



PUBLIC MEETING NOTICE AND AGENDA
COMMITTEE OF THE WHOLE MEETING

JANUARY 10, 2023
7:30 P.M.

AGENDA

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. The public comment may be no longer than 3 minutes in duration.
4. Staff Presentations
 - A. Administration
 1. Task Order #2023-01 General IT Support Services – Advanced Business Network
 - B. Finance
 1. Annual Comprehensive Financial Report for the Fiscal Year Ended December 31, 2021
 - C. Community Development
 1. Amendment to an Ordinance Granting a Variation to Section 16.7 Table 5 – Signs Permitted, at 220 North Randall Road
 - D. Public Works
 1. Ordinance authorizing the approval of a Ground Lease with MK Zakula Trust for PAP-26
 2. Ordinance authorizing the approval of a Ground Lease with Lancaster Aviation, LLC for PAP-32
 3. Ordinance approving an amended Master Contract with Crawford, Murphy and Tilly, Inc. for Engineering Services at the Lake in the Hills Airport
 - E. Parks & Recreation
 1. Informational Item concerning Garden Plot Update
5. Board of Trustees
6. Village President
7. 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: January 10, 2023

DEPARTMENT: Administration

SUBJECT: Task Order #2023-01 General IT Support Services

EXECUTIVE SUMMARY

Staff is seeking the Board's approval on Advanced Business Network's Task Order #2023-01 General IT Support Services for an amount not to exceed \$43,200.00.

Advanced Business Networks, Inc. ("ABN") has served as a consultant for the Village's IT needs since October 2012. As the Village's dedicated Managed Service Provider (MSP), ABN delivers ongoing and regular full-range support to aid the internal MIS Division. Their core offerings include support services for the operation, management, and maintenance of the Village's computer network system. The IT infrastructure is primarily housed at Village Hall, with some department specific resources located within the Police Department and Public Works.

The Village provides community resources, public safety services, and support services for residents; having a reliable technical infrastructure available to service the population and employees is critical. ABN is responsible for helping to manage the current environment, protect the network by mitigating risks and malicious activity, and drive a cohesive strategic IT vision. As outlined in the attached Task Order #2023-01, the general scope of services outsourced includes a combination of regular proactive maintenance, planned improvements, and emergency support.

FINANCIAL IMPACT

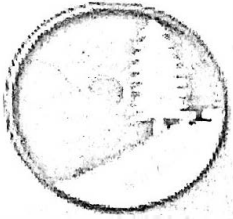
Billing under Task Order #2023-01 includes the initial purchase of a block of 300 hours for a one-year term. The Fiscal Year 2023 budget includes 300 hours at a rate of \$144.00 per hour for a total cost of \$43,200.00 under the General Fund. Any balance in the number of hours remaining as of December 31, 2023 would be eligible for carry over into the next task order period if ABN's services are retained.

ATTACHMENTS

1. Task Order #2023-01 General IT Support Services

RECOMMENDED MOTION

Motion to approve Task Order #2023-01 - General IT Support Services, with Advanced Business Networks, Inc. for an amount not to exceed \$43,200.00.



VILLAGE OF LAKE IN THE HILLS

TASK ORDER #2023-01

General IT Support Services

In accordance with Section 1B of the Master Contract between the Village of Lake in the Hills ("Owner") and Advanced Business Networks, Inc. ("Consultant"), Owner and Consultant agree as follows:

1. **Services of Consultant:**

Consultant will provide information technology support services for the operation, management and maintenance of the Village's computer network system (hardware, software and connectivity). The Consultant will provide a full-range of support services for the Owner's computer-based technologies system.

The Owner operates a diverse wide area network, which integrates several systems, which primarily run on Microsoft Windows servers and Microsoft Windows workstations. High speed Internet / E-mail is provided via dedicated Wireless links. Services will be provided at three primary locations; Village Hall, Police Department and Public Works. Services provided would be a combination of regular proactive maintenance, planned improvements, and emergency support. Below are some of, but not limited to, the areas of service Consultant will provide the Owner.

- Network Administrative Services
- Server Administration Services
- Desktop Administration Services
- Network Security
- Reporting
- Strategic Planning
- On-Site Project Management
- Qualified Personnel
- 24/7/365 Emergency Support – In situations where Village IT staff works outside ABN's consultation and issues arise, ABN will not be required to consider these issues to be an emergency, unless Police operations are impacted.

