). The U.S. agency obligations, corporate bonds and municipal bonds are valued using quoted matrix pricing models (Level 2 inputs).

F. Credit Risk

The Plan limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in U.S. Treasury securities, U.S. agency securities and corporate bonds. The U.S. agency obligations are either not rated or rated from AA+ to Aaa. The municipal bonds are either not rated or rated from Aa1 to AA-. The corporate bonds are rated Ba1 to AAA.

G. 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 Plan will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Plan's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis. Securities will be held by a third-party custodian designated by the Plan and evidenced by safekeeping receipts. If a third-party custodian is not used, then the broker must provide an excess Securities Investor Protection Corporation policy in the name of the Plan.

H. Concentrations

There were no investments (other than United States Government guaranteed obligations and mutual funds) in any one organization that represent 5% or more of plan net position for the Plan.

4. PENSION LIABILITY OF THE VILLAGE

A. Net Pension Liability

Total Pension Liability	\$ 43,549,962
Plan Fiduciary Net Position	34,188,258
Village's Net Pension Liability	9,361,704
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.50%

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
POLICE PENSION PLAN
NOTES TO FINANCIAL STATEMENTS (Continued)

4. PENSION LIABILITY OF THE VILLAGE (Continued)

A. Net Pension Liability (Continued)

See the schedule of changes in the employer’s net pension liability and related ratios on page 15 of the required supplementary information for additional information related to the funded status of the Plan.

B. Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation as of December 31, 2018 using the following actuarial methods and assumptions. The total pension liability was rolled forward by the actuary using updating procedures to December 31, 2019.

Actuarial Valuation Date	December 31, 2018
Measurement Date	December 31, 2019
Actuarial Cost Method	Entry-Age Normal
Assumptions	
Inflation	2.25%
Salary Increases	3.75% to 10.77%
Interest Rate	6.75%
Cost of Living Adjustments	3.00% - Tier 1 One Half of CPI-U - Tier 2
Asset Valuation Method	Fair Value

Activity mortality rates are based on sex distinct raw rates as developed in the PubS-2010(A) study. Mortality improvement uses MP-2019 improvement rates applied on a fully generational basis.

Retiree mortality rates follow the L&A assumption study for police 2020. These rates are experience weighted with the sex distinct raw rates as developed in the PubS-2010(A) study improved to 2017 using MP-2019 improvement rates. These rates are then improved fully generationally using MP-2019 improvement rates.

Disabled Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010 Study for Disabled Participants. Mortality improvement uses MP-2019 Improvement Rates applied on a fully generational basis.

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
POLICE PENSION PLAN
NOTES TO FINANCIAL STATEMENTS (Continued)

4. PENSION LIABILITY OF THE VILLAGE (Continued)

B. Actuarial Assumptions (Continued)

Spouse Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study for Contingent Survivors. For all rates not provided there (ages 45 and younger) the PubG-2010 Study for general employees was used. Mortality improvement uses MP-2019 Improvement Rates applied on a fully generational basis.

Other demographic assumption rates are based on a review of assumptions in the L&A 2020 study for Illinois Police Officers.

C. Discount Rate

The discount rate used to measure the total pension liability was 6.75%. 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 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.

D. 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 6.75% 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 (5.75%) or 1 percentage point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net Pension Liability	\$ 17,274,563	\$ 9,361,704	\$ 3,111,170

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
POLICE PENSION PLAN
NOTES TO FINANCIAL STATEMENTS (Continued)

5. CONTINGENT LIABILITIES

The Plan is subject to a program compliance audit by the Illinois Department of Insurance. The compliance audit for the year ended December 31, 2019 has not yet been conducted. Accordingly, the Plan's compliance with applicable requirements will be established at some future date. The amount of adjustments, if any, to be made by the Illinois Department of Insurance cannot be determined at this time although the Plan expects such amount, if any, to be immaterial.

6. SUBSEQUENT EVENT

Beginning around March 2020, The Covid-19 virus has been declared a global pandemic as it continues to spread rapidly. As a result, equity investments of the Plan have experienced significant declines in quoted prices on active markets. Management of the Plan is carefully monitoring the situation and evaluating its options during this time. No adjustments have been made to these financial statements as a result of this uncertainty.

REQUIRED SUPPLEMENTARY INFORMATION

**VILLAGE OF LAKE IN THE HILLS, ILLINOIS
POLICE PENSION PLAN**

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

Last Six Fiscal Years

FISCAL YEAR ENDING DECEMBER 31,	2014	2015	2016
TOTAL PENSION LIABILITY			
Service Cost	\$ 914,462	\$ 819,172	\$ 927,272
Interest	1,972,342	2,166,890	2,290,894
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	723,430	(965,189)	56,947
Changes of Assumptions	1,077,358	709,326	(862,520)
Benefit Payments, Including Refunds of Member Contributions	(739,738)	(783,911)	(1,002,314)
Net Change in Total Pension Liability	3,947,854	1,946,288	1,410,279
Total Pension Liability - Beginning	28,546,180	32,494,034	34,440,322
TOTAL PENSION LIABILITY - ENDING	\$ 32,494,034	\$ 34,440,322	\$ 35,850,601
PLAN FIDUCIARY NET POSITION			
Contributions - Employer	\$ 1,020,259	\$ 1,066,419	\$ 1,248,941
Contributions - Member	328,681	347,585	410,317
Contributions - Other	55,831	105	-
Net Investment Income	1,101,370	(83,151)	1,386,255
Benefit Payments, Including Refunds of Member Contributions	(739,738)	(783,911)	(1,002,314)
Administrative Expense	(43,872)	(27,935)	(27,378)
Net Change in Plan Fiduciary Net Position	1,722,531	519,112	2,015,821
Plan Fiduciary Net Position - Beginning	20,861,794	22,584,325	23,103,437
PLAN FIDUCIARY NET POSITION - ENDING	\$ 22,584,325	\$ 23,103,437	\$ 25,119,258
EMPLOYER'S NET PENSION LIABILITY			
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.50%	67.10%	70.10%
Covered Payroll	\$ 3,507,517	\$ 3,833,606	\$ 3,628,173
Employer's Net Pension Liability as a Percentage of Covered Payroll	282.50%	295.70%	295.80%

Note to Required Supplementary Information

Year Ended December 31, 2019 - There was a change with respect to actuarial assumptions to reflect revised expectations with respect to inflation rate, individual pay increases, mortality rates, mortality improvement rates, retirement rates, termination rates, disability rates and marital assumptions. In addition, there were changes in plan benefits required under PA-101-0610 (SB 1300).

Year Ended December 31, 2016 - There was a change with respect to actuarial assumptions related to the mortality assumption. It was updated to include mortality improvements as stated in the most recently released MP-2016 table and rates are now being applied on a fully generational basis.

Year Ended December 31, 2015 - There was a change with respect to actuarial assumptions related to the discount rate used in the determination of the total pension liability. It was changed from 7.00% to 6.75%. Certain demographic assumptions were also changed, which impacted mortality rates, mortality improvement rates, retirement rates, disability rates and termination rates.

Year Ended December 31, 2014 - There was a change with respect to actuarial assumptions to reflect revised expectations with respect to mortality rates, disability rates, turnover rates and retirement rates.

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

	2017	2018	2019
\$	989,863	\$ 973,114	\$ 1,017,162
	2,385,137	2,551,157	2,677,085
	-	-	171,924
	109,340	(581,406)	127,910
	-	-	463,113
	(1,030,489)	(1,019,055)	(1,135,494)
	2,453,851	1,923,810	3,321,700
	35,850,601	38,304,452	40,228,262
\$	38,304,452	\$ 40,228,262	\$ 43,549,962
\$	1,292,435	\$ 1,369,010	\$ 1,370,263
	379,776	352,057	389,244
	-	-	-
	3,005,889	(1,388,452)	5,598,402
	(1,030,489)	(1,019,055)	(1,135,494)
	(25,049)	(44,211)	(45,326)
	3,622,562	(730,651)	6,177,089
	25,119,258	28,741,820	28,011,169
\$	28,741,820	\$ 28,011,169	\$ 34,188,258
\$	9,562,632	\$ 12,217,093	\$ 9,361,704
	75.04%	69.63%	78.50%
\$	3,746,089	\$ 3,172,999	\$ 3,276,121
	255.30%	385.00%	285.80%

(See independent auditor's report.)

**VILLAGE OF LAKE IN THE HILLS, ILLINOIS
POLICE PENSION PLAN**

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Last Ten Fiscal Years

FISCAL YEAR ENDING	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Actuarially Determined Contribution	\$ 910,443	\$ 951,305	\$ 932,539	\$ 913,030	\$ 1,018,934	\$ 1,067,861	\$ 1,250,911	\$ 1,293,479	\$ 1,370,179	\$ 1,372,114
Contributions in Relation to the Actuarially Determined Contribution	911,933	961,269	933,602	914,128	1,020,259	1,066,419	1,248,941	1,292,435	1,369,010	1,370,263
CONTRIBUTION DEFICENCY (Excess)	\$ (1,490)	\$ (9,964)	\$ (1,063)	\$ (1,098)	\$ (1,325)	\$ 1,442	\$ 1,970	\$ 1,044	\$ 1,169	\$ 1,851
Covered Payroll	\$ 3,059,285	\$ 3,080,126	\$ 3,045,224	\$ 3,194,090	\$ 3,507,517	\$ 3,833,606	\$ 3,628,173	\$ 3,746,089	\$ 3,172,999	\$ 3,276,121
Contributions as a Percentage of Covered Payroll	29.81%	31.21%	30.66%	28.62%	29.09%	27.82%	34.42%	34.50%	43.15%	41.83%

Notes to Required Supplementary Information

Valuation Date Actuarially Determined Contribution Rates are Calculated as of January 1 of the Prior Fiscal Year.

Methods and Assumptions as of the Actuarial Valuation Dated January 1, 2018:

Actuarial Cost Method	Entry-Age Normal
Amortization Method	Level Percent of Pay, Closed; 100% through 2033
Remaining Amortization Period	16 Years
Asset Valuation Method	Five-Year Smoothed Market
Return on Investments	6.75%
Inflation	2.50%
Salary Increases	4.00% to 11.02%
Payroll Growth	3.25%
Mortality	RP-14 Adjusted for Plan Status, Collar and Illinois Public Pension Data, as Appropriate

(See independent auditor's report.)

**VILLAGE OF LAKE IN THE HILLS, ILLINOIS
POLICE PENSION PLAN**

SCHEDULE OF INVESTMENT RETURNS

Last Six Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2014	2015	2016	2017	2018	2019
Annual Money-Weighted Rate of Return, Net of Investment Expense	5.49%	(0.41%)	6.07%	12.09%	(4.88%)	20.20%

Notes to Required Supplementary Information

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

(See independent auditor's report.)

SUPPLEMENTAL DATA

**VILLAGE OF LAKE IN THE HILLS, ILLINOIS
POLICE PENSION PLAN**

SCHEDULE OF DEPOSITS AND INVESTMENTS

December 31, 2019

	Par	Maturity Date	Interest Rate	Carrying and Fair Value
DEPOSITS				
Harris Bank				
First National Bank				
Account Numbers 317-784-7 and 70-013-4		Open	0.00% - 0.05%	\$ 453,809
Total Deposits				<u>453,809</u>
INVESTMENTS				
Held for Safekeeping by				
U.S. Bank				
U.S. Treasury Note	\$ 330,852	01/15/24	0.625%	337,856
U.S. Treasury Note	81,000	10/31/22	1.875%	81,604
U.S. Treasury Note	22,742	01/15/26	0.625%	23,439
U.S. Treasury Note	145,000	02/28/23	1.500%	144,496
U.S. Treasury Note	148,000	08/15/21	2.125%	149,237
U.S. Treasury Note	147,801	01/15/22	0.125%	147,723
U.S. Treasury Note	363,000	11/15/26	2.000%	367,211
U.S. Treasury Note	137,000	08/15/23	2.500%	141,105
U.S. Treasury Note	109,000	02/15/27	2.250%	112,062
U.S. Treasury Note	199,000	04/30/22	1.750%	199,746
U.S. Treasury Note	132,000	08/15/29	1.625%	128,695
U.S. Treasury Note	20,000	11/15/29	1.750%	19,714
U.S. Treasury Note	197,000	07/31/22	1.875%	198,393
U.S. Treasury Note	138,000	10/31/24	2.250%	141,612
U.S. Treasury Note	139,000	11/15/27	2.250%	142,953
U.S. Treasury Note	269,000	01/31/25	2.500%	279,550
U.S. Treasury Note	46,619	04/15/23	0.625%	47,340
U.S. Treasury Note	271,000	11/15/28	3.125%	298,173
U.S. Treasury Note	32,000	11/30/23	2.875%	33,471
U.S. Treasury Note	98,000	12/15/21	2.625%	99,944
U.S. Treasury Note	289,000	12/31/25	2.625%	303,100
U.S. Treasury Note	49,000	12/31/23	2.625%	50,828
U.S. Treasury Note	267,000	01/31/26	2.625%	280,070
U.S. Treasury Note	58,000	02/29/24	2.375%	59,654
U.S. Treasury Note	105,000	05/15/29	2.375%	109,213
FHLB Deb	93,975	02/28/29	3.040%	93,982
FHLB Deb	195,000	03/27/29	3.420%	195,661
FHLMC	24,342	09/01/34	2.500%	24,565
FNMA	82,237	01/01/32	2.500%	83,215
FNMA	43,971	04/01/32	3.000%	45,190
FNMA	65,998	10/01/27	3.000%	67,788
FNMA	27,348	09/01/39	3.000%	28,016
Corporate Bonds	7,757,355	Various	1.700%-5.550%	8,088,302
Municipal Bonds	223,000	Various	2.540%-3.700%	<u>230,687</u>
Total in Safekeeping				<u>12,754,595</u>

(This schedule is continued on the following page.)

**VILLAGE OF LAKE IN THE HILLS, ILLINOIS
POLICE PENSION PLAN**

SCHEDULE OF DEPOSITS AND INVESTMENTS (Continued)

December 31, 2019

	Par	Maturity Date	Interest Rate	Carrying and Fair Value
INVESTMENTS (Continued)				
Other				
American Europacific Growth Fund		Open		\$ 1,914,834
Gateway Fund		Open		894,091
Invesco Fund		Open		313,751
Oakmark		Open		1,041,702
Pax World Fund		Open		551,067
Principal Midcap Fund Class R 6		Open		2,467,256
Vanguard Growth Index Fund		Open		3,304,055
Vanguard Small Cap Index Fund		Open		548,882
Vanguard Value Index Fund		Open		3,467,134
Vanguard 500 Index Admiral		Open		5,598,480
Federated		Open		338,420
Illinois Funds		Open		76,884
Illinois Metropolitan Investment Convenience Fund		Open		2
First American Government Obligation Fund		Open		385,755
				<u>20,902,313</u>
Total Other				20,902,313
Total Safekeeping and Other				<u>33,656,908</u>
TOTAL DEPOSITS AND INVESTMENTS				<u><u>\$ 34,110,717</u></u>

(See independent auditor's report.)



REQUEST FOR BOARD ACTION

MEETING DATE: June 23, 2020

DEPARTMENT: Police Department

SUBJECT: Mutual Aid Agreement for the McHenry County Sheriff's SWAT Team

EXECUTIVE SUMMARY

The department became a member of the McHenry County multijurisdictional SWAT team to address elevated risk situations like high-risk warrants or barricaded subjects. The police department has been a member of the team since 2016. The position on the team is on an as-needed basis. The 2016 agreement has expired. The new agreement is the same, except for Exhibit 1. In the prior agreement, each department was responsible for reimbursement of ammunition and a portion of the cost of the annual week-long SWAT training. That language has been removed, and we are not responsible for those costs. The new agreement will be effective from the date of execution by each party for four years.

FINANCIAL IMPACT

Funds for training and overtime are in the 2020 fiscal budget.

ATTACHMENTS

1. Mutual Aid Agreement for the McHenry County Sheriff's SWAT Team

RECOMMENDED MOTION

Motion to approve the agreement between the Lake in the Hills Police Department and the McHenry County Sheriff's Office.

MUTUAL AID AGREEMENT
FOR THE
MCHENRY COUNTY SHERIFF S.W.A.T. TEAM

This Agreement is made and entered into this ____ day of ____, 2020, by and between the COUNTY OF MCHENRY, a body politic and corporate of the State of Illinois (hereinafter referred to as the "COUNTY"), and the undersigned units of local government (hereinafter referred to as the "PARTNER AGENCIES").

WHEREAS, the COUNTY and the PARTNER AGENCIES are authorized by the terms and provisions of 5 ILCS 220/5 et. seq., to enter into intergovernmental and mutual aid agreements, ventures and undertakings to perform jointly any governmental purposes or undertaking any of them could do singularly; and

WHEREAS, it is desired that the PARTNER AGENCIES become members of the McHenry County S.W.A.T. unit for the purpose of creating a S.W.A.T. team to support the McHenry County Sheriff's Department and other local law enforcement jurisdictions in providing a tactical response to critical incidents in McHenry County.

NOW THEREFORE, in consideration of the foregoing and the covenants contained herein, the parties hereby agree as follows:

1. Purpose

The purpose of this Mutual Aid Agreement is to create an inter-departmental S.W.A.T. Team for McHenry County which will allow for the following:

- a. Comprehensive training resources to members of the team
- b. Allow officers selected from the parties hereto to deploy and function as a team member during a critical incident
- c. Allow team members to effectuate arrests and otherwise exercise all lawful police powers in jurisdictions other than their own

2. Obligations of the Parties

The COUNTY's obligations and responsibilities shall include the following

- a. Monthly instruction and training

- b. Use of MCSO equipment
- c. Use of outdoor range and training facilities
- d. Coordination of S.W.A.T. activities including selection and review of members, team formation, equipment and uniform ordering, and communication
- e. Development of a command and control structure

The obligations of PARTNER AGENCIES shall include:

- a. Nomination of officers to MCSO for evaluation and selection with a three years commitment for each officer nominated
- b. Coverage of all wages, benefits, and insurance of participating officers employed by their department
- c. Commitment to allow its selected officers to participate in monthly training
- d. Funding for individual equipment purchases and training (estimated expenses attached hereto as Exhibit 1)
- e. Authority for its officers to use their department issued equipment including rifles for any S.W.A.T activities

3. Relationship of the Parties

As a member of S.W.A.T., the SHERIFF shall deputize any officer selected from the PARTNER AGENCY and each officer shall act as a deputy to the SHERIFF until notified otherwise by the COUNTY or the SHERIFF. PARTNER AGENCY police officers acting under this Agreement shall continue to be covered by their employing agency, _____, for the purposes of worker's compensation, unemployment compensation, disability benefits, and other employee benefits and civil liability, and shall be considered while so acting to be in the ordinary course of their employment.