MAI

2. **Key Project Personnel:**

Michael Malitsky, President
Steve Wells, Vice President, Chief Operations Officer
Rich O'Campo, Chief Information Officer
John Caselli, Director of Support Services

3. **Billing:**

Any balance in the number of hours remaining as of December 31, 2022 are eligible for carry over into this Task Order period. Additional hours may be purchased by Owner as follows:

25-99 hours	\$171 /hr
100-199 hours	\$162 /hr
200-299 hours	\$153 /hr
300+ hours	\$144 /hr
10+ days	\$989 /day

Billing under this Task Order will include the initial purchase by Owner of a block of 300 hours. There will be no retroactive change of rate for previously invoiced hours if cumulative number of hours reach next discount level.

Any unused hours in project-specific task orders will be added to the total hours available under this Task Order.

Any balance in the number of hours remaining as of December 31, 2023 would be eligible for carry over into the next Task Order period.

Additional details provided below:

- There would be no cost to Owner for travel expenses.
- All billable services provided are charged in 15 minute increments. Onsite service requires one hour minimum prior to switching to above increments. Emergency service provided outside of the Village's normal business hours of 8:30am to 5:00pm shall be billed at 1½ times the agreed rate.
- Consultant does not charge for invoicing or for questions related to accounts.
- Quotes are prepared as requested by the Owner and are not subject to billing.
- Design Plans or proposals are prepared as requested by the Owner. Design plans will include part numbers and pricing offered by Consultant for the purpose of product sourcing and comparison. Design Plan preparation is considered a professional consulting service and is therefore charged in 15 minute increments.

- Consultant documents all necessary adjustments to the system either in written form to the Owner or in its own Client Knowledge Base for use in maintaining the network.
- Items purchased for the Owner by the Consultant will be considered reimbursable and will be billed on monthly invoices. Items of this type will require approval prior to purchase.

Approval and Acceptance: Acceptance and approval of this Task Order, including the exhibits and attachments referenced herein, shall incorporate this Task Order as part of the Contract.

The Effective Date of this Task Order is January 1, 2023.

OWNER

By: _____

Shannon Andrews
Village Administrator

CONSULTANT

By: _____

Michael Malitsky

11/22/2022

DESIGNATED REPRESENTATIVE FOR TASK ORDER:

Name: Michael Malitsky
Title: President
Address: 1055 Campus Drive, Mundelein, IL 60060
E-mail Address: malitsky@netabn.com
Phone: 847-247-0700, #105
Fax: 847-816-6523



REQUEST FOR BOARD ACTION

MEETING DATE: January 10, 2023

DEPARTMENT: Finance

SUBJECT: Annual Comprehensive Financial Report for the Fiscal Year Ended December 31, 2021

EXECUTIVE SUMMARY

The Village's Annual Comprehensive Financial Report for the Fiscal Year Ended December 31, 2021 is the main document reporting on the Village's financial condition and results of operations that is required to be filed with various agencies including McHenry County, the State of Illinois, IRMA, Moody's, the Municipal Securities Rulemaking Board, and local banks, and also posted to the Village's website and submitted to the Government Finance Officers Association for consideration under their Certificate of Achievement for Excellence in Financial Reporting award program. This document, along with last fiscal year's Management Letter and Popular Annual Financial Report, are available for review on the Transparency Page of the Village's website.

Additional documents attached to this Request for Board Action that have been prepared for the fiscal year ended December 31, 2021 include the Illinois Grant Accountability and Transparency Act - Consolidated Year End Financial Report, the Auditor's Communication to the Board of Trustees which includes a deficiency noted in regards to the year-end close process, Management's Response to the deficiency, and the Annual Financial Report for the Police Pension Plan that has been incorporated into the Annual Comprehensive Financial Report.

Jim Savio, Partner with Sikich LLP, the Village's auditing firm, will give a brief presentation and will be available to answer any questions the Village Board may have in regards to any of the referenced documents.

FINANCIAL IMPACT

None.