Any officer that is employed by the PARTNER AGENCY and acting under this Agreement shall be considered an employee of the PARTNER AGENCY and shall not be considered an employee of the COUNTY regardless of the supervision or control of the officer's actions while acting as a member of the McHenry County Sheriff's S.W.A.T.. At no point shall the COUNTY be responsible for payment of worker's compensation, unemployment compensation, disability or death benefits, or any other employee benefits to any employee of the PARTNER AGENCY acting under this Agreement.

The PARTNER AGENCY acknowledges and accepts that the

SHERIFF may from time to time conduct random drug screening on PARTNER AGENCY officers operating under the scope of this Agreement as a part of the normal course of completing the objectives of this Agreement. In the event a PARTNER AGENCY officer screens positive for the presence of illegal drugs or narcotics, the SHERIFF reserves the right to immediately expel the PARTNER AGENCY officer from the S.W.A.T..

1. Selection and Removal Process

Each PARTNER AGENCY agrees to the selection and removal process attached to this agreement as Exhibit 2. The MCSO reserves the right to make changes to the attached selection and removal standards at any time without notice to each PARTNER AGENCY.

2. Indemnification

The PARTNER AGENCIES shall indemnify, hold harmless and defend the COUNTY and the SHERIFF, their officers, deputies and employees from and against any and all liability, loss, costs, damages, expenses, claims or actions, including, but not limited to, incidental and consequential damages, and expenses, including, but not limited to attorney's fees which the COUNTY and the SHERIFF, their officers, deputies or employees may hereafter sustain, incur, or be required to pay, arising out of the sole negligence of said PARTNER AGENCY, its officers, agents, or employees, in the execution, performance, or failure to adequately perform, its obligations pursuant to this Agreement.

The PARTNER AGENCIES shall indemnify the COUNTY and the SHERIFF from and against liability resulting from the willful or wanton acts or omissions of said PARTNER AGENCY, its officers, agents and employees, as determined by a court of law making a specific finding of fact, without limitations, in the providing of services as set forth in this Agreement.

The COUNTY shall indemnify, hold harmless and defend each PARTNER AGENCY, its officers, deputies and employees from and against any and all liability, loss, costs, damages, expenses, claims or actions, including, but not limited to incidental and consequential damages, and expenses including, but not limited to, attorney's fees which the PARTNER AGENCY, its officers, deputies or employees may hereafter sustain, incur, or be required to pay, arising out of the sole negligence of the COUNTY or the SHERIFF, its officers, agents, or employees, in the

execution, performance, or failure to adequately perform, its obligations pursuant to this Agreement.

The COUNTY shall indemnify each PARTNER AGENCY from and against liability resulting from the willful or wanton acts or omissions of the COUNTY or the SHERIFF, its employees and agents, as determined by a court of law making a specific finding of fact, without limitation, in the providing of services as set forth in this Agreement.

The indemnification provisions of this Agreement shall survive the termination of this Agreement.

5. Term and Termination

The term of this Agreement is for an initial 4 year period beginning the date of execution by each Party.

A PARTNER AGENCY may withdraw its officer(s) from the McHenry County S.W.A.T. Team upon thirty (30) days written notice of withdrawal to the COUNTY, the effect of which shall terminate its rights, obligations and privileges under this Agreement. The COUNTY may terminate this Agreement upon thirty (30) days written notice of termination to the PARTNER AGENCY.

The parties understand that any funds expended for training or joint equipment purchases shall not be refunded upon termination of this Agreement

6. Insurance

The PARTNER AGENCIES and the COUNTY shall maintain for the duration of this Agreement, and any extensions thereof, at their own expense, all law enforcement insurance required by law and insurance that includes "Occurrence" basis wording and is issued by a company or companies qualified to do business in the State of Illinois, which generally require that the company(ies) be assigned a Best's Rating of "A" or higher with a Best's financial size category of class XIV or higher, or by membership in a governmental self-insurance pool, in at least the following types and amounts:

- 1) Commercial General Liability in a broad form, to include, but not be limited to, coverage for the following where exposure exists: Bodily Injury and Property Damage, Premises/Operations, Independent contractors, Products/Completed operations, Personal Injury and

Contractual Liability; limits of liability not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate;

- 2) Business Auto Liability, to include, but not be limited to, Bodily Injury and Property Damage, including owned vehicles, hired and non-owned vehicles and employee non-ownership; limits of liability shall not be less than \$1,000,000 per occurrence, combined single limit for bodily injury liability and property damage liability; and
- 3) Workers Compensation Insurance to cover all employees, including independent contractors working in a law enforcement capacity, that meets statutory limits in compliance with applicable state and federal laws. The coverage must include Employer's Liability with minimum limits of \$100,000 for each incident.

In reference to the insurance coverage maintained by the PARTNER AGENCIES and the COUNTY, such policies shall not be canceled, limited in scope, or non-renewed until after thirty (30) days written notice has been given to the other party. Certificates of Insurance evidencing the above-required insurance shall be supplied to the other party within ten (10) days of approval of this agreement.

Each party shall have the other party named as Additional Insured on its Commercial General Liability and shall include such wording in its certificate of insurance.

7. **Non-Discrimination** No person shall illegally be excluded from employment rights or participation in, or be denied the benefits of, the program which is the subject of this Agreement on the basis of race, religion, color, sex, age, disability, or national origin, the classifications of "gender" and "sexual orientation."

8. **Entire Agreement**

It is understood and agreed that the entire Agreement of the parties is contained herein and that this Agreement supersedes all oral agreements and negotiations between the parties relating to the subject matter hereof as well as any previous Agreements presently in effect between the parties relating to the subject matter hereof. This Agreement may be amended by mutual consent of all of the parties, which shall be in writing and signed and executed with the same formality with which this instrument was executed.

9. Governing Law

The parties agree this Agreement has been executed and delivered in Illinois and that their relationship and any and all disputes, controversies or claims arising under this Agreement shall be governed by the laws of the State of Illinois, without regard to conflicts of laws principles. The parties further agree that the exclusive venue for all such disputes shall be the Circuit Court of the 22nd Judicial Circuit of McHenry County, Illinois, and the parties hereby consent to the personal jurisdiction thereof.

Each person signing this Agreement on behalf of one of the parties agrees, represents and warrants that he or she has been duly and validly authorized to execute this Agreement on behalf of their party.

IN WITNESS WHEREOF, the parties have hereunto set their hands as of the dates written below.

County of McHenry

By: _____

William Prim
McHenry County Sheriff

Date: _____

PARTNER AGENCY

ATTEST:

By: _____

By: _____

It's: _____

Its: _____

Date: _____

Date: _____

Exhibit 1

S.W.A.T. Equipment and Training Purchase Requirements and Price Estimates

- Equipment provision
 - One-time funding for Tactical Vest, plates, side armor, accessories and uniforms
 - Approximately \$1,581.00 + \$160 for Uniform pants, U Coat and Tactical Combat Shirt
 - One-time funding for Tactical Helmet
 - Approximately \$685.00
 - One-time funding for Tactical Communications
 - Approximately \$500.00 - \$1,200.00
 - Funding for Basic SWAT School (if applicable)

NOTE: all prices are approximate. Prices and costs fluctuate and change regularly. The numbers used in this Exhibit are to provide a guide and structure for budgeting for one-time equipment purchases and annual training expenses.

Exhibit 2

S.W.A.T. Selection and Removal Process

SELECTION

- Sister agencies may nominate an officer(s) for consideration of assignment to the SWAT Team as long as they meet the following criteria:
 - Not on probation with an additional two (2) years of LE duties
 - Exceptions considered for prior military or LE Tactical experience
- Once an officer has been nominated for consideration they will participate in a selection process consisting of:
 - Pass/Fail rifle and Pistol skills test
 - Pass/Fail physical agility test
 - Decision making diagnostic
 - Interview Board

- All test and assessment will be Pass/Fail regardless of age or gender
- The Sheriff or designee shall appoint a qualified applicant to the team following review and recommendation by the SWAT Commander.
- Selection will be held on as needed basis

Physical Fitness Standards and Firearms Qualifications

Specific details of the test(s) are listed below and/or attached:

The **rifle qualification** is attached.

The **pistol qualification** is attached.

Pushups: Twenty-five in less than one minute (see attachment regarding pushups).

Sit-ups: Thirty-seven in less than one minute (see attachment regarding sit-ups).

“Tactical obstacle course”:

This course will involve completing an 880 yard course (2 laps around an Olympic track) consisting of three job-related tasks. At the 220 to 260 yard marks, the candidate must negotiate a 40-yard running weave consisting of nine cones placed five yards apart, with a lateral dispersion of five yards. Candidates must run to the left of the cones positioned on the inside of the track and to the right of the cones positioned to the outside of the track. At the 440 yard mark, candidates must stop and drag a supine “victim” ten yards. At the 660 yard mark, the candidate will renegotiate the running weave, this time dropping to the prone position (chest and hands in contact with the track) behind each of the nine alternately positioned cones before continuing to the finish line at the 880 yard mark. This course will be completed in four minutes forty-five seconds or less.

“Pursuit/Rescue climb” test:

This test involves completing a minimum of two pull ups while wearing a supplied ballistic vest and helmet. The candidates chin must go completely over the bar without swinging the body.

REMOVAL

Once selected and appointed to the SWAT team, all operational team members regardless of rank or position, must maintain acceptable standards of performance as specified in this agreement. Failure to meet the minimum acceptable standards will result in the team member being placed on a temporary, non-operational status for 30 days. Failure to meet the minimum acceptable standards within 60 days will result in the immediate removal from the team.

Being placed in a temporary non-operational status on two (2) or more occasions will result in a status review by the SWAT Commander and/or the Sheriff. Inability to participate in standard testing due to an undocumented injury will result in a status review by the SWAT Commander and/or the Sheriff.

A team member may voluntarily withdraw from the team at any time, for any reason. A team member may be removed from the team, without cause, when deemed necessary for the good of the team following a recommendation by the designated Team Leaders and Team Commander subject to approval by the Sheriff and/or designee.

AR-15/M-16 QUALIFICATION COURSE OF FIRE

TOTAL ROUNDS / SCORE: 30 (.223/ 5.56 mm) SCORE 80 % (24 HITS OR BETTER)
TARGET: B-27 SILLHOUETTE / SCORE OF 8 RING OR BETTER ONLY
OR 8 1/2 " X 14" SHEET OF PAPER
STARTING POSITION: BEGIN ALL STAGES OF FIRE, STANDING, RIFLE AT LOW READY,
SAFETY ON.

STAGE #1: STANDING FREESTYLE, DISTANCE 25 YARDS, **10 ROUNDS IN MAGAZINE.**

- On the command to fire, the shooter fires on round within 5 seconds and returns to the low ready.
- Repeat 5 times (5 rounds).
- The next five rounds are fired continuously within 15 seconds (5 rounds).
- The weapon is cleared and made safe.
- On command all shooter will move to the 50 yard line.

STAGE #2: STANDING TO KNEELING, DISTANCE OF 50 YARDS, **10 ROUNDS IN MAGAZINE.**

- Shooter begins standing.

- On command moves to the kneeling position and fires 5 rounds in 15 seconds then safely recovers to standing.
- On command shooter moves to the prone position and fires 5 rounds in 25 seconds and then safely recovers to standing.
- The weapon is cleared and made safe.
- On command shooter moves to the 75 yard line.

STAGE #3: STANDING TO PRONE, DISTANCE IS 75 YARDS, **10 ROUNDS IN MAGAZINE.**

- Shooter begins in standing position.
- On command, shooter moves to prone and fires 10 rounds in 30 seconds.

Course #1 – #9 are from the five yard line. Course #10 is from the 15 yard line.

Course #1: 1 round 1 target from the high ready: 1 second

Course #2: 1 round 1 target from the holster: 1.7 seconds

Course #3: 2 rounds 1 target from the high ready: 1.5 seconds

Course #4: 6 shots on 1 target from the high ready: 3 seconds

Course #5: 2 rounds on 2 targets from the high ready: 3 seconds

Course #6: 4 rounds: 2 from strong hand, 2 from weak hand, 1 target from the high ready: 5 seconds

Course #7: Start w/empty chamber, click, tap, rack, bang from high ready: 3 seconds

Course #8: 4 rounds: from the high ready fire 2 shots, reload and fire two shots: 5 seconds

Course #9: 1 dry pull from rifle, 1 round from pistol: 5 seconds

Course #10: 1 round starting from standing holstered to kneeling: 4.25 seconds

PT Test & Instructions:

Pushups:

Twenty-five in less than one minute.

- In one-minute or less you must complete 25 push-ups
- Hands placed on ground slightly wider than shoulder width
- Start in the up position, back straight, knees off the ground, elbows locked
- Lower your body until your chest touches the ground
- Return to the start position
- You may rest in the start position only
- A rep will not count unless the above instructions are followed

Sit-ups:

Thirty-seven in less than one minute.

- Start position is lying on your back, shoulder blades on the ground, knees bent, feet flat
- Arms and hands must be flat against the chest throughout the entire repetition
- A partner will hold the feet down
- Move to the up position where the elbows must contact the knees
- Return to the start position
- You may rest in the up positions only
- A rep will not count unless the above instructions are followed

“Tactical obstacle course”:

This course will involve completing an 880 yard course (2 laps around an Olympic track) consisting of three job-related tasks.

- At the 220 to 260 yard marks, the candidate must negotiate a 40-yard running weave consisting of nine cones placed five yards apart, with a lateral dispersion of five yards. Candidates must run to the left of the cones positioned on the inside of the track and to the right of the cones positioned to the outside of the track.
- At the 440 yard mark, candidates must stop and drag a supine “victim” ten yards.
- At the 660 yard mark, the candidate will renegotiate the running weave, this time dropping to the prone position (chest and hands in contact with the track) behind each of the nine alternately positioned cones before continuing to the finish line at the 880 yard mark.

This course will be completed in four minutes forty-five seconds or less.

“Pursuit/Rescue climb” test:

This test involves completing a minimum of two pull ups while wearing a supplied ballistic vest and helmet.

- Starting in the hanging position with no bend in the elbows and hands facing away from the body.
- The candidate’s chin must go completely over the bar.

“Assault dash” test:

This course involves starting from the prone position, wearing body armor and carrying an unloaded rifle, run forty yards. This test will be completed in less than eight seconds.



REQUEST FOR BOARD ACTION

MEETING DATE: June 23, 2020
DEPARTMENT: Public Works
SUBJECT: 2020 United Cricket Club Agreement

EXECUTIVE SUMMARY

Since 2005, the Village has had formal agreements with not-for-profit Affiliate Organizations (“AO’s”) that desire to provide organized recreational opportunities on Village-owned property. These agreements are a necessary tool in defining the responsibilities of both the AO and the Village. Defined responsibilities include facility usage and maintenance, equipment usage, advertising, meeting requirements, insurance requirements, fees, and general obligations, and conditions. Earlier this year, the Village renewed agreements with the Lake in the Hills Youth Athletic Association (LITHYAA), the Algonquin Lake in the Hills Soccer Association (ALITHSA), the Junior Eagles Football Association and the Junior Eagles Cheerleading Association. Phase 3 of Governor Pritzker’s Restore Illinois Plan currently allows the AO’s to conduct drills, practices and lessons and it is possible that Phase 4 will allow for games to be played, but this will not be known until the Phase 4 guidance and directives are issued by the State of Illinois.

Recently, the United Cricket Club (“Club”) contacted Village staff. Because of the Sunset Park turf damage from the 2018 Summer Sunset Festival, the Club could not play at games at Sunset Park in 2019, but if the Restore Illinois Plan allows, the Club would like to play games at Sunset Park later this year. As such, attached is a draft agreement between the Village and the Club. Because the start and duration of the Club’s season is currently unknown, Village staff requests that the Village Board approve the attached one-year agreement with the Club and grant Public Works staff the authority to negotiate the 2020 fees with the Club at a future date. In the past, the Club has paid the Village \$800.00/season and their season usually runs from May to the end of September, but Public Works staff will prorate the 2020 season fee after the season duration is established.

FINANCIAL IMPACT

All revenue that the Village receives will be determined at a later date.

ATTACHMENTS

1. 2020 Agreement with the United Cricket Club

RECOMMENDED MOTION

Motion to approve an agreement between the Village and the United Cricket Club for 2020 and grant Village staff the authority to determine the Fees (Section 8) by December 31, 2020.

This Agreement entered into this _____ day of _____, 20____, by and between the

Village of Lake in the Hills (“Village”), an Illinois Municipal Corporation and the

United Cricket Club (“Affiliate Organization” or “A.O.”), a leisure-oriented group, organization or association.

Section 1: Definition

A. Affiliate Organizations are defined as not-for profit corporations, associations, or similar groups whose main purpose is to provide constructive recreational opportunities to the residents of Lake in the Hills on Village-owned property. Activities conducted by an A.O. must meet the following conditions for constructive, wholesome and worthwhile recreational pursuits:

- The group must be leisure-oriented.
- The group’s existence shall be of value to the community.
- The activity must develop a sense of achievement and self-worth for its participants.
- Benefits of the activity should include improvements of the physical, mental or emotional well-being of participants.
The activity should stimulate creativity, develop recreational skill and /or enhance avenues of socialization.

B. Rec League – defined as a league with intra-league play

C. Travel League – defined as a league with inter-league play and tryouts for

participation. Section 2: Non-Discrimination

A. Activities sponsored by an A.O. shall not, other than to adhere to specific age and/or gender-based membership guidelines reasonably necessary for the group’s recreational activity or minimum residency standards, discriminate against or exclude any individual from participation for reasons of race, color, creed, national origin, sex, sexual orientation, or handicap. Registration for membership/tryouts must be open to all residents of the Village, subject to reasonably necessary age and/or gender-based standards.