ATTACHMENTS

Posted to the Transparency Page of the Village's Website

1. Annual Comprehensive Financial Report for the Fiscal Year Ended December 31, 2021
2. Management Letter for the Year Ended December 31, 2021
3. Popular Annual Financial Report for the Fiscal Year Ended December 31, 2021

Attached to this Request for Board Action

4. Illinois Grant Accountability and Transparency Act - Consolidated Year End Financial Report for the Year Ended December 31, 2021
5. Auditor's Communication to the Board of Trustees for the Year Ended December 31, 2021
6. Management's Response Memorandum
7. State of Illinois Comptroller FY 2021 Annual Financial Report
8. Police Pension Plan Annual Financial Report for the Year Ended December 31, 2021

RECOMMENDED MOTION

Motion to accept the Annual Comprehensive Financial Report, Management Letter, Popular Annual Financial Report, Illinois Grant Accountability and Transparency Act – Consolidated Year End Financial Report, Auditor’s Communication to the Board of Trustees, Management’s Response Memorandum, State of Illinois Comptroller Annual Financial Report, and the Police Pension Plan Annual Financial Report, all for the fiscal year ended December 31, 2021.



**VILLAGE OF LAKE IN THE HILLS,
ILLINOIS**

**ILLINOIS GRANT ACCOUNTABILITY AND
TRANSPARENCY ACT - CONSOLIDATED
YEAR END FINANCIAL REPORT**

For the Year Ended December 31, 2021

A decorative background image featuring a teal horizontal band at the top, a large abstract geometric pattern of overlapping translucent shapes in shades of gray and white below it, and an orange rectangular box at the bottom right containing the website address.

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**VILLAGE OF LAKE IN THE HILLS
LAKE IN THE HILLS, ILLINOIS
CONSOLIDATED YEAR-END FINANCIAL REPORT
TABLE OF CONTENTS**

	<u>Page(s)</u>
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>	1-2
Independent Auditor’s Report On Supplementary Information	3
Illinois Grant Accountability and Transparency Act Consolidated Year-End Financial Report	4

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

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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***

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

We have audited, 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, the financial statements of the governmental activities, 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, 2021 and the related notes to the financial statements, which collectively comprise the Village's basic financial statements and have issued our report thereon dated December 16, 2022.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free of 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 financial statements. 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.

S. K. K. LLP

Naperville, Illinois
December 16, 2022

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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

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

We have audited the governmental activities, 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, 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements. We issued our report thereon dated December 16, 2022, which expressed unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The accompanying Consolidated Year-End Financial Report is presented for purposes of additional analysis, as required by the Illinois Grant Accountability and Transparency Act, and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Sikich LLP

Naperville, Illinois
December 16, 2022

**VILLAGE OF LAKE IN THE HILLS
LAKE IN THE HILLS, ILLINOIS**

ILLINOIS GRANT ACCOUNTABILITY AND TRANSPARENCY ACT
CONSOLIDATED YEAR END FINANCIAL REPORT

For the Year Ended December 31, 2021

CSFA Number	Program Name	State	Federal	Other	Total
420-00-2433	Local Coronavirus Urgent Remediation Emergency (or Local CURE) & Economic Support Payments Grants Program	\$ -	\$ -	\$ -	\$ -
422-11-0970	Open Space Lands Acquisition & Development Grant Program	7,714	-	7,714	15,428
494-00-0967	High-Growth Cities Program	-	-	-	-
494-00-1488	Motor Fuel Tax Program	1,429,323	-	-	1,429,323
494-00-2356	Local Rebuild Illinois Bond Program	-	-	-	-
494-10-0343	State and Community Highway	-	47,279	-	47,279
494-42-0495	Local Surface Transportation Program	-	-	-	-
494-60-0327	Airport Improvement Program	-	236,883	-	236,883
494-60-2421	COVID-19 Airport Relief Program	-	82,000	-	82,000
494-60-2511	Aviation Fuel Tax	-	-	-	-
494-60-2800	Aeronautics State Match Program	6,423	-	6,423	12,846
532-60-0378	Section 319 (h) - Nonpoint Source Pollution Control Financial Assistance Program	-	46,946	31,786	78,732
569-00-2537	Law Enforcement Camera Grant	24,395	-	-	24,395
	Other grant programs and activities	-	3,241	28,592	31,833
	All other costs not allocated	-	-	20,649,204	20,649,204
TOTALS		<u>\$ 1,467,855</u>	<u>\$ 416,349</u>	<u>\$ 20,723,719</u>	<u>\$ 22,607,923</u>

(See independent auditor's report on supplemental information.)



VILLAGE OF LAKE IN THE HILLS, ILLINOIS

AUDITOR'S COMMUNICATION TO THE
BOARD OF TRUSTEES

For the Year Ended December 31, 2021



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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.....	2-7
Adjusting Journal Entries	
Passed Adjusting Journal Entries	
COMMUNICATION OF DEFICIENCIES IN INTERNAL CONTROL AND OTHER COMMENTS TO MANAGEMENT	8-14
FIRM PROFILE	

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December 16, 2022

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 in January 2022.