Section 3: Facility

A. In order to allow the A.O. to provide services to its members or constituents, the Village agrees to allow the A.O. to use Village property, facilities and equipment, in accordance with the Village’s Facility Use Policy. Facilities and property covered under this agreement include:

Sunset Cricket

- B. The A.O. agrees to maintain the Village's facilities in accordance with Exhibit A, attached hereto and made a part of this agreement. The A.O. shall notify the Village and obtain approval prior to commencing any changes, modifications or improvement to Village property.
Any private contractor(s) who intends to work on the Village's grounds, facilities or equipment shall be approved by the Director of Public Works or his designee in advance.
- C. The Village may require an A.O. to reimburse expenses and costs incurred by the Village related to the A.O.'s use of property, facilities or equipment including, but not limited to, the clean-up of litter and debris during activities sponsored by the A.O.
- D. Any use of the concessions stands requires a Certified Food Sanitation member on duty while food is being served. A current McHenry County Health permit is required for any food service. See Exhibit E for Authorization to Sell and Collect Monies.
- E. There will be no practices allowed on football and soccer game fields as well as Plote Baseball Field.
- F. Thorguard – Early Detection Lightning Systems are installed at Ryder, Sunset, and Leroy Guy Parks, Plote Field, and Indian Trail Beach for protection of all who play, spectate, and recreate in these areas. If the system warning goes off, please exit the facility and seek shelter until the system all clear is indicated. Signs are posted at the parks indicating additional information about the warning system.
- G. Concussion and specific sport injury prevention information must be stated within the website of the A.O.
- H. Permission must be granted by the Director of Public Works or his designee in order for portable light units to be used after dusk.
- I. The Village shall also accommodate general meetings and registration activities of the A.O. in accordance with the Facility Use Policy.
- J. It shall be a requirement of the A.O. to provide a seasonal schedule and coordinate their activities with the Village through its Public Works Director or his designee. The Village agrees to offer the A.O. staff expertise and other in-kind services as determined by the Public Works Director.

Section 4: Advertising

- A. The Village shall publish information about the A.O. in the seasonal Parks & Recreation brochure, and on the Village's website at its sole discretion.
- B. Temporary sponsor banners for travel teams must be taken down after every game.

Section 5: Meetings

- A. The A.O. shall designate up to three (3) board members or officers as the official liaisons with the Village. The A.O. agrees to meet on a quarterly basis with the Public Works Director or his designee to exchange ideas and discuss plans for future opportunities.
- B. All A.O. will be sent Parks & Recreation Board agendas for their review and optional attendance.
- C. Advanced notice of the A.O. board meetings shall be sent to the Public Works Director or his designee.

Section 6: Obligations of the Affiliate Organization

During the term of this agreement the A.O. shall adhere to the following regulations.

- A. The A.O. must have a governing board of directors or officers. The A.O. shall provide the Village with the names of the directors or officers and provide updates of any changes in writing.
- B. The A.O. shall initially provide the Village with its statement of purpose, established guidelines, and a set of by-laws that have been accepted and approved by the organization's board. In addition, the A.O. shall provide the Village with copies of the governing board's meeting minutes, annual report, and financial information upon request. Any updates or changes to the above mention should be submitted to the Public Works Director upon approval.
- C. The A.O. shall be organized and maintain active status as an Illinois not-for-profit corporation defined as follows:
 - 1. Revenues shall be exclusively devoted to the development, continuation, promotion, operation and expansion of the specialized activities in which the organization is involved.
 - 2. There shall be no salaries or compensation provided to any officer of the corporation.
 - 3. Assets of the organization will not, either during its operation or upon its dissolution, be distributable to or for the benefit of any individual or for-profit entity, group, or organization.
 - 4. Deposits, expenditures and assets of the organization shall be held on behalf of the organization and not in the name of any individual.
- D. The A.O. shall take reasonable steps to ensure that all coaches, managers, officials, or other adults who have leadership roles or contact with its minor participants are not prohibited by any law or regulation from being in contact with the participants.
- E. The A.O. agrees to conduct criminal background checks and child offender checks for all employees and volunteers eighteen years of age or older and those who directly supervise individuals under the age of eighteen years of age. The A.O. is solely responsible for determining whether any conviction disqualifies any employee/volunteer.

Section 7: Insurance/Indemnification.

- A. The A.O. shall maintain general liability insurance for personal injury, death or damage to property arising out of the use of the Village's facilities, property or equipment. Such insurance shall provide coverage with policy limits of not less than \$1 million for each occurrence and \$2 million aggregate limit. In the event of bodily injury or death to one or more persons and in an amount of not less than \$500,000 or \$1 million combined single limit. The A.O. shall furnish with the Village certificates of insurance naming the Village, its officials, agents, employees, and volunteers as additional insureds, and with original endorsements affecting coverage required by this clause. Certificates and endorsements for each insurance policy shall be signed by a person authorized by that insured to buying coverage on its behalf. The additional insured endorsements will be on Insurance Service Office (ISO) forms: CG 2010, CG 2026 or an equivalent endorsement that is approved in writing by the Director of Public Works. The Village reserves the right to request fully certified copies of insurance policies and endorsements. Certificates shall be updated and submitted to the village on an annual basis when the A.O. agreement is valid.
- B. Except only to the extent otherwise prohibited by law, the A.O. covenants and agrees to defend, indemnify and hold harmless the Village and its trustees, officers, employees, attorneys, legal representatives, and agents from any and all losses, claims, damages, costs, or expenses, including attorney fees, the Village may be required to pay as a result of

acts and/or omissions of the A.O. or any agent of the A.O, or otherwise arising out of or related to A.O.'s activities or use of Village property. In such event that A.O.'s duty to defend the Village occurs, the Village has the right to choose its own legal counsel at A.O.'s expense. A.O. shall fully cooperate with any investigation conducted by or on behalf of the Village and/or the Village's liability insurance carrier, including without limitation providing the full policy for review at any time. Failure to fully cooperate with any such investigation shall constitute a breach of agreement and in the sole discretion of the Village, may result in revocation or suspension of any A.O. privileges under this Agreement.

- C. The A.O. shall be responsible for any damage to Village equipment, property, or facilities caused by the negligent and/or intentional acts of the A.O. and its participants.
- D. The A.O. shall keep on file a copy of or electronic version of the Code of Conduct for their organization. This will include a Coaching, Players, and Parent Code of Ethics. See Exhibits B, C, and D for examples.
- E. The Village shall have no financial or legal responsibility for the A.O.

Section 8: Fees

The fee per participant or installment payment shall be listed below per season. The fees will be due within one month of the last completed game for the season.

2020- \$_____

Section 9: Term

This agreement shall run for a period of one year from the date of execution, which shall be the date the agreement is signed by both parties.

Section 10: General Conditions

- A. The Village reserves the right to revoke, change, or place on probation the status of the A.O. at any time after providing a written notice that outlines the reasons for revocation, change or probation.
- B. If any term, covenant, or condition of this Agreement is declared invalid, void or unenforceable, the remainder of the provisions shall remain in full force and effect.
- C. This agreement constitutes the entire agreement between the Village and the A.O. This Agreement may not be modified or amended except by written agreement of the parties.
- D. The parties agree that the exclusive venue for any dispute arising out of this Agreement shall be the Twenty-Second Judicial Circuit of the State of Illinois located in McHenry County, and that the laws of the State of Illinois shall govern.
- E. This Agreement may not be transferred or assigned by A.O. to any other party without the prior written consent of the Village.
- F. The parties agree that nothing in this Agreement creates a duty for the Village to continue operating, maintaining, or making available any Village facility or property, and that should the facility and/or property for which the A.O. entered this Agreement become permanently unavailable, the Agreement shall be considered terminated. In such event, the parties shall attempt to resolve how much of any unpaid balance shall be owed to the Village, based on A.O.'s usage

of the space and Village resources committed to A.O.'s usage of the space.

G. Notices shall be in writing. The parties' addresses are as follows:

Village: Village of Lake in the Hills
9010 Haligus Road
Lake in the Hills, IL 60156
Attn: Public Works Director

A.O.: _____

H. The terms, covenants and conditions of this Agreement shall bind and insure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns. IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

VILLAGE OF LAKE IN THE HILLS, an Illinois Municipal Corporation

By: _____

Its: Village President _____

United Cricket Club, An Affiliate Organization

By: _____

Its: _____



REQUEST FOR BOARD ACTION

MEETING DATE: June 23, 2020

DEPARTMENT: Public Works

SUBJECT: 2020 Contract for Thermoplastic Road Striping Services

EXECUTIVE SUMMARY

The Suburban Purchasing Cooperative (SPC) offers the opportunity for local governmental bodies to participate in joint purchasing programs. They create specifications and solicit competitive bids for a variety of contracts and each purchase is exempt from the normal bidding process by Section 9.13 of the Village Municipal Code. Due to extraordinary circumstances in the time of COVID-19, the Suburban Purchasing Cooperative Governing Board has decided that it is in the best interest of its members to extend the SPC 2019 Thermoplastic Lane Marking Contract #158 to Superior Road Striping for 2020 with no price increase. The 2020 contract extension letter and pricing is attached for your review and consideration. Each year, the Village hires a contractor to replace the thermoplastic road striping in 1/5 of the Village, and the 2020 pricing and estimated quantities listed below will allow the Village to continue its current thermoplastic roadway striping replacement cycle.

Item	Estimated Quantity	Unit	Unit Price	Total
4" Thermoplastic Marking Line	34,375	LF	\$0.52	\$17,875.00
6" Thermoplastic Marking Line	1,150	LF	\$0.76	\$874.00
12" Thermoplastic Marking Line	1,200	LF	\$1.52	\$1824.00
24" Thermoplastic Marking Line	120	LF	\$3.78	\$453.60
Thermoplastic Marking Letters & Symbols	250	SF	\$3.51	\$877.50
Thermoplastic Marking Removal	7,543	SF	\$0.41	\$3,092.63
TOTAL				\$24,996.73

FINANCIAL IMPACT

The Village's 2020 budget included \$25,000.00 in the General Fund for thermoplastic road striping. The total expense for 2020 will not to exceed \$25,000.00.

ATTACHMENTS

1. Pricing and Extension Letter

RECOMMENDED MOTION

Motion to participate in the Suburban Purchasing Cooperative's 2020 joint contract extension with Superior Road Striping of Melrose Park, IL, for thermoplastic road striping services in an amount not to exceed \$25,000.00.



REQUEST FOR BOARD ACTION

MEETING DATE: June 23, 2020

DEPARTMENT: Community Services

SUBJECT: Ordinance Extending the Construction Start Date for Phase 2 of the Melody Living Senior Housing Development

EXECUTIVE SUMMARY

Cedarwood Development requested an extension to the construction start date for Phase 2 (Independent Living) of the Melody Living Senior Housing Development at 555 Harvest Gate. The Village Board approved Ordinance 2017-32 in July 2017 allowing construction of the development. At that time, it was established that the Independent Living Building would be required to start construction before December 31, 2020. Due to issues involving construction of Phase 1, approving changes to the plat of subdivision, and the impact of the corona virus pandemic, construction of Phase 2 will not begin until next year. The attached ordinance amends the original ordinance requiring construction of Phase 2 to begin before December 31, 2021. Cedarwood currently intends to submit the plans for a building permit late this year to allow construction to begin in Spring 2021.

FINANCIAL IMPACT

None

ATTACHMENTS

1. Ordinance

RECOMMENDED MOTION

Motion to approve an amendment to Ordinance 2017-32 changing the required construction start date of Phase 2 from December 31, 2020 to December 31, 2021.

VILLAGE OF LAKE IN THE HILLS

ORDINANCE NO. 2020 - ____

An Ordinance Amending Ordinance 2017-32 to Extend the Construction Start Date for Phase 2 of the Melody Living Senior Living Facility at 555 Harvest Gate Road in Lake in the Hills

WHEREAS, the Village of Lake in the Hills, McHenry County, Illinois (the "Village"), is a home rule municipality as contemplated under Article VII, Section 6, of the Constitution of the State of Illinois, and the passage of this Ordinance constitutes an exercise of the Village's home rule powers and functions as granted in the Constitution of the State of Illinois; and

WHEREAS, The President and Board of Trustees of the Village of Lake in the Hills approved a petition by Cedarwood Development for construction of the Melody Living Senior Housing Facilities at 525 and 555 Harvest Gate; and

WHEREAS, certain business and economic conditions have caused Cedarwood Development to delay the start of Phase 2 construction; and

WHEREAS, Cedarwood Development requests an extension to the previously approved construction start date for Phase 2; and

NOW, THEREFORE, Be It ordained by the President and Board of Trustees of the Village of Lake in the Hills, McHenry County, Illinois that:

SECTION 1: The Corporate Authorities find that the statements in the foregoing preamble are true.

SECTION 2: An extension of the construction start date for Phase 2 to December 31, 2021 is hereby accepted.

SECTION 3: All other requirements set forth in Ordinance 2017-32 shall be complied with as previously approved; and

SECTION 4: If any section, paragraph, subdivision, clause, sentence or provision of this Ordinance shall be adjudged by any court of competent jurisdiction to be invalid, such judgement shall not affect, impair, invalidate, or nullify the remainder thereof, which remainder shall continue in full force and effect.

SECTION 5: All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 6: This ordinance shall be in full force and effect upon its passage, approval, and publication in pamphlet form which publication is hereby authorized as provided by law.

Passed this 25th day of June, 2020 by roll call vote as follows:

	Ayes	Nays	Absent	Abstain
Trustee Stephen Harlfinger	_____	_____	_____	_____
Trustee Ray Bogdanowski	_____	_____	_____	_____
Trustee Bob Huckins	_____	_____	_____	_____
Trustee Bill Dustin	_____	_____	_____	_____
Trustee Suzette Bojarski	_____	_____	_____	_____
Trustee Diane Murphy	_____	_____	_____	_____
President Russ Ruzanski	_____	_____	_____	_____

APPROVED THIS 25TH DAY OF JUNE, 2020

Village President, Russ Ruzanski

(SEAL)

ATTEST: _____
Village Clerk, Cecilia Carman

Published: _____



REQUEST FOR BOARD ACTION

MEETING DATE: June 23, 2020

DEPARTMENT: Community Services

SUBJECT: Approve Amended Plat of Resubdivision for the Melody Living Senior Housing Development

EXECUTIVE SUMMARY

Cedarwood Development submitted an amended plat of Resubdivision for the development at 525 and 555 Harvest Gate. The Village Board approved Ordinance 2017-32 in July 2017 approving the original plat of subdivision. This ordinance acknowledges that the developer may want to subdivide the lot into two lots for separate financing of the development. In April 2018, a plat of resubdivision was signed implementing the split. A zero setback was established between the two lots to allow the construction of the two buildings as if they were one. Because of the separate lots, there are specific building code requirements necessary to separate the buildings from a fire protection and life safety standpoint. As the developer progressed with the design for the Phase 2 building, they identified a need to adjust the approved lot line to comply with the building code requirements. This plat makes the necessary adjustments to the lot line.

The Planning and Zoning Commission reviewed the amended plat at the May 18 and June 13 meetings. They approved the plat by a vote of 3 to 2. Discussion with the Commissioners who voted "No" revealed that they did not have any concern about the plat but did have a concern about the change in the mix of the different units in the development.

FINANCIAL IMPACT

None

ATTACHMENTS

1. Ordinance

RECOMMENDED MOTION

Motion to approve the ordinance for the Amended Plat of Resubdivision for the Melody Living Senior Living Subdivision.

VILLAGE OF LAKE IN THE HILLS

ORDINANCE NO. 2020 - ____

**An Ordinance Granting an Amendment to Ordinance 2017-32, for
the Melody Living Senior Living Development, to
Resubdivide the Development into Two Lots at
525 and 555 Harvest Gate in Lake in the Hills**

WHEREAS, the Village of Lake in the Hills, McHenry County, Illinois (the "Village"), is a home rule municipality as contemplated under Article VII, Section 6, of the Constitution of the State of Illinois, and the passage of this Ordinance constitutes an exercise of the Village's home rule powers and functions as granted in the Constitution of the State of Illinois; and

WHEREAS, Cedarwood Development, owners of the property, petitioned the Village of Lake in the Hills to amend Ordinance 2017-32, which approved the final plat. The ordinance originally approved a Plat of Subdivision; however, the ordinance allowed for future splitting of the lot; and

WHEREAS, Melody Living submitted an Amended Plat of Resubdivision (Exhibit A) to financially separate the construction efforts and to adjust the lot line to be in compliance with the building codes.

WHEREAS, the Planning and Zoning Commission, after deliberation, has made a report and its recommendation relative to the amended plat for the subject property; and

WHEREAS, the President and Board of Trustees of the Village of Lake in the Hills have considered the report of the Planning and Zoning Commission and all of the evidence presented by the petitioner at the public hearing before the Commission; and

NOW, THEREFORE, Be It ordained by the President and Board of Trustees of the Village of Lake in the Hills, McHenry County, Illinois that:

SECTION 1: The Corporate Authorities find that the statements in the foregoing preamble are true.

SECTION 2: The findings and recommendations of the Planning and Zoning Commission on the question of granting the Amended Plat for the Melody Living Senior Living Development at 525 and 555 Harvest Gate are hereby accepted.

SECTION 3: All other requirements set forth in Ordinance 2017-32 shall be complied with as previously approved; and

SECTION 4: If any section, paragraph, subdivision, clause, sentence or provision of this Ordinance shall be adjudged by any court of competent jurisdiction to be invalid, such judgement shall not affect, impair, invalidate, or nullify the remainder thereof, which remainder shall continue in full force and effect.

SECTION 5: All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 6: This ordinance shall be in full force and effect upon its passage, approval, and publication in pamphlet form which publication is hereby authorized as provided by law.