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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December 16, 2022

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, 2021. 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 December 10, 2021. 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, 2021, except for the implementation for GASB Statement No. 98, *The Annual Comprehensive Financial Report*. We noted no transactions entered into by the Village during the year for which there is a lack of authoritative guidance or consensus.

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

Management's estimate of the Village's total pension liabilities and total other postemployment benefit liability are based on various actuarially determined amounts, including estimated investment returns, dates of employee retirement, discount rates, healthcare trend rates, and mortality rates. We evaluated key factors and assumptions used to develop the management's estimates of the Village's total pension liabilities and total other postemployment benefit liability in determining that it is reasonable in relation to the financial statements taken as a whole.

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 your 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, except for a delay in receiving requested information needed to complete the audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. 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#04. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

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 December 16, 2022.

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, statistical and compliance 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. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report. Our procedures did not identify any material inconsistencies with the basic financial statements.

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, 2021

Adjusting Journal Entries

Date: 1/1/2021 To 12/31/2021

Account No: AJE#01 To AJE#04

Number	Date	Name	Account No	Amount
AJE#01	12/31/2021	MR Sale of Surplus Property	910.00.00.47.12 GFA80	39,650.00
AJE#01	12/31/2021	Cap Assets Not Depreciated Construction In	910.00.00.18.04 GFA80	(39,650.00)
		To disposal of CIP that was expensed last year, but not disposed of in the General Fixed Asset Account Group		
AJE#02	12/31/2021	Cap Assets Being Depreciated Accum Depr-	520.00.00.19.78 WOM52	(1,767.93)
AJE#02	12/31/2021	Cap Assets Being Depreciated Accum Depr-	520.00.00.19.70 WOM52	1,767.93
		To record disposal in correct account		
AJE#03	12/31/2021	Cap Assets Being Depreciated Buildings &	910.00.00.19.04 GFA80	(16,443.75)
AJE#03	12/31/2021	Capital Asset Purchase - Pub Wks	910.00.00.80.64 GFA80	16,443.75
AJE#03	12/31/2021	Capital Asset Purchase - Gen Gov	910.00.00.80.56 GFA80	(48,759.92)
AJE#03	12/31/2021	Capital Asset Purchase - Pub Saf	910.00.00.80.60 GFA80	28,447.32
AJE#03	12/31/2021	Capital Asset Purchase - Recreat	910.00.00.80.68 GFA80	20,312.60
AJE#03	12/31/2021	Cap Assets Being Depreciated Equipment	910.00.00.19.20 GFA80	(285.25)
AJE#03	12/31/2021	Cap Assets Being Depreciated Vehicles	910.00.00.19.28 GFA80	(3,944.78)
AJE#03	12/31/2021	Cap Assets Being Depreciated Computer Software	910.00.00.19.32 GFA80	(10,832.00)
AJE#03	12/31/2021	Cap Assets Being Depreciated Accum Depr-	910.00.00.19.70 GFA80	285.25
AJE#03	12/31/2021	Cap Assets Being Depreciated Accum Depr-	910.00.00.19.78 GFA80	3,944.78
AJE#03	12/31/2021	Cap Assets Being Depreciated Accum Depr-	910.00.00.19.82 GFA80	10,832.00
		To correct governmental wide capital addition and disposal entry		
AJE#04	12/31/2021	Cap Assets Being Depreciated Buildings &	520.00.00.19.04 WOM52	121,487.72
AJE#04	12/31/2021	Cap Assets Not Depreciated Construction In	520.00.00.18.04 WOM52	(121,487.72)
AJE#04	12/31/2021	Cap Assets Being Depreciated Accum Depr-Water	520.00.00.19.58 WOM52	6,921.88
AJE#04	12/31/2021	Other Expenses Depreciation Exp - Water	520.00.00.82.24 WOM52	(6,921.88)
		To move item from CIP and correct depreciation		

VILLAGE OF LAKE IN THE HILLS

BUSINESS TYPE ACT'S

(CLIENT)

(FUND OR FUND TYPE)

For the Year Ended

12/31/2021

All entries posted as Debit (Credit)