Passed this 25th day of June, 2020 by roll call vote as follows:

	Ayes	Nays	Absent	Abstain
Trustee Stephen Harlfinger	_____	_____	_____	_____
Trustee Ray Bogdanowski	_____	_____	_____	_____
Trustee Bob Huckins	_____	_____	_____	_____
Trustee Bill Dustin	_____	_____	_____	_____
Trustee Suzette Bojarski	_____	_____	_____	_____
Trustee Diane Murphy	_____	_____	_____	_____
President Russ Ruzanski	_____	_____	_____	_____

APPROVED THIS 25TH DAY OF JUNE, 2020

Village President, Russ Ruzanski

(SEAL)

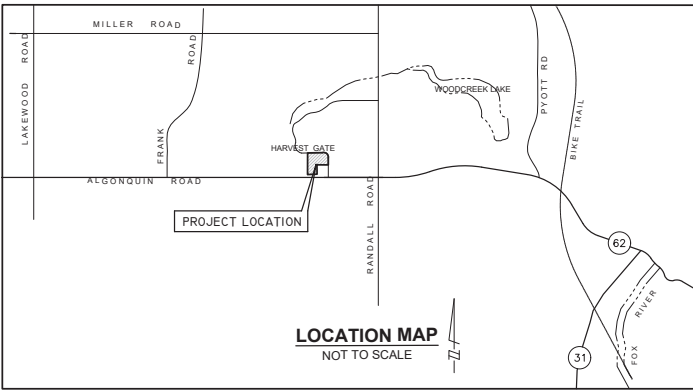
ATTEST: _____
Village Clerk, Cecilia Carman

Published: _____

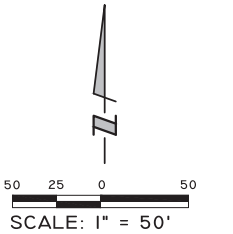
AMENDED FINAL PLAT OF RESUBDIVISION OF MELODY LIVING OF LAKE IN THE HILLS

MAIL PLAT TO:

HAEGER ENGINEERING LLC
CONSULTING ENGINEERS AND LAND SURVEYORS
100 EAST STATE PARKWAY
SCHAMBURG, IL 60173



BEING A SUBDIVISION OF LOT 1 IN MELODY LIVING OF LAKE IN THE HILLS ACCORDING TO THE PLAT THEREOF RECORDED APRIL 6, 2018 AS DOCUMENT 2018R0010926, BEING A SUBDIVISION OF LOT 2 IN THE VILLAS OF LAKE IN THE HILLS, ALL BEING PART OF THE NORTHEAST QUARTER OF SECTION 30, TOWNSHIP 43 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPLE MERIDIAN, IN MCHENRY COUNTY, ILLINOIS.



LIMITATIONS ON EASEMENTS

EXCEPT AS MAY BE REQUIRED TO COMPLY WITH ANY APPLICABLE LAW, NO OWNER MAY GRANT ANY EASEMENT ON, OVER, ACROSS, OR UNDER ITS LOT FOR THE BENEFIT OF ANY REAL PROPERTY NOT WITHIN THE BOUNDARIES OF THE MELODY LIVING SUBDIVISION WITHOUT THE WRITTEN CONSENT OF ALL THE OWNERS OF ALL THE LOTS AT THE TIME SUCH EASEMENT IS GRANTED. HOWEVER, NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, NO EASEMENT GRANTED IN THIS DECLARATION OF EASEMENTS, COVENANTS, AND RESTRICTIONS, NOW OR IN THE FUTURE, SHALL ENCOMPASS OR ENCRUMB UPON ANY EASEMENT PREVIOUSLY DEDICATED TO THE VILLAGE OF LAKE IN THE HILLS WITHOUT THE VILLAGE'S CONSENT AND PERMISSION, IN WRITING, WHICH MAY BE WITHHELD IN ITS SOLE DISCRETION.

UTILITY CROSSING RESERVATION PROVISIONS

THE TITLED OWNERS OF NEW SUBDIVISION LOT 1 & 2 AS SHOWN HEREON (THE "OWNERS") SHALL HAVE THE RIGHT TO INSTALL, ACCESS, REPAIR, MAINTAIN OR RE-INSTALL STORM SEWER FACILITIES BENEATH PUBLIC PATH ON THE TERMS AND CONDITIONS BELOW. TO THE EXTENT THAT SUCH PATH IS DAMAGED BY THE OWNER ACCESSING, REPAIRING, MAINTAINING, OR RE-INSTALLING SUCH STORM SEWER FACILITIES, THE OWNERS, AT ITS SOLE COST, SHALL RESTORE, REPAIR, AND RE-SURFACE SUCH PATH TO ITS PREVIOUSLY EXISTING CONDITION. THE OWNERS SHALL INDEMNIFY AND HOLD HARMLESS THE VILLAGE FROM ANY CAUSE OF ACTION ARISING FROM THE OWNER ACCESSING, REPAIRING, MAINTAINING OR RE-INSTALLING THE OWNER'S STORM SEWER FACILITIES.

THE OWNERS SHALL NOTIFY THE VILLAGE IN ADVANCE WHEN THE OWNER ANTICIPATES ACCESSING, REPAIRING, MAINTAINING OR RE-INSTALLING THE STORM SEWER FACILITIES IF SUCH WORK IS ANTICIPATED TO AFFECT THE PATH. THE OWNERS SHALL BE RESPONSIBLE FOR THE SAFETY MEASURES RELATIVE TO SUCH WORK. THE OWNER SHALL PROVIDE A CERTIFICATE OF INSURANCE TO THE VILLAGE NAMING IT AS AN ADDITIONAL INSURED IN AMOUNTS AND COVERAGES REASONABLY ACCEPTABLE TO THE VILLAGE PRIOR TO WORK BEING DONE ABSENT EMERGENCY CIRCUMSTANCES.

IN THE EVENT THAT THE VILLAGE BRINGS OR DEFENDS LITIGATION REGARDING THE INTERPRETATION OR ENFORCEMENT OF ITS RIGHTS OR ANY OTHER TERMS OR CONDITIONS SET FORTH IN THIS PROVISION, AND THE VILLAGE PREVAILS, IT SHALL BE AWARDED ITS ATTORNEYS FEES AND COSTS FROM THE NON-PREVAILING PARTY, INCLUDING THOSE ASSOCIATED WITH ANY APPEAL AS WELL AS ANY COLLECTION PROCEEDING.

SANITARY SEWER EASEMENT PROVISIONS

A NON-EXCLUSIVE EASEMENT IS HEREBY RESERVED FOR AND GRANTED TO THE LAKE IN THE HILLS SANITARY DISTRICT, AND THEIR RESPECTIVE SUCCESSORS AND ASSIGNS, WITHIN THE DASHED LINES ON THE PLAT AND MARKED "SANITARY SEWER EASEMENT" TO INSTALL, LAY, CONSTRUCT, RENEW, OPERATE AND MAINTAIN UNDERGROUND SANITARY SEWERS WITH ALL NECESSARY MANHOLES, CLEANOUTS, AND OTHER EQUIPMENT FOR THE PURPOSE OF SERVING THE PROPERTY WITH SANITARY SEWER SERVICES; THE RIGHT TO ENTER UPON THE PROPERTY AT ALL TIMES TO INSTALL, LAY, CONSTRUCT, RENEW, OPERATE AND MAINTAIN WITHIN SAID EASEMENT AREA SAID SEWERS, MANHOLES, CLEANOUTS AND OTHER EQUIPMENT; AND FINALLY THE RIGHT IS HEREBY GRANTED TO CUT DOWN AND REMOVE OR TRIM AND KEEP TRIMMED ANY TREES, SHRUBS, OR SAPLINGS THAT INTERFERE OR THREATEN TO INTERFERE WITH ANY OF THE SAID PUBLIC UTILITY EQUIPMENT. ALL INSTALLATIONS SHALL BE UNDERGROUND OR ON THE SURFACE, BUT NOT OVERHEAD. NO PERMANENT BUILDINGS OR OTHER STRUCTURES SHALL BE PLACED IN THE EASEMENTS.

LEGEND

- Property Corner set with 1/2" iron pipe unless otherwise noted with existing corner.
- Set Concrete Subdivision Monument
- Underlying Subdivision Lot No.
- LOT I
- New Subdivision Lot No.
- Exterior Boundary Line
- New Lot Line

AREA SUMMARY

LOT 1	221,280 S.F.	5.0799 Ac.
LOT 2	122,172 S.F.	2.8047 Ac.
TOTAL	343,452 S.F.	7.8846 Ac.

TAXING DISTRICTS
(ACCORDING TO MCHENRY COUNTY GIS WEBSITE
<http://www.mchenrycountygis.org/Athena/>)

MCHENRY COUNTY
MCHENRY COUNTY CONSERVATION
ALGONQUIN LITH FIRE DISTRICT
ALGONQUIN TWP RD & BR
ALGONQUIN TOWNSHIP
ALGONQUIN LIBRARY
LAKE IN THE HILLS VILLAGE
SCHOOL DIST 300
COLLEGE DISTRICT 509 ELGIN
LITH SSA
LITH SANITARY DIST

JOB NO.: 16-215

HAEGER ENGINEERING
consulting engineers • land surveyors

100 East State Parkway, Schaumburg, IL 60173
Tel: 847.394.6600 Fax: 847.394.6608
Illinois Professional Design Firm License No. 184-003152
www.haegerengineering.com

1 03-03-2020 Per Village Review Comments
No. Date Revision

LINE TABLE

Line	Direction	Length
L1	N 74° 46' 34" E	14.86'
L2	N 00° 30' 22" W	55.44'
L3	N 00° 30' 22" W	30.09'
L4	N 16° 54' 45" E	15.27'
L5	S 15° 23' 23" E	15.07'
L6	N 73° 30' 48" W	14.90'
L7	S 80° 27' 55" W	153.42'
L8	N 00° 27' 14" W	31.30'
L9	S 89° 32' 46" W	10.00'
L10	S 00° 27' 14" E	35.20'
L11	N 53° 00' 49" E	229.27'
L12	S 36° 59' 11" E	10.00'
L13	N 53° 00' 49" E	231.79'
L14	N 80° 27' 55" E	155.48'
L15	S 50° 23' 16" E	82.99'
L16	S 00° 30' 22" E	5.00'
L17	N 89° 29' 38" E	10.00'
L18	N 00° 30' 22" W	9.65'
L19	N 50° 23' 16" W	75.77'
L20	N 00° 16' 13" W	29.60'
L21	S 89° 36' 08" W	78.55'
L22	N 89° 28' 09" E	3.97'
L23	N 00° 16' 13" W	29.32'
L24	N 89° 36' 08" E	68.71'

CURVE TABLE

Curve	Length	Radius	Chord	Chord Bearing
C1	40.37'	42.50'	38.87'	S 26° 42' 13" W
C2	48.73'	62.50'	47.51'	N 22° 50' 36" W
C3	35.24'	87.50'	35.00'	N 12° 02' 35" W
C4	60.00'	74.50'	58.40'	N 00° 30' 22" W
C5	35.24'	87.50'	35.00'	N 11° 01' 51" E
C6	97.43'	137.50'	95.41'	N 19° 47' 38" E
C7	44.29'	62.50'	43.37'	N 19° 47' 38" E

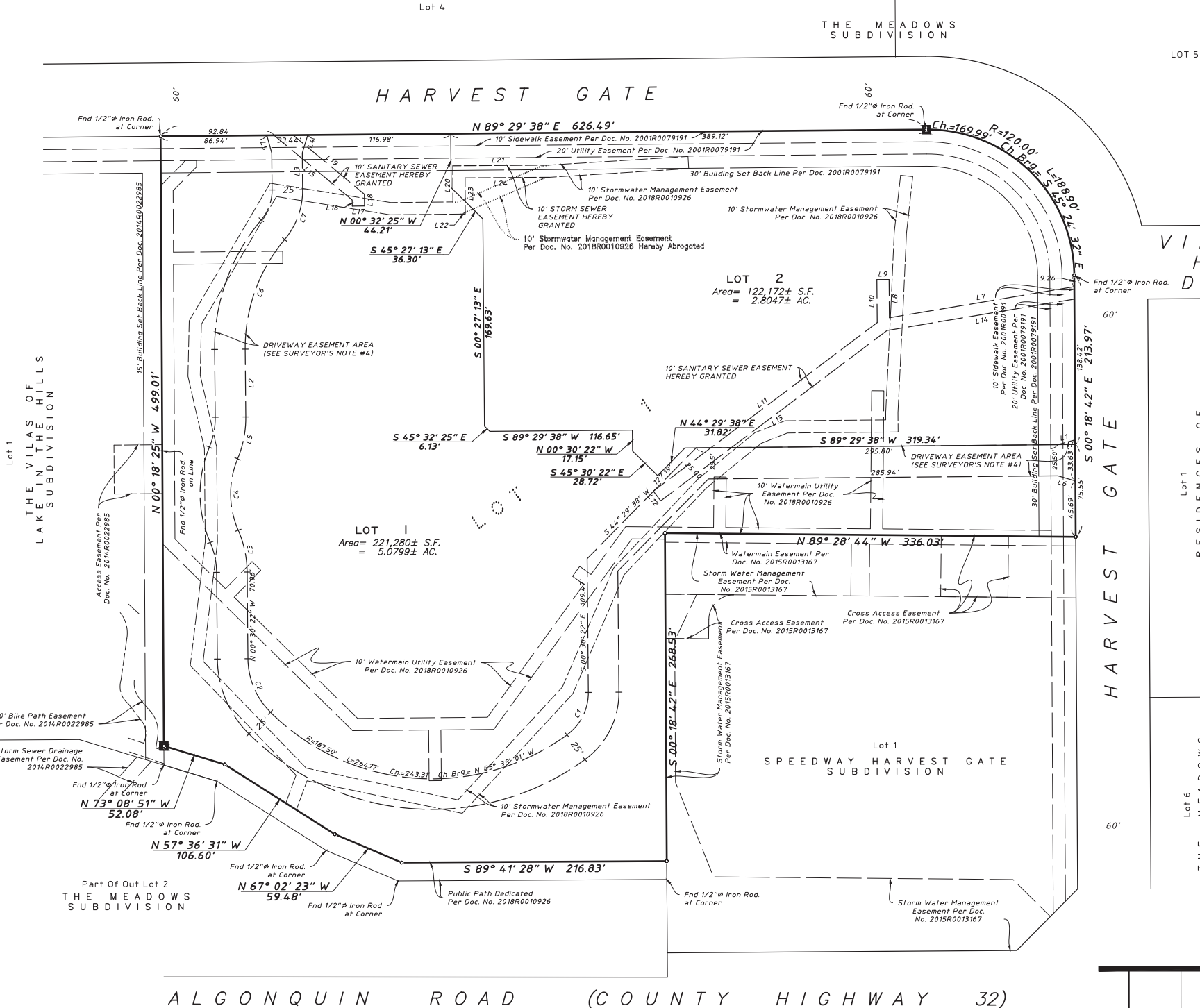
AGE RESTRICTION NOTE:

1. THE HOUSING UNITS CONTEMPLATED BY THIS AMENDED FINAL PLAT OF RESUBDIVISION AND THE VILLAGE'S ZONING CLASSIFICATION OF R-4 P.D. MULTI-FAMILY PLANNED DEVELOPMENT - SENIOR HOUSING ARE RESTRICTED TO THOSE INDIVIDUALS WHO ARE 62 YEARS OF AGE OR OLDER. NO PERSON UNDER THE AGE OF 62 YEARS OF AGE SHALL BE PERMITTED TO OCCUPY OR RESIDE IN ANY UNIT SITUATED UPON THE SUBJECT PROPERTY UNLESS: (I) SUCH PERSON IS A SPOUSE OF A PERSON WHO IS RESIDING OR OCCUPYING THE UNIT WHO IS 62 YEARS OF AGE OR OLDER; OR (II) ANY FUTURE AMENDMENT TO THE "HOUSING FOR OLDER PERSONS" EXEMPTION OF TITLE VIII OF THE CIVIL RIGHTS ACT OF 1968 (THE FEDERAL FAIR HOUSING ACT), AS AMENDED BY THE FAIR HOUSING AMENDMENTS ACT OF 1988 (THE FAIR HOUSING ACT), OR ANY FUTURE AMENDMENT TO THE SAID FAIR HOUSING ACT, OR ANY CHANGE IN APPLICABLE FEDERAL, STATE, OR LOCAL LAW, OTHERWISE PERMITS THE SAME OR RENDERS SUCH AGE-RELATED RESTRICTION UNLAWFUL.

THIS RESTRICTION IS A COVENANT THAT RUNS WITH THE LAND AND THE VILLAGE OF LAKE IN THE HILLS, AN ILLINOIS MUNICIPAL CORPORATION (THE "VILLAGE"), SHALL HAVE STANDING TO ENFORCE THIS PERMANENT COVENANT. IN THE EVENT THAT THE VILLAGE BRINGS OR DEFENDS LITIGATION REGARDING THE INTERPRETATION OR ENFORCEMENT OF ITS RIGHTS OR ANY TERMS OR CONDITIONS SET FORTH IN THIS COVENANT, AND THE VILLAGE PREVAILS, IT SHALL BE AWARDED ITS ATTORNEYS' FEES AND COSTS FROM THE NON-PREVAILING PARTY INCLUDING THOSE ASSOCIATED WITH ANY APPEAL AS WELL AS COLLECTION PROCEEDINGS.

SURVEYOR NOTES:

- THE BASIS OF BEARING SHOWN HEREON IS BASED ON NAD 83(2011) ILLINOIS EAST ZONE 1201 STATE PLANE COORDINATES AS REFERENCED FROM KARLA COMPANY'S RTK NETWORK.
- THE FIELD WORK FOR THIS SURVEY WAS COMPLETED ON FEBRUARY 27, 2017.
- SUBJECT PROPERTY SHOWN HEREON IS LOCATED WITHIN LAKE IN THE HILLS ZONE CLASSIFICATION R-4 PD "MULTIFAMILY PLANNED DEVELOPMENT - SENIOR HOUSING".
- THE DRIVEWAY EASEMENT AREA PER THIS SUBDIVISION IS SUBJECT TO DECLARATION OF EASEMENTS, COVENANTS, AND RESTRICTIONS SET FORTH IN DOC. NO. 2020R008110 RECORDED ON MARCH 9, 2020.
- THIS SUBDIVISION IS SUBJECT TO THE AFORESAID DECLARATION OF EASEMENTS, COVENANTS, AND RESTRICTIONS. NOTHING SET FORTH HEREIN SHALL BE DEEMED TO PRECLUDE THE FUTURE RE-SUBDIVISION OF THE LOTS AND THE CONCURRENT CONSOLIDATION OF THEN EXISTING LOTS OR CREATION OF ADDITIONAL LOT(S) SUBJECT TO THE VILLAGE OF LAKE IN THE HILLS SUBDIVISION ORDINANCE AND RELATED ORDINANCES REGARDING SAME.



ALGONQUIN ROAD (COUNTY HIGHWAY 32)

AMENDED FINAL PLAT

OF

RESUBDIVISION OF MELODY LIVING

OF LAKE IN THE HILLS

BEING A SUBDIVISION OF LOT 1 IN MELODY LIVING OF LAKE IN THE HILLS ACCORDING TO THE PLAT THEREOF RECORDED APRIL 6, 2018 AS DOCUMENT 2018R0010926, BEING A SUBDIVISION OF LOT 2 IN THE VILLAS OF LAKE IN THE HILLS, ALL BEING PART OF THE NORTHEAST QUARTER OF SECTION 30, TOWNSHIP 43 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPLE MERIDIAN, IN MCHENRY COUNTY, ILLINOIS.

OWNER'S CERTIFICATE AND SCHOOL DISTRICT STATEMENT

STATE OF _____)
) SS
 COUNTY OF _____)

THIS IS TO CERTIFY THAT AL-MC LAKE IN HILLS ASSOCIATES, LLC IS THE OWNER OF THE LAND DESCRIBED ON THE PLAT HEREON DRAWN AND SHOWN HEREON AS SUBDIVIDED; THAT SAID LAND IS PART OF THE LAND DESCRIBED ON THE PLAT HEREON DRAWN AND SHOWN HEREON AS SUBDIVIDED; THAT THEY HAVE CAUSED SAID LAND TO BE SURVEYED, SUBDIVIDED, STAKED AND PLATTED AS SHOWN HEREON, FOR THE PURPOSE OF HAVING THIS PLAT RECORDED AS PROVIDED BY LAW. IT FURTHER CERTIFIES TO THE BEST OF ITS KNOWLEDGE, THAT THE LAND INCLUDED HEREIN FALLS WITHIN UNIT SCHOOL DISTRICT 300, JUNIOR COLLEGE DISTRICT 509 ELGIN.

IT FURTHER CERTIFIES TO GRANTING THE CROSS ACCESS EASEMENT HEREON SHOWN AND PER THE PROVISIONS STATED HEREIN.

SIGNED AT _____, THIS _____ DAY OF _____
 (CITY) (STATE)
 _____, A.D. 20__

BY: _____

TITLE: _____

NOTARY CERTIFICATE

STATE OF _____)
) SS
 COUNTY OF _____)

I, THE UNDERSIGNED, A NOTARY PUBLIC IN AND FOR THE COUNTY AND STATE AFORESAID, DO HEREBY CERTIFY THAT

_____ PERSONALLY KNOWN TO ME THE SAME PERSON OR PERSONS WHOSE NAME IS SUBSCRIBED TO THE FOREGOING INSTRUMENT RESPECTIVELY APPEARED BEFORE ME THIS DAY IN PERSON AND ACKNOWLEDGED THAT THEY SIGNED AND DELIVERED THE SAID INSTRUMENT AS THEIR OWN FREE AND VOLUNTARY ACT OF SAID COMPANY FOR THE USES AND PURPOSES THEREIN SET FORTH.

GIVEN UNDER MY HAND AND NOTARIAL SEAL, THIS _____ DAY OF _____, A.D. 20__

(SEAL) _____
 NOTARY PUBLIC

SURFACE WATER DRAINAGE STATEMENT

STATE OF ILLINOIS)
) SS.
 COUNTY OF COOK)

TO THE BEST OF OUR KNOWLEDGE AND BELIEF, THE DRAINAGE OF SURFACE WATERS WILL NOT BE CHANGED BY THE CONSTRUCTION OF SUCH SUBDIVISION OR ANY PART THEREOF, OR THAT IF SUCH SURFACE WATER DRAINAGE WILL CHANGE, REASONABLE PROVISIONS HAVE BEEN MADE FOR COLLECTION AND DISCHARGE OF SUCH SURFACE WATERS INTO PUBLIC OR PRIVATE AREAS AND/OR DRAINS WHICH THE SUBDIVIDER HAS A RIGHT TO USE AND THAT SUCH SURFACE WATERS WILL BE PLANNED FOR IN ACCORDANCE WITH GENERALLY ACCEPTED ENGINEERING PRACTICES SO AS TO REDUCE THE LIKELIHOOD OF SUBSTANTIVE DAMAGE TO THE ADJOINING PROPERTY BECAUSE OF THE CONSTRUCTION OF THE SUBDIVISION.

DATED THIS _____ DAY OF _____, 20__

REGISTERED PROFESSIONAL ENGINEER

OWNER (S) OR DULY AUTHORIZED ATTORNEY

PREPARED BY:

HAEGER ENGINEERING, LLC
 CONSULTING ENGINEERS AND LAND SURVEYORS
 100 EAST STATE PARKWAY
 SCHAMBURG, IL 60173
 TEL: (847)394-6600
 FAX: (847)394-6608
 PROJECT NO. 16-215

PREPARED FOR:

AL-MC LAKE IN HILLS ASSOCIATES, LLC
 1765 MERRIMAN ROAD
 AKRON, OHIO 44313

SEND NEW TAX BILLS TO:

AL-MC LAKE IN HILLS ASSOCIATES, LLC
 1765 MERRIMAN ROAD
 AKRON, OHIO 44313

THIS PLAT SUBMITTED FOR RECORDING BY:

CECILIA CARMAN
 VILLAGE CLERK
 THE VILLAGE OF LAKE IN THE HILLS
 600 HARVEST GATE, LAKE IN THE HILLS, IL 60156

MORTGAGEE CERTIFICATE

STATE OF _____)
) S.S.
 COUNTY OF _____)

_____, AS MORTGAGEE, UNDER THE PRINT MORTGAGEE NAME _____

PROVISIONS OF A CERTAIN MORTGAGE DATED _____ A.D. 20__ AND RECORDED IN THE RECORDER'S OFFICE OF _____ COUNTY, ILLINOIS ON THE _____ DATE _____

DAY OF _____, A.D., 20__ YEAR

AS DOCUMENT NO. _____ HEREBY CONSENTS TO AND APPROVES THE SUBDIVISION OF THE LAND AND THE GRANTING OF THE EASEMENT(S) DEPICTED HEREON AND HEREBY SUBORDINATES SUCH MORTGAGE TO SUCH EASEMENTS.

DATED THIS _____ DAY OF _____, A.D., 20__

PRINT MORTGAGEE NAME: _____

BY: _____ ATTEST: _____

ITS: _____ ITS: _____

NOTARY'S CERTIFICATE

STATE OF _____)
) S.S.
 COUNTY OF _____)

THE UNDERSIGNED, A NOTARY PUBLIC IN THE COUNTY AND STATE AFORESAID, DO HEREBY CERTIFY THAT

(NAME) _____ (TITLE) _____

OF _____ AND (NAME) _____

(TITLE) _____ OF _____ WHO ARE PERSONALLY KNOWN TO ME TO BE THE SAME PERSONS WHOSE NAMES ARE SUBSCRIBED TO THE FOREGOING INSTRUMENT AS SUCH

(TITLE) _____ AND (TITLE) _____ RESPECTIVELY, APPEARED BEFORE ME THIS DAY IN PERSON AND ACKNOWLEDGED THAT THEY SIGNED AND DELIVERED THE SAID INSTRUMENT AS THEIR OWN FREE AND VOLUNTARY ACT AND AS THE FREE AND VOLUNTARY ACT

OF SAID _____, AS MORTGAGEE, FOR THE USES AND PURPOSES THEREIN SET FORTH.

GIVEN UNDER MY HAND AND SEAL

THIS _____ DAY OF _____, A.D. 20__

NOTARY PUBLIC

STORMWATER MANAGEMENT EASEMENT PROVISIONS

A PERPETUAL, PERMANENT, IRREVOCABLE EASEMENT FOR STORMWATER MANAGEMENT IS HEREBY GRANTED TO THE VILLAGE OF LAKE IN THE HILLS, ITS SUCCESSORS AND OR ASSIGNS, OVER, UNDER, ACROSS, ALONG AND UPON THE SURFACE OF THAT PART OF THE HEREON CAPTIONED PROPERTY DESIGNATED ON THE PLAT AND MARKED AS "STORMWATER MANAGEMENT EASEMENT" OR "SME" FOR THE COLLECTION, AND CONVEYANCE OF STORMWATER IN AREAS TO BE MAINTAINED BY THE OWNER, AT OWNER'S EXPENSE, OF THE LOT(S) ON WHICH THE FACILITIES EXIST IN ACCORDANCE WITH MUNICIPAL ORDINANCES AND THE APPROVED FINAL ENGINEERING IMPROVEMENT PLANS. TOGETHER WITH THE RIGHT OF ACCESS THERETO FOR THE PERSONNEL AND EQUIPMENT NECESSARY AND REQUIRED FOR SUCH USES AND PURPOSES, AND TOGETHER WITH THE RIGHT, BUT NOT THE OBLIGATION, TO CUT, TRIM, OR REMOVE TREES, BUSHES AND ROOTS OR DRIVEWAY SURFACE AS MAY BE REASONABLY REQUIRED INCIDENTAL TO THE RIGHTS HEREIN GIVEN AND THE RIGHT TO ENTER UPON THIS PROPERTY FOR ALL SUCH PURPOSES, ENCROACHMENT OF ANY KIND INCLUDING LANDSCAPING, FENCES, SHEDS OR ACCESSORY STRUCTURES WITHIN SAID EASEMENT IS PROHIBITED UNLESS THE VILLAGE ENGINEER HAS DETERMINED SAID ENCROACHMENT WILL NOT INTERFERE WITH THE PROPER FUNCTION OF SAID FACILITIES. THE VILLAGE SHALL HAVE THE RIGHT, BUT NOT THE OBLIGATION, TO ENTER WITH PERSONNEL AND EQUIPMENT UPON SAID EASEMENT AT ANY TIME FOR THE PURPOSES OF ACCESS TO AND INSPECTION OF THE STORMWATER MANAGEMENT FACILITIES LOCATED WITHIN SAID EASEMENT. IN THE EVENT THE VILLAGE REMOVES ANY TREES, SHRUBS, LANDSCAPING, IMPROVEMENT, STRUCTURES, DRIVEWAY SURFACE OR BUILDING SITUATED IN AND UPON ANY STORMWATER MANAGEMENT EASEMENT, THE VILLAGE SHALL NOT BE OBLIGATED TO RESTORE OR PAY COMPENSATION OF ANY KIND FOR THE REMOVAL OF ANY SUCH TREE, SHRUB, LANDSCAPING, IMPROVEMENT, STRUCTURE, DRIVEWAY SURFACE OR BUILDING SITUATED THEREON. IF THE OWNER FAILS TO MAINTAIN SAID FACILITIES AND, AFTER RECEIPT OF NOTICE FROM THE VILLAGE OF SAID FAILURE, THE OWNER FAILS TO MAKE REQUIRED REPAIRS IN A REASONABLE PERIOD OF TIME, THE VILLAGE MAY MAKE THE REQUIRED REPAIRS IN ITS SOLE DISCRETION AND SHALL BE REIMBURSED FROM THE OWNER FOR THE COSTS INCURRED BY THE VILLAGE TO MAKE THE REPAIR AND/OR FILE A LIEN ON THE PROPERTY.

IN THE EVENT THAT THE VILLAGE BRINGS OR DEFENDS LITIGATION REGARDING THE INTERPRETATION OR ENFORCEMENT OF ITS RIGHTS OR ANY OTHER TERMS OR CONDITIONS SET FORTH IN THIS PROVISION, AND THE VILLAGE PREVAILS, IT SHALL BE AWARDED ITS ATTORNEYS' FEES AND COSTS FROM THE NON-PREVAILING PARTY INCLUDING THOSE ASSOCIATED WITH ANY APPEAL AS WELL AS ANY COLLECTION PROCEEDING.

WATER MAIN UTILITY EASEMENT PROVISION

A PERMANENT, EXCLUSIVE (EXCEPT AS OTHERWISE EXPRESSLY AND SPECIFICALLY PROVIDED FOR HEREIN) EASEMENT IS HEREBY RESERVED FOR AND GRANTED TO THE VILLAGE OF LAKE IN THE HILLS, AN ILLINOIS MUNICIPAL CORPORATION (THE "VILLAGE"), AND ITS SUCCESSORS AND ASSIGNS, WITHIN THE STRIPS OF GROUND, AS SHOWN BY DASHED LINES ON THIS PLAT, THE WIDTHS OF WHICH ARE SHOWN, AND MARKED "WATER MAIN UTILITY EASEMENT" TO INSTALL, LAY, CONSTRUCT, INSTALL, OPERATE AND MAINTAIN WATER MAINS WITH ALL NECESSARY MANHOLES, WATER VALVES, AND OTHER EQUIPMENT AND/OR FACILITIES FOR THE PURPOSE OF SERVING THIS PROPERTY AND ANY OTHER PROPERTY WITH WATER SERVICE ALONG WITH THE RIGHT TO ENTER UPON THE PROPERTY AT ALL TIMES TO INSTALL, LAY, CONSTRUCT, INSTALL, OPERATE, INSPECT, REPAIR AND MAINTAIN WITHIN SAID EASEMENT AREA SAID WATER MAINS, MANHOLES, WATER VALVES AND OTHER EQUIPMENT AND/OR FACILITIES, AND THE RIGHT IS HEREBY GRANTED TO THE VILLAGE TO REMOVE ANY STRUCTURE, IMPROVEMENT, AND/OR BUILDING WITHIN THE WATER MAIN UTILITY EASEMENT AND TO CUT DOWN AND REMOVE OR TRIM AND KEEP TRIMMED ANY TREES, SHRUBS, OR SAPLINGS THAT INTERFERE OR THREATEN TO INTERFERE WITH ANY OF THE WATER MAIN UTILITY EQUIPMENT OR UNREASONABLY IMPEDE ACCESS THERETO. ALL WATER MAINS AND MANHOLES, EQUIPMENT OR FACILITIES SHALL BE UNDERGROUND OR ON THE SURFACE, BUT NOT LOCATED OVERHEAD.

OBSTRUCTIONS, INCLUDING TREES, FENCES AND OTHER STRUCTURES, SHALL NOT BE PLACED OVER THE VILLAGE'S FACILITIES OR IN, UPON, OR OVER THE PROPERTY WITHIN SAID EASEMENT WITHOUT PRIOR WRITTEN CONSENT OF THE VILLAGE WHICH MAY BE WITHHELD IN ITS REASONABLE DISCRETION WITH THE VILLAGE TAKING INTO ACCOUNT THE IMPACT OF SUCH OBSTRUCTION TO VILLAGE WATER MAIN FACILITIES RELATIVE TO THE MAINTENANCE, REPAIR, INSPECTION, AND REPLACEMENT OF THE VILLAGE'S WATER MAIN AND RELATED FACILITIES. SAID WATER MAIN UTILITY EASEMENT MAY BE USED FOR LANDSCAPING, GARDENS, DRIVEWAYS, AND PARKING EXCEPT AS OTHERWISE DESIGNATED ON THE PLAT. THE GRADES OF THE PROPERTY APPROVED BY THE VILLAGE ENGINEER SHALL NOT BE ALTERED IN ANY MANNER BY THE INSTALLATION OF ANY OF THE FACILITIES OF THE VILLAGE SO AS TO INTERFERE WITH THE PROPER OPERATION AND MAINTENANCE THEREOF OR WITH THE SURFACE DRAINAGE THEREON. SBC/AT&T, NICOR, COMMONWEALTH EDISON COMPANY, COMCAST/MEDIACOM, AND HOLDERS OF SIMILAR FRANCHISES GRANTED BY THE VILLAGE AND THEIR RESPECTIVE SUCCESSORS AND ASSIGNS, SHALL HAVE THE RIGHT FOR CROSSINGS OF THE WATER MAIN EASEMENT, AT AN ANGLE OF NOT LESS THAN 45° FROM PARALLEL TO THE UNDERLYING WATER MAIN, WITH ELECTRIC, NATURAL GAS, COMMUNICATIONS, OR OTHER SUCH UTILITY FACILITIES WITH A TWO-FOOT VERTICAL SEPARATION FROM THE VILLAGE WATER MAIN AND RELATED FACILITIES. THE VILLAGE, IN ITS REASONABLE DISCRETION, WILL PERMIT ADDITIONAL UTILITIES TO BE SITUATED WITHIN THE WATER MAIN UTILITY EASEMENT PROVIDED THERE IS APPROPRIATE SEPARATION FROM VILLAGE WATER MAIN FACILITIES, AND TAKING INTO ACCOUNT THE IMPACT TO VILLAGE WATER MAIN FACILITIES RELATIVE TO THEIR MAINTENANCE, REPAIR AND INSPECTION.

IN THE EVENT THAT THE VILLAGE REMOVES ANY TREES, SHRUBS, LANDSCAPING, IMPROVEMENT, STRUCTURE OR DRIVEWAY SURFACE OR BUILDING SITUATED IN OR UPON ANY WATER MAIN UTILITY EASEMENT, THE VILLAGE SHALL NOT BE OBLIGATED TO RESTORE OR PAY COMPENSATION OF ANY KIND FOR THE REMOVAL OF ANY LANDSCAPING, IMPROVEMENT, STRUCTURE OR BUILDING SITUATED THEREON. THE VILLAGE SHALL USE A GOOD FAITH EFFORT TO MINIMIZE DAMAGE IN CONNECTION WITH EXERCISING ITS RIGHTS HEREIN. IN THE EVENT THAT THE VILLAGE INCURS ANY EXPENSE IN REMOVING ANY OBSTRUCTION, IMPROVEMENT, STRUCTURE, BUILDING, TREE, SHRUB OR LANDSCAPING SITUATED WITHIN ANY WATER MAIN UTILITY EASEMENT IN EXERCISING ANY OF ITS RIGHTS AS PROVIDED HEREIN, THE OWNER OF RECORD OF THE LAND UPON WHICH SUCH OBSTRUCTION, IMPROVEMENT, STRUCTURE, BUILDING, LANDSCAPING, TREE OR SHRUB IS SITUATED SHALL PAY TO THE VILLAGE SUCH COST OF REMOVAL WITHIN 30 DAYS OF THE VILLAGE REQUESTING SAME. NOTWITHSTANDING THE FOREGOING, IN THE EVENT THAT THE VILLAGE'S ACTIVITIES UNREASONABLY DAMAGE OR DESTROY LANDSCAPING (EXCLUSIVE OF TREES) SITUATED IN OR UPON THE EASEMENT AREA, THE VILLAGE SHALL DILIGENTLY RESTORE SAME.