Description	Workpaper Reference	Assets	(Liabilities)	(Retained Earnings/Fund Balance)	(Profit) Loss
Current Effect of Prior Period Passed AJE's that have carried forward to Current Period		\$ -	\$ -	\$ -	\$ -
To record grant revenue in proper fiscal year	3323	-	-	(79,125)	79,125
Totals		\$ -	\$ -	\$ (79,125)	\$ 79,125

VILLAGE OF LAKE IN THE HILLS

(CLIENT)

AIRPORT

(OPINION UNIT)

For the Year Ended

12/31/2021

All entries posted as Debit (Credit)

Description	Workpaper Reference	Assets	(Liabilities)	(Retained Earnings/Fund Balance)	(Profit) Loss
Current Effect of Prior Period Passed AJE's that have carried forward to Current Period		\$ -	\$ -	\$ -	\$ -
To record grant revenue in proper fiscal year	3323	-	-	(79,125)	79,125
Totals		\$ -	\$ -	\$ (79,125)	\$ 79,125

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

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

December 31, 2021

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

SIKICH.COM

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. In addition, we reviewed the status of the comments from the December 31, 2020 audit. The status of these comments is included in Appendix A.

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
December 16, 2022

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*, establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset and aims to enhance comparability of financial statements among governments. This statement also requires additional notes to the financial statements related to the timing, significance, and purpose of a government's leasing arrangements. The requirements of this statement are effective for the fiscal year ending December 31, 2022.

GASB Statement No. 91, *Conduit Debt Obligations*, which intends 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 improving required note disclosures. This statement is effective for the fiscal year ending December 31, 2022.

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 year ending December 31, 2022.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, was issued to address the financial reporting implications that result from the replacement of an Interbank Offered Rate (IBOR). The statement clarifies the existing guidance under Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, as amended and Statement No. 87, Leases. The statement preserves the consistency and comparability of reporting hedging derivative instruments and leases after governments amend or replace agreements to replace an IBOR. This statement is effective for the fiscal year ending December 31, 2022.

OTHER INFORMATION (Continued)

Future Accounting Pronouncements (Continued)

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, was issued to address issues related to accounting and reporting for public-private and public-public partnership arrangements (PPPs). A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which is defined in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. This Statement is effective for the fiscal year ending December 31, 2023.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. This Statement establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability, provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. This Statement is effective for the fiscal year ending December 31, 2023.

GASB Statement No. 99, *Omnibus 2022*, addresses a variety of topics including: Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument; clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives; clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset; clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability; extension of the

OTHER COMMENTS (Continued)

Future Accounting Pronouncements (Continued)

period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt; accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP); disclosures related to nonmonetary transactions; pledges of future revenues when resources are not received by the pledging government; clarification of provisions in Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, as amended, related to the focus of the government-wide financial statements; terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*; and terminology used in Statement 53 to refer to resource flows statements. This statement is effective upon issuance for requirements related to the extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63. The effective date for the requirements related to leases, PPPs, and SBITAs is the fiscal year ending December 31, 2023. The effective date for the requirement related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 is the fiscal year ending December 31, 2024.

GASB Statement No. 100, *Accounting Changes and Error Corrections—an Amendment of GASB Statement No. 62*, enhances accounting and financial reporting requirement for accounting changes and error corrections. This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement also addresses corrections of errors in previously issued financial statements. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). This Statement is effective for the fiscal year ending December 31, 2024.

OTHER COMMENTS (Continued)

Future Accounting Pronouncements (Continued)

GASB Statement No. 101, *Compensated Absences*, requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee’s pay rate as of the date of the financial statements. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences. This Statement is effective for the fiscal year ending December 31, 2024.

We will advise the Village of any progress made by GASB in developing these and other future pronouncements that may have an impact on the financial position and changes in financial position of the Village.

APPENDIX A
STATUS OF COMMENTS FROM DECEMBER 31, 2020

DEFICIENCY

Year End Close Process

During our audit we encountered delays due to year end capital asset reports not being completed in a timely manner. We proposed capital asset audit adjustments, which management has reviewed and approved. Adjustments that were proposed were the result of year end capital asset activity either not being recorded or not being properly recorded.

Generally accepted auditing standards emphasizes that the external auditor cannot be part of an entity's internal control process over financial reporting. We recommend that procedures or checklists be adopted and followed, including during times of employee turnover, to include all procedures that management determines are needed to be performed on a monthly or year-end basis to ensure general ledger accounts are properly adjusted and year-end reports are completed in a timely manner.

Status: Comment still applicable as of December 31, 2021.

Sikich LLP is a global company specializing in technology-enabled professional services.

Now with more than 1,400 employees, Sikich draws on a diverse portfolio of technology solutions to deliver transformative digital strategies and ranks as one of the largest CPA firms in the United States. From corporations and not-for-profits to state and local governments and federal agencies, Sikich clients utilize a broad spectrum of services and products to help them improve performance and achieve 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	

SPECIALIZED SERVICES

ACCOUNTING, AUDIT, TAX & CONSULTING SERVICES

- Accounting
- Audit & Assurance
- Consulting Services
- Employee Benefit Plan Audits
- International Tax
- Tax

TECHNOLOGY

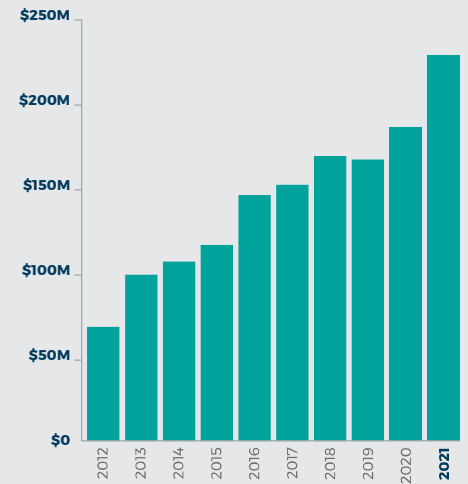
- Business Application
- Cloud & Infrastructure
- Consulting & Implementation
- Cybersecurity & Compliance
- Digital Transformation Consulting

ADVISORY

- Economic Development Consulting
- Forensic & Valuation Services
- Human Capital Management & Payroll Consulting
- Insurance Services
- Investment Banking*
- Marketing & Communications
- Retirement Plan Services
- Regulatory, Quality & Compliance
- Succession Planning
- Supply Chain
- Transaction Advisory Services
- Wealth Management**
- Workforce Risk Management

WHO WE ARE

TOTAL PARTNERS **100+**
 TOTAL PERSONNEL **1,400+**
 2021 REVENUE **\$229M**



LOCATIONS

Sikich Is A Remote First Organization

- | | |
|---|--|
| Akron, OH
(330) 864-6661 | Milwaukee, WI
(262) 754-9400 |
| Alexandria, VA
(703) 836-1350 | Minneapolis, MN
(331) 229-5235 |
| Boston, MA
(508) 485-5588 | Naperville, IL
(630) 566-8400 |
| Chattanooga, TN
(423) 954-3007 | Peoria, IL
(309) 694-4251 |
| Chicago, IL
(312) 648-6666 | Princeton, NJ
(609) 285-5000 |
| Crofton, MD
(410) 451-5150 | Springfield, IL
(217) 793-3363 |
| Decatur, IL
(217) 423-6000 | St. Louis, MO
(314) 275-7277 |
| Indianapolis, IN
(317) 842-4466 | Washington, MO
(636) 239-4785 |
| Los Angeles, CA
(877) 279-1900 | |

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

CULTURE

Our dynamic work culture fosters learning, growth and innovation, attracting top-notch team members who see the big picture. Sikich's culture is built on a flexible, trusting work environment and the key pillars of Absolute Integrity, Accountability, Continuous Innovation and Stewardship. We believe our people are our greatest asset and work hard to ensure that all team members feel empowered, comfortable and valued.



CERTIFICATIONS & AWARDS

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 2020, Sikich received its 11th consecutive unmodified ("pass") peer review report**, the highest level of recognition conferred upon a public accounting firm for its quality control systems.

Sikich ranks among the **top 30 firms nationally** on the *Accounting Today* **Top 100 Firms list**.



Sikich has achieved the prestigious **Inner Circle for Microsoft Dynamics** recognition. Membership in this elite group is based on sales achievements that rank Sikich in the top echelon of the Microsoft global network of partners.



We also maintain the **Oracle NetSuite 5 Star Award** and are among the **top three U.S. partners of Oracle NetSuite**.



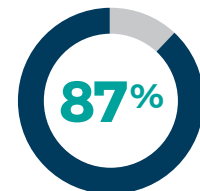
Sikich ranks on the **Redmond Channel Partner Magazine's top 350 Microsoft partners in the U.S.**, **CRN's Top 500 Managed Service Providers**, **CRN's Top 500 Solution Providers** and **Channel Futures' MSP 501**.