THE PROPERTY OWNER SHALL NOT BE LIABLE FOR ANY INJURY, DAMAGE OR LOSS OF ANY NATURE WHATSOEVER TO PERSON OR PROPERTY OCCURRING AS A RESULT OF THE VILLAGE'S EXERCISE OF RIGHTS UNDER THESE PROVISIONS UNLESS SUCH INJURY, DAMAGE, OR LOSS IS DIRECTLY AND SOLELY THE RESULT OF THE PROPERTY OWNERS' WILLFUL MISCONDUCT OR GROSS NEGLIGENCE. TO THE EXTENT AVAILABLE OR OTHERWISE PERMISSIBLE BY LAW, ANY PERSON OTHER THAN THE VILLAGE, SUCH AS A UTILITY OR A FRANCHISEE (A "THIRD PARTY") HAVING ACCESS TO THE EASEMENT AREA BY VIRTUE OF THESE PROVISIONS SHALL INDEMNIFY AND AGREE TO DEFEND AND SAVE THE PROPERTY OWNER HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, ACTIONS, SUITS, LOSSES, DAMAGES, COSTS, EXPENSES, AND LIABILITIES WHENEVER ARISING ON OR AFTER THE DATE HEREOF ARISING OUT OF OR DUE TO (A) ANY ACT OF THE THIRD PARTY OR ANY OF ITS AGENTS, EMPLOYEES, REPRESENTATIVES, OR CONTRACTORS WITH RESPECT TO THE EASEMENT AREA, (B) THE EXERCISE BY A THIRD PARTY OF ANY RIGHTS HERE, OR (C) THE USE OR OCCUPANCY OF THE EASEMENT AREA BY SUCH THIRD PARTY.

IN THE EVENT THAT THE VILLAGE DETERMINES THAT OTHER UTILITIES WITHIN THE WATER MAIN UTILITY EASEMENT NEED TO BE RELOCATED TO ENABLE THE VILLAGE TO INSTALL, LAY, CONSTRUCT, REPAIR, OPERATE, AND MAINTAIN WATER MAIN AND RELATED FACILITIES, THE COST ASSOCIATED WITH SUCH UTILITY RELOCATION SHALL BE BORNE BY THE UTILITY PROVIDER RATHER THAN THE VILLAGE. IN THE EVENT THAT THE VILLAGE BRINGS OR DEFENDS LITIGATION REGARDING THE INTERPRETATION OR ENFORCEMENT OF ITS RIGHTS OR ANY OTHER TERMS OR CONDITIONS SET FORTH IN THIS PROVISION, AND THE VILLAGE PREVAILS, IT SHALL BE A WARDED ITS ATTORNEYS' FEES AND COSTS FROM THE NON-PREVAILING PARTY, INCLUDING THOSE ASSOCIATED WITH ANY APPEAL AS WELL AS ANY COLLECTION PROCEEDING.

THE VILLAGE SHALL INDEMNIFY AND HOLD HARMLESS THE OWNER FROM ANY AND ALL CAUSE OF ACTION ARISING FROM THE VILLAGE, INCLUDING ITS CONTRACTORS AND AGENTS, BUT NOT UTILITIES, FRANCHISE HOLDERS OR THIRD PARTIES, RELATIVE TO ITS RIGHTS TO INSTALL, LAY, CONSTRUCT, INSTALL, OPERATE, INSPECT, REPAIR AND MAINTAIN WITHIN SAID EASEMENT AREA SAID WATER MAINS, MANHOLES, WATER VALVES AND OTHER EQUIPMENT AND/OR FACILITIES.

VILLAGE TREASURER CERTIFICATE

STATE OF ILLINOIS)
) SS.
 COUNTY OF MCHENRY)

MY SIGNATURE, AS TREASURER OF THE VILLAGE OF LAKE IN THE HILLS, CERTIFIES THAT THERE ARE NO DELINQUENT OR UNPAID, CURRENT OR FORFEITED SPECIAL ASSESSMENTS OR ANY DEFERRED INSTALLMENT THEREOF THAT HAVE BEEN APPOINTED AGAINST THE LAND INCLUDED IN THIS PLAT OF SUBDIVISION.

DATED AT LAKE IN THE HILLS, MCHENRY COUNTIES, ILLINOIS, THIS _____ DAY OF _____, 20__

VILLAGE TREASURER

PLANNING AND ZONING COMMISSION CERTIFICATE

STATE OF ILLINOIS)
) SS
 COUNTY OF MCHENRY)

APPROVED BY THE PLANNING AND ZONING COMMISSION OF THE VILLAGE OF LAKE IN THE HILLS THIS _____ DAY OF _____, 20__

CHAIRPERSON

BOARD OF TRUSTEE'S CERTIFICATE

STATE OF ILLINOIS)
) SS
 COUNTY OF MCHENRY)

THE PLAT SHOWN HEREON ARE HEREBY APPROVED BY THE VILLAGE OF LAKE IN THE HILLS, MCHENRY COUNTY, ILLINOIS, AT A MEETING HELD ON THE _____ DAY OF _____, 20__

ATTEST:

VILLAGE PRESIDENT VILLAGE CLERK

SANITARY DISTRICT BOARD OF TRUSTEE'S CERTIFICATE

STATE OF ILLINOIS)
) SS
 COUNTY OF MCHENRY)

THE PLAT AND DEDICATIONS SHOWN HEREON ARE HEREBY APPROVED BY THE LAKE IN THE HILLS SANITARY DISTRICT, MCHENRY COUNTY, ILLINOIS, AT A MEETING HELD ON THE _____ DAY OF _____, 20__

DISTRICT PRESIDENT

ATTEST:

DISTRICT CLERK

VILLAGE ENGINEER'S CERTIFICATE

STATE OF ILLINOIS)
) SS
 COUNTY OF MCHENRY)

MY SIGNATURE, AS VILLAGE ENGINEER FOR THE VILLAGE OF LAKE IN THE HILLS, CERTIFIES THAT THIS PLAT MEETS ALL THE REQUIREMENTS OF VILLAGE ORDINANCES. APPROVED THIS _____ DAY OF _____, 20__

VILLAGE ENGINEER

COUNTY CLERK'S CERTIFICATE

STATE OF ILLINOIS)
) SS.
 COUNTY OF MCHENRY)

THIS IS TO CERTIFY THAT I, _____, COUNTY CLERK OF MCHENRY COUNTY, ILLINOIS, DO HEREBY CERTIFY THAT THERE ARE NO DELINQUENT GENERAL TAXES, NO UNPAID CURRENT GENERAL TAXES, NO UNPAID FORFEITED TAXES AND NO REDEEMABLE TAX SALES AGAINST ANY OF THE LAND INCLUDED IN THE SUBJECT PLAT. I FURTHER CERTIFY THAT I HAVE RECEIVED ALL STATUTORY FEES IN CONNECTION WITH THE SUBJECT PLAT.

GIVEN UNDER MY HAND AND SEAL IN WOODSTOCK, ILLINOIS THIS _____ DAY OF _____, 20__

BY: _____
 MCHENRY COUNTY CLERK

RECORDER'S CERTIFICATE

STATE OF ILLINOIS)
) SS.
 COUNTY OF MCHENRY)

THIS INSTRUMENT WAS FILED FOR RECORD IN THE RECORDER'S OFFICE OF MCHENRY COUNTY, ILLINOIS, THIS _____ DAY OF _____, 20__ AT _____ O'CLOCK _____ M. AND RECORDED IN MAP BOOK _____, PAGE _____ AS DOCUMENT NUMBER _____.

BY: _____
 COUNTY RECORDER

SURVEYOR'S AUTHORIZATION TO RECORD

STATE OF ILLINOIS)
) SS
 COUNTY OF COOK)

I, JEFFREY W. GLUNT, AN ILLINOIS PROFESSIONAL LAND SURVEYOR, DO HEREBY AUTHORIZE NANCY SUJET OR OTHER AUTHORIZED REPRESENTATIVE OF LAKE IN THE HILLS TO RECORD THIS PLAT.

SCHAUMBURG, ILLINOIS _____

BY: _____
 ILLINOIS PROFESSIONAL LAND SURVEYOR NO. 3695

SURVEYOR'S CERTIFICATE

STATE OF ILLINOIS)
) SS.
 COUNTY OF COOK)

I, JEFFREY W. GLUNT, AN ILLINOIS PROFESSIONAL LAND SURVEYOR, DO HEREBY CERTIFY THAT I HAVE SURVEYED AND RESUBDIVIDED THE FOLLOWING DESCRIBED PROPERTY, AND THAT THE PLAT HEREON DRAWN IS A CORRECT REPRESENTATION THEREOF. ALL DISTANCES ARE SHOWN IN FEET AND DECIMAL PARTS THEREOF, AND ARE CORRECTED TO A TEMPERATURE OF 68° FAHRENHEIT.

LOT 1 IN MELODY LIVING OF LAKE IN THE HILLS ACCORDING TO THE PLAT THEREOF RECORDED APRIL 6, 2018 AS DOCUMENT 2018R0010926, BEING A SUBDIVISION OF LOT 2 IN THE VILLAS OF LAKE IN THE HILLS, ALL BEING PART OF THE NORTHEAST QUARTER OF SECTION 30, TOWNSHIP 43 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPLE MERIDIAN, ALL IN MCHENRY COUNTY, ILLINOIS.

CONTAINING TOTAL AREA: 343,452 S.F. (7.8846 AC.) MORE OR LESS.

THIS IS ALSO TO CERTIFY THAT UPON COMPLETION OF CONSTRUCTION, CONCRETE MONUMENTS, AS SHOWN, AND IRON PIPES AT ALL LOT CORNERS AND POINTS OF CHANGE IN ALIGNMENT WILL BE SET, AS REQUIRED BY THE PLAT ACT (765 ILCS 205/0.1 ET SEQ.). THIS IS ALSO TO CERTIFY THAT THE PROPERTY, AS DESCRIBED IN THE ANNEXED PLAT, LIES WITHIN THE CORPORATE LIMITS OF THE VILLAGE OF LAKE IN THE HILLS, ILLINOIS, WHICH HAS ADOPTED A COMPREHENSIVE PLAN.

THIS IS TO CERTIFY THAT BASED ON INFORMATION PROVIDED ON THE FLOOD INSURANCE RATE MAP COMMUNITY-PANEL NUMBER 17111C0336J & 17111C0337J, MAP EFFECTIVE DATE, NOVEMBER 16, 2006, PRODUCED BY THE FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA) FOR MCHENRY COUNTY, ILLINOIS, THE PROPERTY SHOWN AND DESCRIBED HEREON IS LOCATED WITHIN ZONE X, WHICH IS DEFINED BY FEMA AS "AREAS DETERMINED TO BE OUTSIDE THE 0.2% ANNUAL CHANCE FLOODPLAIN."

THIS PROFESSIONAL SERVICE CONFORMS TO THE CURRENT ILLINOIS MINIMUM STANDARDS OF PRACTICE APPLICABLE TO BOUNDARY SURVEYS.

SCHAUMBURG, ILLINOIS _____ MARCH 3, 2020

BY: _____
 ILLINOIS PROFESSIONAL LAND SURVEYOR NO.035-003695



EXPIRES 11-30-20

ORIGINALLY PREPARED: FEBRUARY 12, 2020

JOB NO.: 16-215



100 East State Parkway, Schaumburg, IL 60173
 Tel: 847.394.6600 Fax: 847.394.6608
 Illinois Professional Design Firm License No. 184-003152
 www.haegerengineering.com

No. 1 Date 03-03-2020 Revision Per Village Review Comments



REQUEST FOR BOARD ACTION

MEETING DATE: June 23, 2020

DEPARTMENT: Community Services

SUBJECT: Approve Unit Mix for the Melody Living Senior Housing Development

EXECUTIVE SUMMARY

Cedarwood Development is in the final design stages for Phase 2 (Independent Living) of the development at 525 and 555 Harvest Gate. Due to inputs from their marketing team, Cedarwood Development proposed a change in the footprint and the mix of units in the Phase 2 building. The changes are all in compliance with the Village's zoning requirements. The Ordinance 2017-32, which approved the development, allows the following:

"Minor revisions may be required after the approval of this ordinance and may be approved administratively unless staff believes the revisions are a substantial change from the plans approved with this ordinance as referenced in Exhibit A."

During the May 18 and June 13, 2020 Planning and Zoning Commission meetings this change in unit mix was discussed simultaneously with the Amended Plat of Resubdivision. Two of the five voting Commissioners felt the change was substantial and raised a concern about the density/total population. As the staff representative, the Community Services Director felt that the change fell within the delegated authority from the ordinance. To ensure transparency and full consideration of the issue, it is being presented to the Village Board for validation.

The original proposed unit mix contained 77 units with a total of 138 bedrooms. The proposed change creates a mix of 96 units with a total of 108 bedrooms. The details of the mix changes and comparative floor plans for the various units are attached for your consideration. Cedarwood Development proposes eliminating the three-bedroom and two-bedroom with den units and modifying the mix of other units. The major change is to increase the one-bedroom units from 19 to 76. While the one bedroom changes seem large, the total number of bedrooms decreases from 138 to 108. Cedarwood Development's marketing staff feels the larger units are not sustainable in the intended local market. Attached is a summary of nearby independent living providers.

The dissenting Commissioners felt the density/total population is going up (less space per person). Cedarwood presented a baseline that 20 percent of the one-bedroom units would be occupied by couples while the other 80 percent would be singles. Based these numbers, the total population would change in this manner:

	Units	Total Population
Approved	77	92
Proposed	96	115

Staff felt the density would be going down based on using the 20 percent baseline against bedrooms instead of units. This would result in the total population changing in this manner:

	Bedrooms	Total Population
Approved	138	166
Proposed	108	130

Comparing the two approaches by apartment type yields the following:

	Unit Based	Bedroom Based
Studio and One Bedroom with our without a Den	1.2 people per unit	1.2 people per unit
Two Bedroom with our without a Den	1.2 people per unit	2.4 people per unit
Three Bedroom	1.2 people per unit	3.6 people per unit

Cedarwood Development also proposed a change to the footprint of the Phase 2 building. The net change is a reduction in the total square footage from 113,000 to 111,347. Due the change in units, an additional 25 parking slots are provided to maintain required parking ratios.

Staff feels all the changes are in keeping with the original intent of the development and makes the development more marketable.

FINANCIAL IMPACT

Ordinance 2017-32 identifies two fees based upon the number of units constructed. The two fees are the Public Building Fee (\$750 per unit) and Platting Fee (\$100 per unit). The net increase in units from 77 to 96 would result in an additional \$16,150 revenue to the Village.

ATTACHMENTS

1. Approved Site Plan
2. Unit Mix
3. Floor Plan Overview
4. Individual Unit Floor Plans
5. Nearby Independent Living Providers

RECOMMENDED MOTION

Motion to approve the mix of units and footprint changes for the Melody Living Senior Living Phase 2 (Independent Living) building.

Melody Living of Lake in the Hills Planning Commission

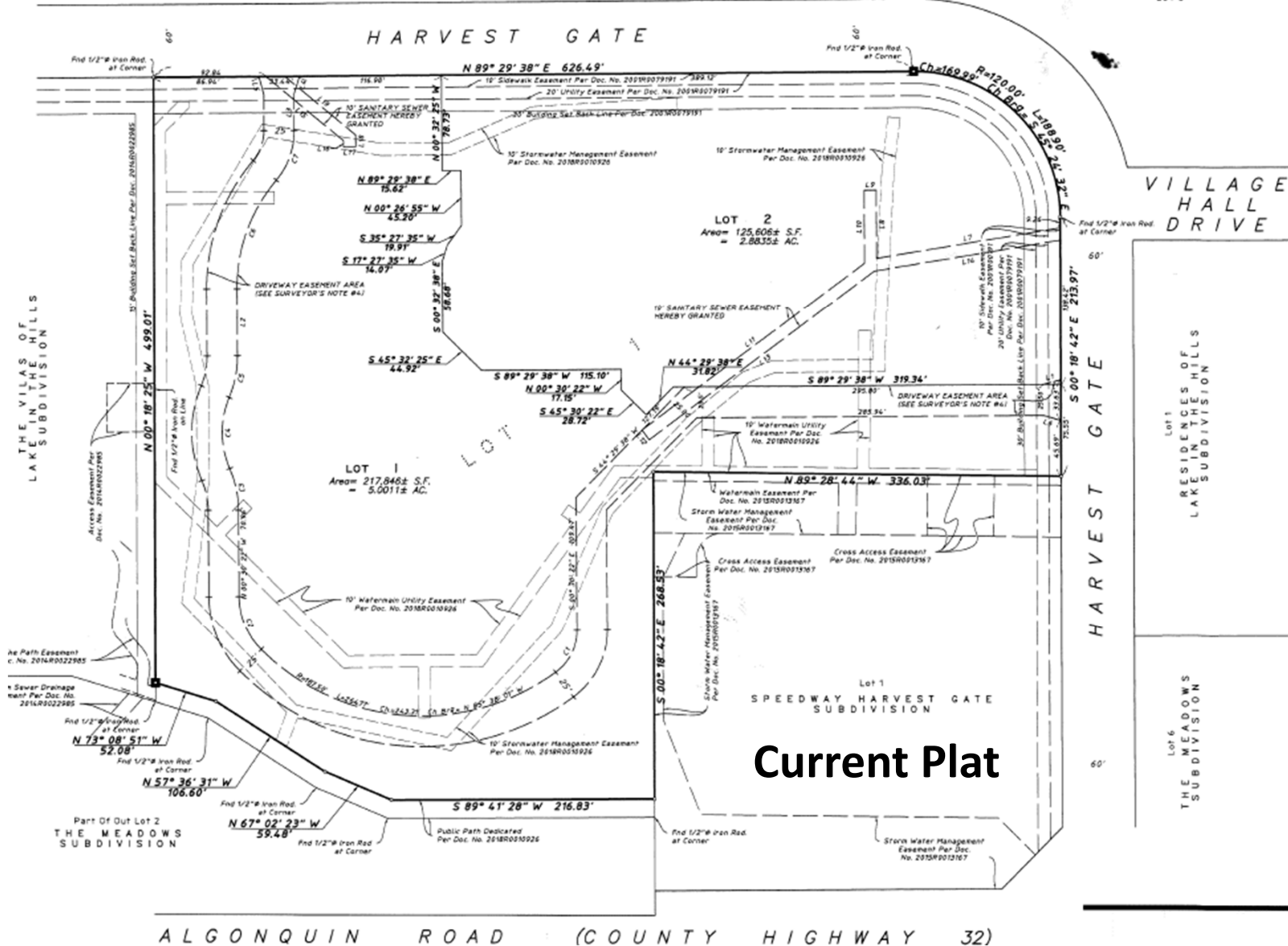
June 15, 2020





Site Plan

2017 Approved Site Plan



Current Plat

ALGONQUIN ROAD (COUNTY HIGHWAY 32)

LAKE THE VILAS OF THE HILLS SUBDIVISION

VILLAGE HALL DRIVE

RESIDENCES OF LAKE IN THE HILLS SUBDIVISION

THE MEADOWS SUBDIVISION

HARVEST GATE

HARVEST GATE

Part Of Lot 2 THE MEADOWS SUBDIVISION

Lot 1 SPEEDWAY HARVEST GATE SUBDIVISION

Air Path Easement c. No. 2014R0022985

Sewer Drainage Easement Per Dec. No. 2014R0022985

LOT 1

LOT 2

Area = 217,846± S.F. = 5.0011± AC.

Area = 125,606± S.F. = 2.8835± AC.

Find 1/2" Iron Rod at Corner

Find 1/2" Iron Rod at Corner

Find 1/2" Iron Rod at Corner

Find 1/2" Iron Rod at Corner

Find 1/2" Iron Rod at Corner

Find 1/2" Iron Rod at Corner

Find 1/2" Iron Rod at Corner

Find 1/2" Iron Rod at Corner

Find 1/2" Iron Rod at Corner

Public Path Dedicated Per Dec. No. 2014R0010926

10' Sanitary Sewer Easement Per Dec. No. 2015R0079191

10' Stormwater Management Easement Per Dec. No. 2015R0010926

10' Stormwater Management Easement Per Dec. No. 2015R0010926

10' Stormwater Management Easement Per Dec. No. 2015R0010926

10' Sanitary Sewer Easement Hereby Granted

10' Watermain Utility Easement Per Dec. No. 2015R0010926

Watermain Easement Per Dec. No. 2015R0013167

Storm Water Management Easement Per Dec. No. 2015R001297

Cross Access Easement Per Dec. No. 2015R0013167

Cross Access Easement Per Dec. No. 2015R0013167

Storm Water Management Easement Per Dec. No. 2015R0013167

Storm Water Management Easement Per Dec. No. 2015R0013167

10' Sanitary Sewer Easement Hereby Granted

10' Stormwater Management Easement Per Dec. No. 2015R0010926

10' Stormwater Management Easement Per Dec. No. 2015R0010926

10' Stormwater Management Easement Per Dec. No. 2015R0010926

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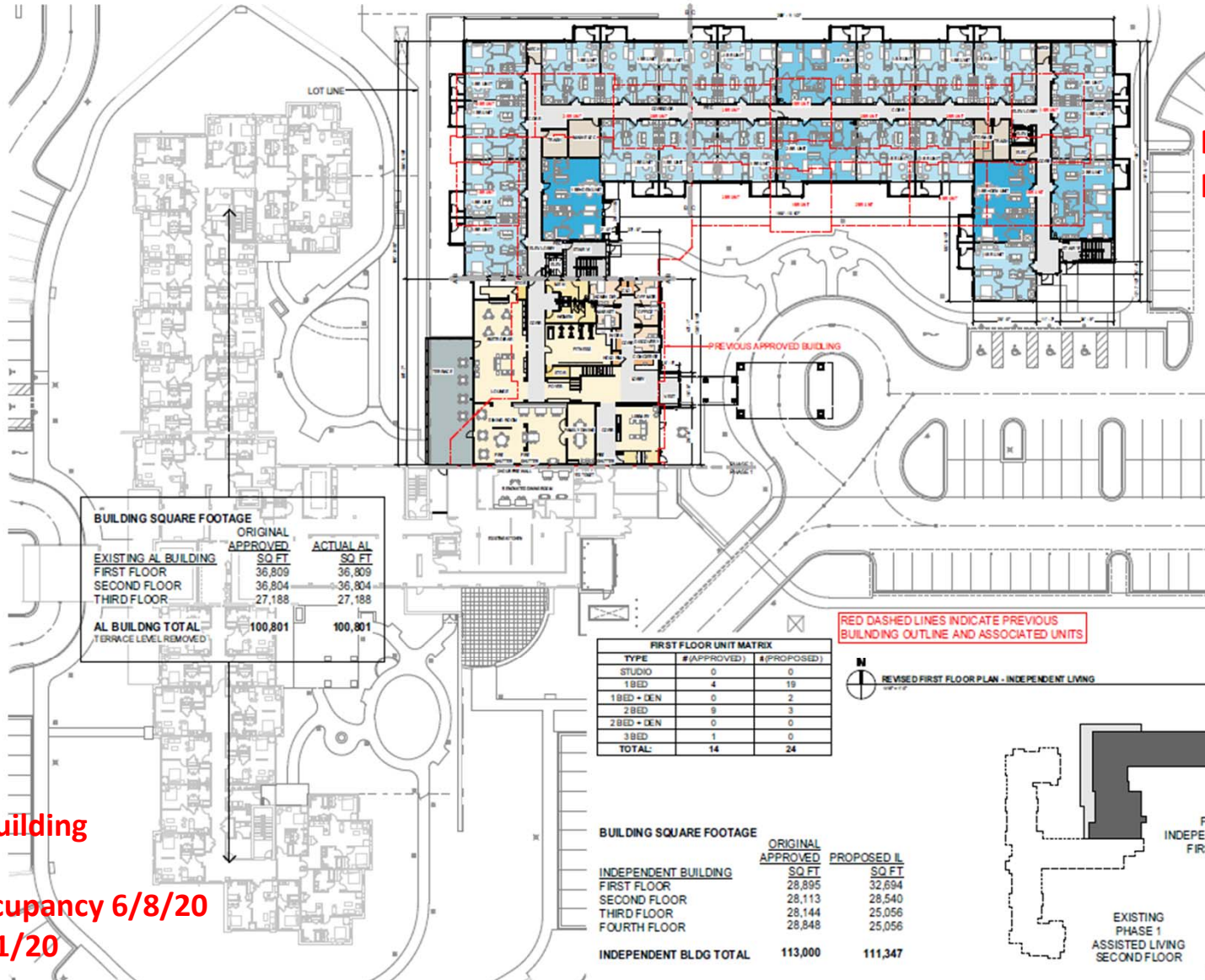
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**Proposed Phase II
Independent Living**



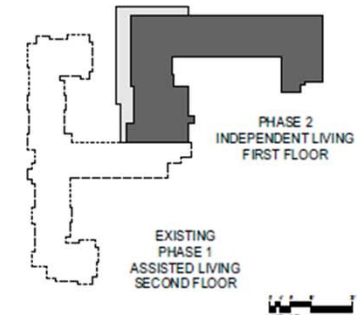
BUILDING SQUARE FOOTAGE		
	ORIGINAL APPROVED SQ FT	ACTUAL AL SQ FT
EXISTING AL BUILDING		
FIRST FLOOR	36,809	36,809
SECOND FLOOR	36,804	36,804
THIRD FLOOR	27,188	27,188
AL BUILDING TOTAL (TERRACE LEVEL REMOVED)	100,801	100,801

RED DASHED LINES INDICATE PREVIOUS BUILDING OUTLINE AND ASSOCIATED UNITS

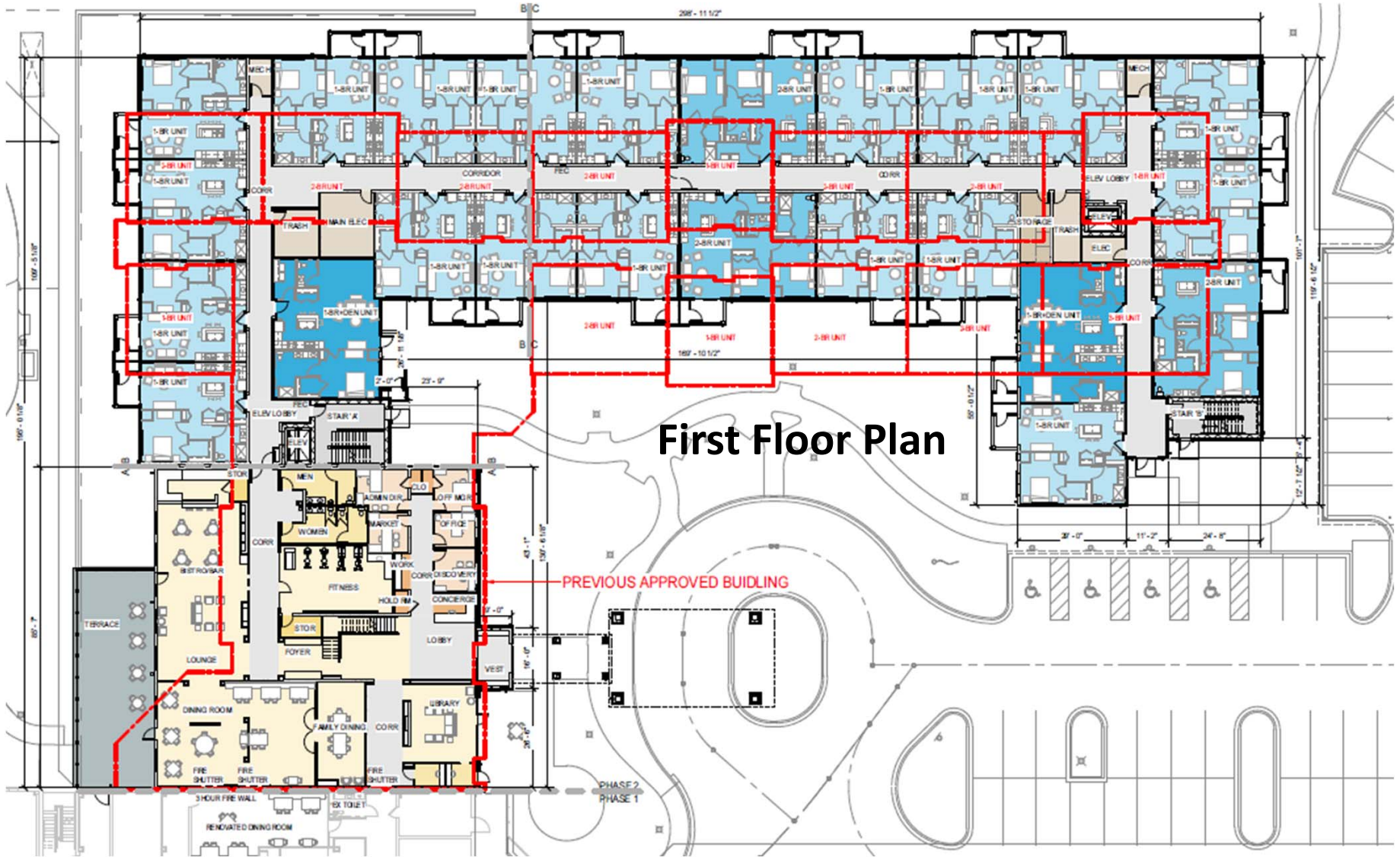
FIRST FLOOR UNIT MATRIX		
TYPE	#(APPROVED)	#(PROPOSED)
STUDIO	0	0
1BED	4	19
1BED + DEN	0	2
2BED	9	3
2BED + DEN	0	0
3BED	1	0
TOTAL:	14	24

REVISED FIRST FLOOR PLAN - INDEPENDENT LIVING

BUILDING SQUARE FOOTAGE		
	ORIGINAL APPROVED SQ FT	PROPOSED IL SQ FT
INDEPENDENT BUILDING		
FIRST FLOOR	28,895	32,694
SECOND FLOOR	28,113	28,540
THIRD FLOOR	28,144	25,056
FOURTH FLOOR	28,848	25,056
INDEPENDENT BLDG TOTAL	113,000	111,347



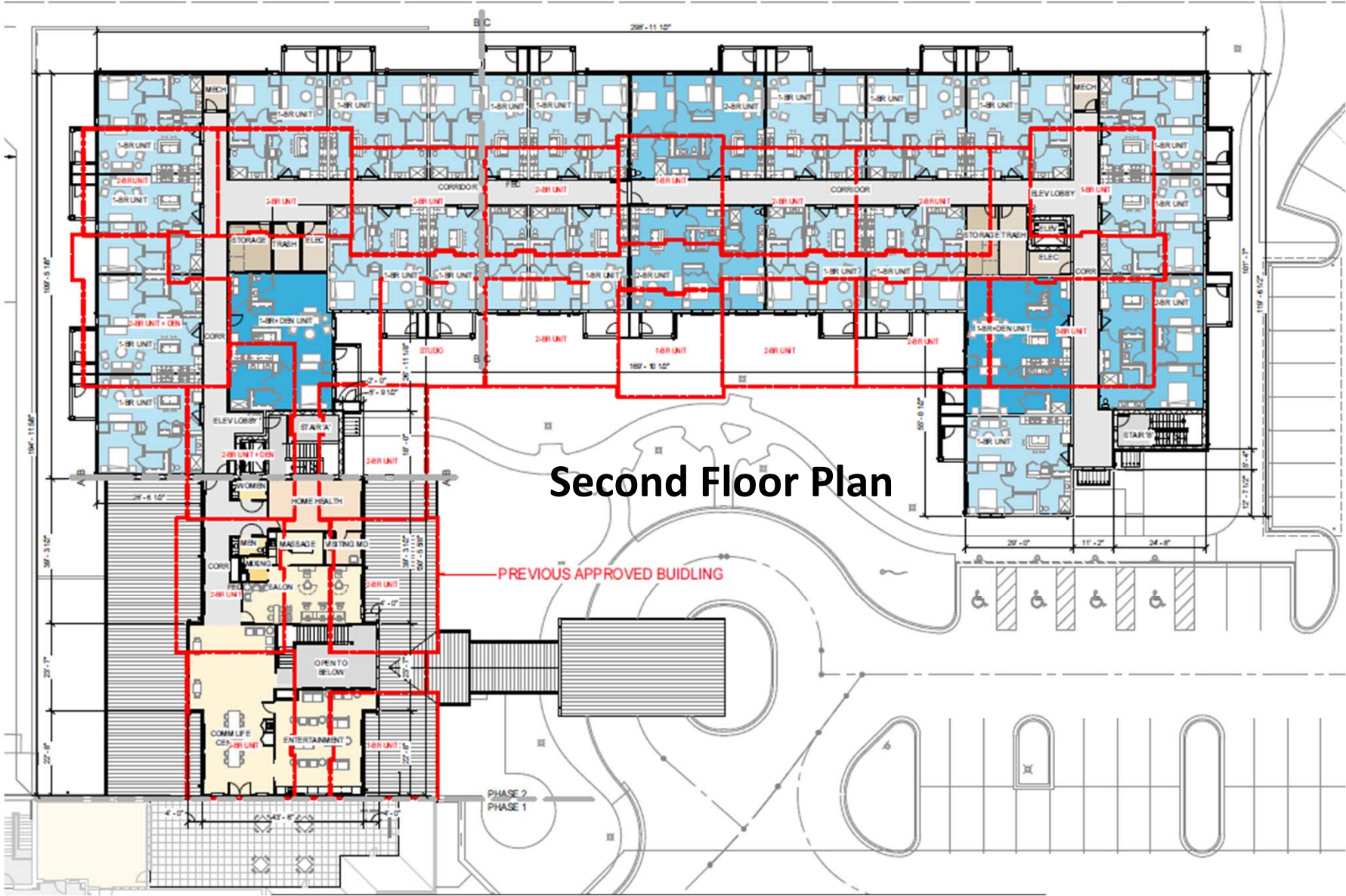
**Assisted Living building
Completed
Certificate of Occupancy 6/8/20
First Resident 8/1/20**



First Floor Plan

PREVIOUS APPROVED BUILDING

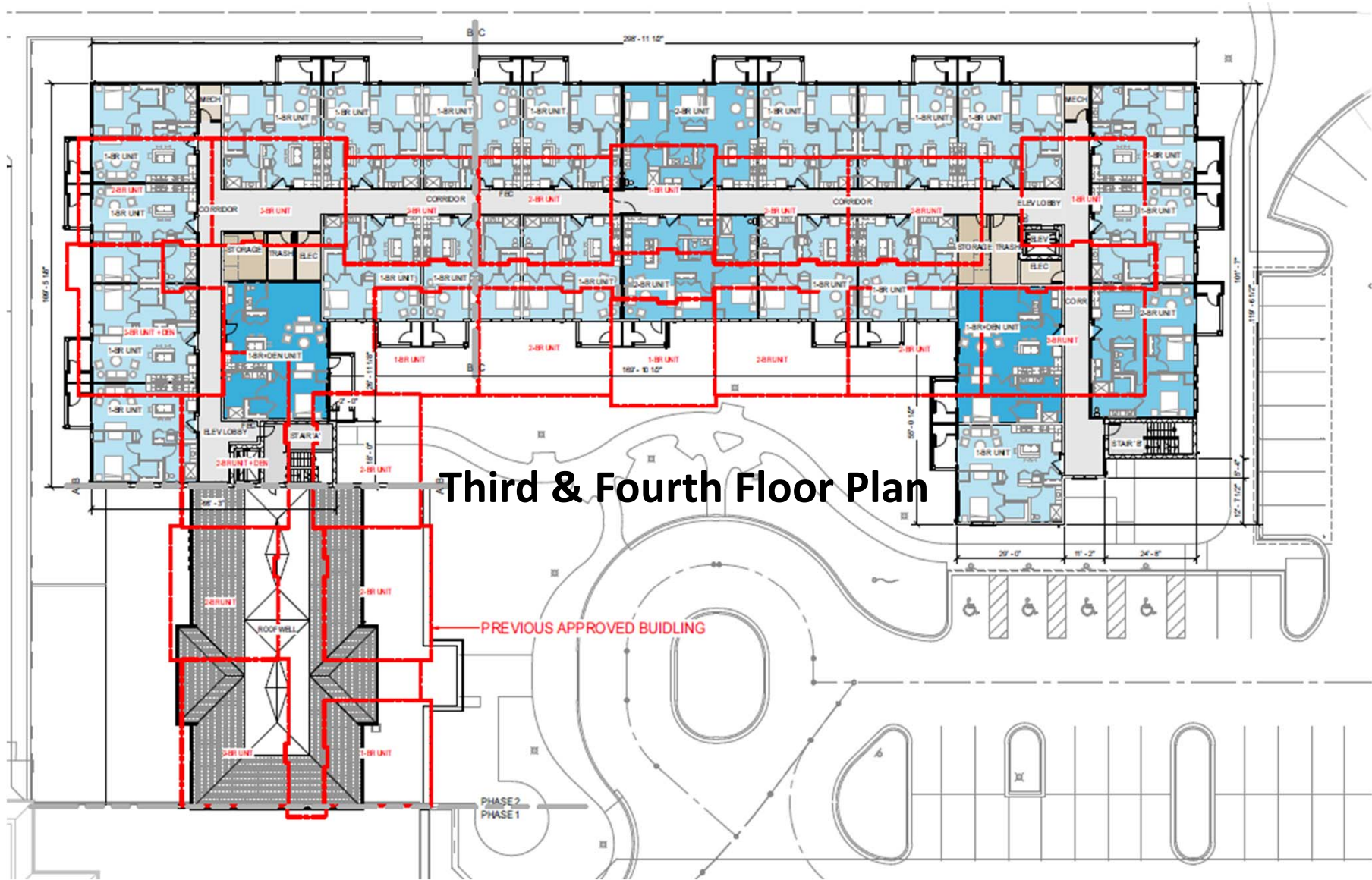
PHASE 2
PHASE 1



Second Floor Plan

PREVIOUS APPROVED BUILDING

PHASE 2
PHASE 1



Third & Fourth Floor Plan

PREVIOUS APPROVED BUILDING

PHASE 2
PHASE 1

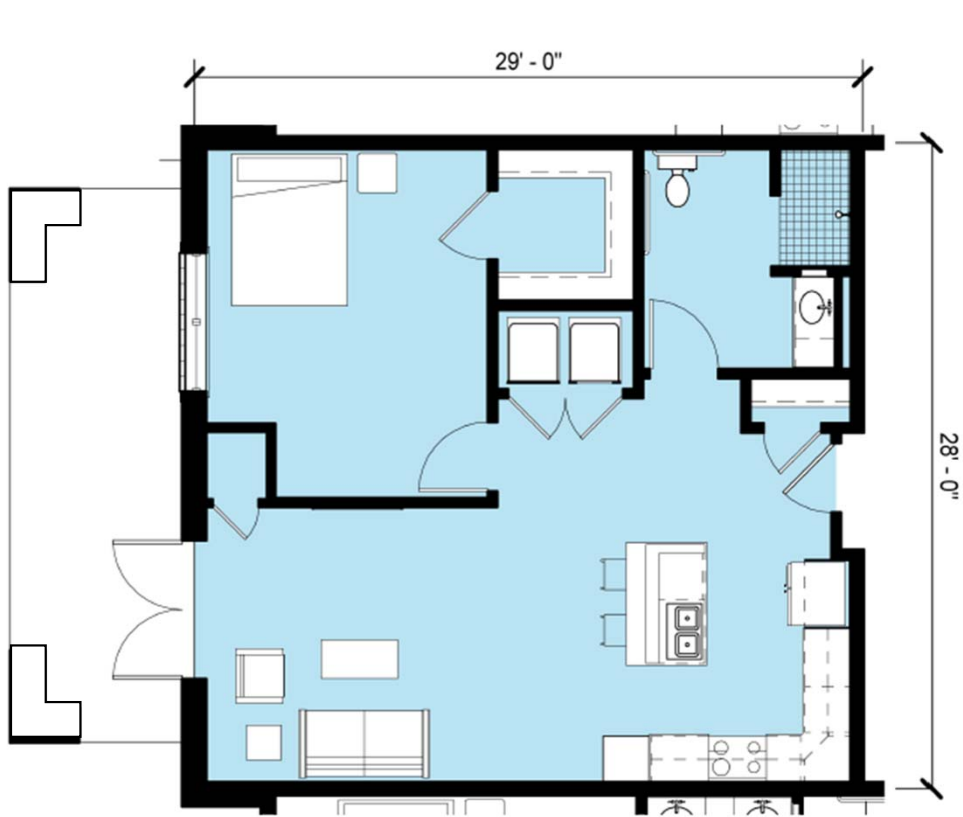
Unit Mix

Previously Approved

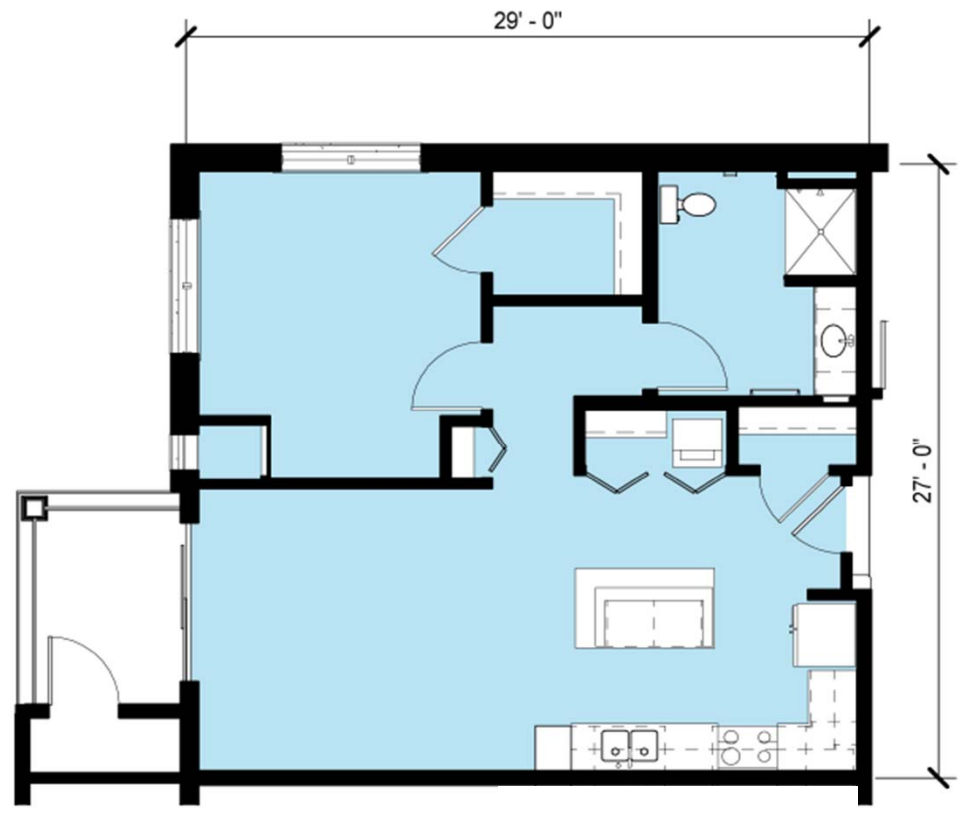
Apartment Type	1st Floor	2nd Floor	3rd Floor	4th Floor	Total Number	# Bedrooms	Total Bedrooms
Studio	0	1	0	0	1	1	1
1BR	4	4	5	6	19	1	19
1 BR/Den	0	0	0	0	0	1	0
2 BR	9	13	13	14	49	2	98
2 BR/Den	0	2	2	0	4	2	8
3 BR	1	1	1	1	4	3	12
Total	14	21	21	21	77		138

Proposed

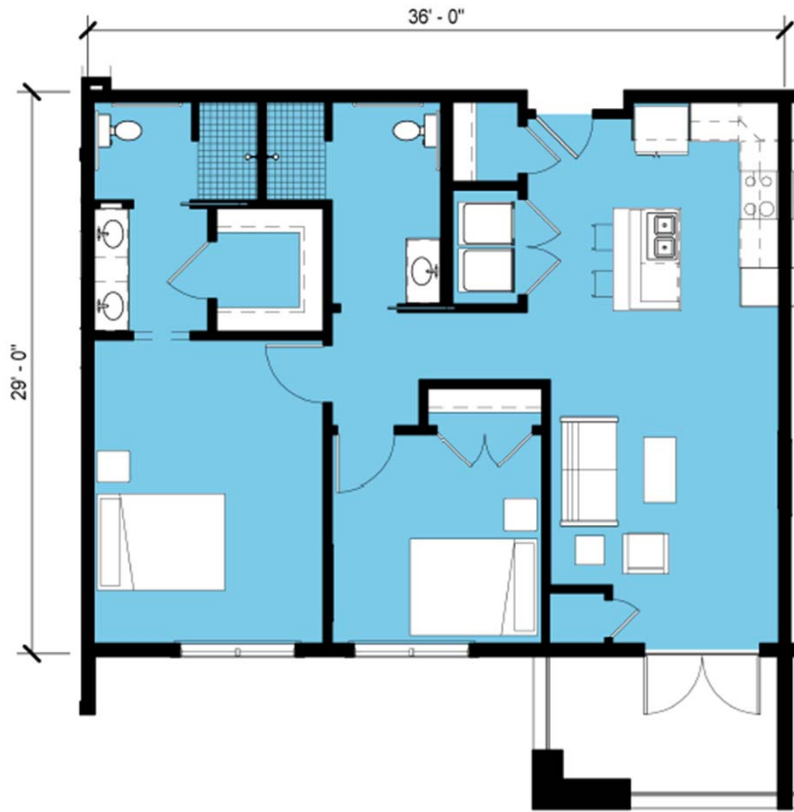
Apartment Type	1st Floor	2nd Floor	3rd Floor	4th Floor	Total Number	# Bedrooms	Total Bedrooms
Studio	0	0	0	0	0	1	0
1BR	19	19	19	19	76	1	76
1 BR/Den	2	2	2	2	8	1	8
2 BR	3	3	3	3	12	2	24
2 BR/Den	0	0	0	0	0	2	0
3 BR	0	0	0	0	0	3	0
Total	24	24	24	24	96		108



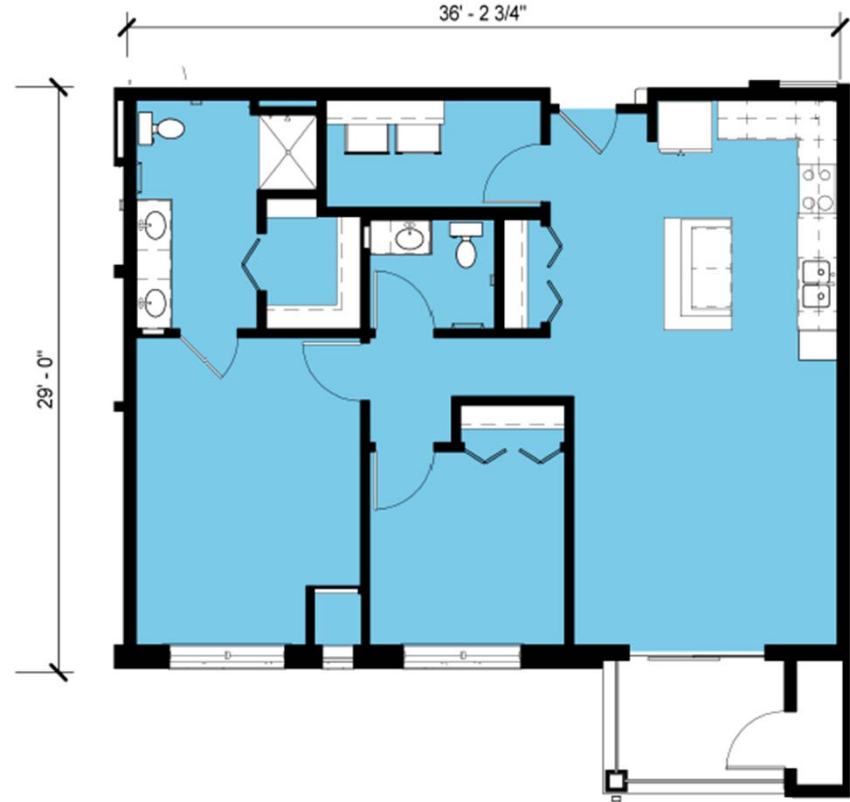
Previous 1 BR
760 – 843 SF
19 Units



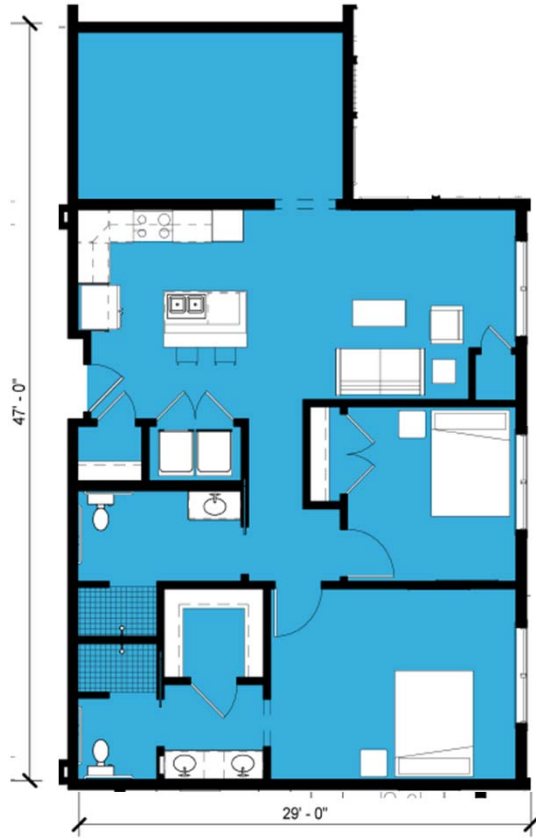
Proposed 1 BR
783 – 812 SF
76 Units



Previous 2 BR
983 – 1,161 SF
49 Units



Proposed 2 BR
1,144 SF
12 Units



Previous 2 BR / Den
1,009 SF
4 Units

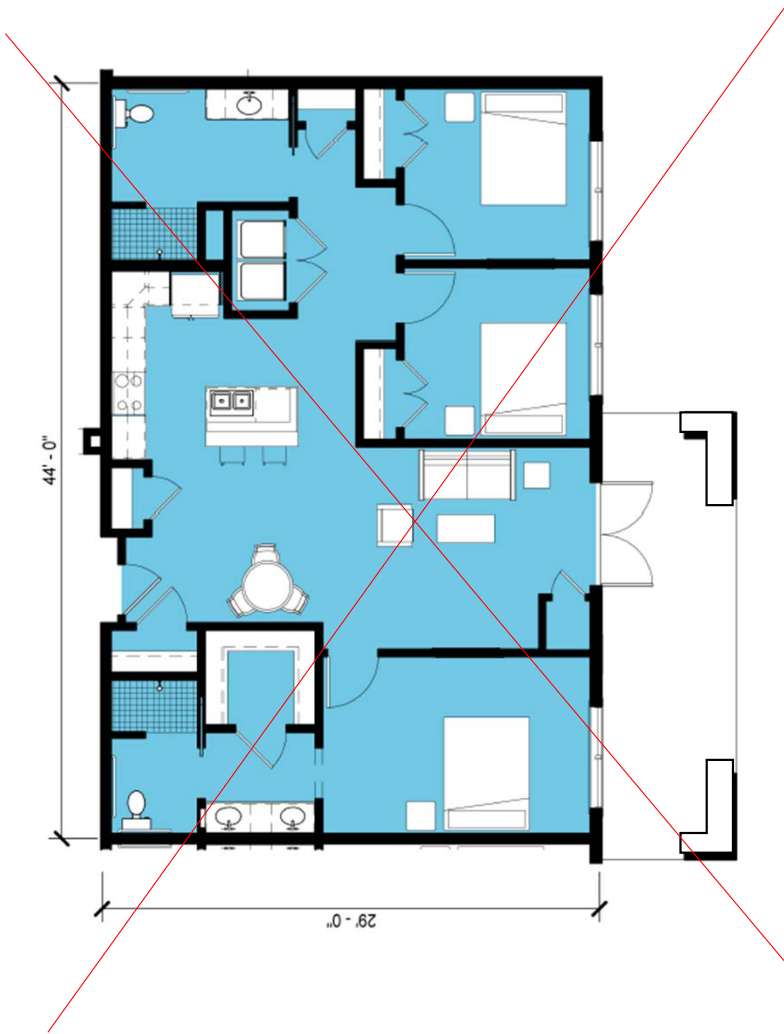


Proposed 1 BR / Den
1,087 SF
8 Units

Eliminated Plan type:

3 BR 1,276 SF

4 Units





Independent Living Providers

Competitive Independent Living Facilities in the Market Area

	The Project	Existing IL Competitors			Planned Competitor
Location Name	Melody Living Lake in the Hills	Clarendale of Algonquin	Huntley Springs	The Fountains at Crystal Lake	The Oaks of Algonquin
Address	525 Harvest Gate	2001 W Algonquin Rd	11700 Samantha Lane	965 N Brighton Circle	800 S Randall Rd
City/State/Zip Code	Lake in the Hills, IL 60156	Algonquin, IL 60102	Huntley, IL 60142	Crystal Lake IL 60012	Algonquin, IL 60102
Driving Distance (miles) from Site	0.0	1.2	7.0	9.7	1.8
Facility Type	IL/AL/MC	IL/AL/MC	IL	IL/AL/MC	IL/AL/MC
Owner/Sponsor	Cedarwood	Life Care Services	Resort Lifestyles	Watermark	Spectrum
For Profit/Not For Profit	FP	FP	FP	FP	FP
Contract Type	Rental	Rental	Rental	Rental	Rental
Year Built	AL&MC: June 2020 IL: March 2022	2016	Nov 2019	1995	Opening Oct 2020
Unit Configuration					
Independent living					
Studio apartments	-	-	19	59	*
One-bedroom apartments	76	52	45	22	*
Two-bedroom apartments	20	24	45	4	*
Three-bedroom apartments	-	-	19	-	-
Total independent living units	96	76	128	85	90
Assisted living - Traditional	75	56	-	110	52
Assisted living - Memory care	14	54	-	25	24
Nursing home	-	-	-	-	-
Total Campus	185	186	128	220	166
Unit Size (square feet)					
Independent living					
Studio apartments	-	-	566	367-430	-
One-bedroom apartments	780-810	721-988	588-759	595-806	-
Two-bedroom apartments	1,090-1,140	1,000-1,286	1,013-1,201	971	-
Three-bedroom apartments	-	-	1,206	-	-
Community Fee	-	CF \$3,500	-	CF \$3,000	-
Monthly Service Fee					
Independent living					
Studio apartments	-	-	\$3,048	\$2,645	-
One-bedroom apartments	\$3,300-\$4,500	\$3,600-\$4,850	\$3,100-\$4,100	\$3,595	-
Two-bedroom apartments	\$4,800-\$4,975	\$4,975	\$4,100-\$5,200	\$4,395	-
Three-bedroom apartments	-	-	\$5,000	-	-
IL second person fee	-	\$600	\$600	\$750	-
Included in monthly IL fee:					
Meals	2 meals included	\$350 included	3 meals included	3 meals included	-
Housekeeping	✓	✓	✓	✓	-
Transportation	✓	✓	✓	✓	-
Basic Utilities	Gas & Electric	Gas & Electric	Gas & Electric	Gas & Electric	-
Activities & Wellness programs	✓	✓	✓	✓	-
Occupancy					
Independent living	N/A	97%	56%	94%	-