NET PROMOTER SCORE

The firm's overall Net Promoter Score (NPS) is 87%.

This is a measure of our clients' willingness to recommend Sikich's services and products. An NPS of 50% is considered excellent, and 70% NPS is considered world-class.





MEMORANDUM

To: Village President and Village Board of Trustees
Shannon Andrews, Village Administrator

From: Peter J. Stefan, Finance Director/Treasurer

Date: December 16, 2022

Subject: Response to December 31, 2021 Auditor's Communication to the Board of Trustees Deficiency Comment

The Village had one deficiency comment in the Auditor's Communication to the Board of Trustees for the Year Ended December 31, 2021 issued as part of the annual audit conducted by Sikich LLP which was a carryover from the December 31, 2020 report. The comment is repeated below followed by Management's response.

Year End Close Process

During our audit we encountered delays due to year end capital asset reports not being completed in a timely manner. We proposed capital asset audit adjustments, which management has reviewed and approved. Adjustments that were proposed were the result of year end capital asset activity either not being recorded or not being properly recorded.

Generally accepted auditing standards emphasizes that the external auditor cannot be part of an entity's internal control process over financial reporting. We recommend that procedures or checklists be adopted and followed, including during times of employee turnover, to include all procedures that management determines are needed to be performed on a monthly or year-end basis to ensure general ledger accounts are properly adjusted and year-end reports are completed in a timely manner.

Management's Response to the Comment

During the course of preparing for the FY 2020 audit, numerous discrepancies were identified in various sub-ledgers not agreeing to the general ledger totals, including the capital assets sub-ledger. With over \$300 million in historical acquisition costs and over \$69 million in accumulated depreciation on the books as of December 31, 2021, reconciling those differences involves an extraordinary amount of time. That resulted in the capital assets reconciliation project being deferred for a second consecutive year to allow for the appropriate amount of time to research all the various discrepancies and essentially recreate a comprehensive capital asset listing. Additionally, as recommended by the auditors, a year-end checklist has been developed to ensure all general ledger accounts are properly adjusted prior to closing the books for the annual audit.



STATE OF ILLINOIS
COMPTROLLER

SUSANA A. MENDOZA

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FY 2021 Annual Financial Report
Multi-Purpose Long Form

CCIF Copy - 12/21/2022 10:59:53 AM

Unit Name : Lake-In-The-Hills Village

County : Mchenry

Unit Code : 063/055/32

I attest that, to the best of my knowledge, this report represents a complete and accurate statement of the financial position, the Contact Information, the TIF status, the FEIN status, the Total Appropriations, and the Legal Debt Limitation of Lake-In-The-Hills Village as of the end of this fiscal year.

Written signature of government official
Peter Stefan, Fin. Officer/Treas.

Please Sign :

Date :

12-21-2022

Unit Name : Lake-In-The-Hills Village

Unit Code : 063/055/32

Please be sure to fill out this section accurately. The information you provide below is (1) our primary way of contacting your government, (2) the information we supply to external agencies, and (3) is the name and title we will list on our website. This section should NOT contain ANY of your Accounting Professional's information.

STEP 1: ENTER CONTACT INFORMATION

Is the following information correct and complete? _____ Yes _____ No

A. Contact Person (elected or appointed official responsible for filling out this form.)		B. Chief Executive Officer (Enter your name here ONLY if you are the elected or appointed official <u>responsible</u> for the EXECUTIVE ADMINISTRATION, i.e. mayor, supervisor, or chairman. Your name will be listed with this responsibility on our website.)		C. Chief Financial Officer (Enter your name here ONLY if you are the elected or appointed official <u>responsible</u> for MAINTAINING THE GOVERNMENT'S FINANCIAL RECORDS. Your name will be listed with this responsibility on our website.)	
Peter	Stefan	Shannon	Andrews	Peter	Stefan
Fin. Officer/Treas.		Administrator		Fin. Officer/Treas.	
600 Harvest Gate		600 Harvest Gate		600 Harvest Gate	
Lake in the Hills		Lake in the Hills		Lake in the Hills	
IL 60156-4803		IL 60156-4803		IL 60156-4803	
Phone: (847) 960-7421 Ext.		Phone: (847) 960-7411 Ext.		Phone: (847) 960-7421 Ext.	
Fax: (847) 960-7415		Fax: (847) 960-7415		Fax: (847) 960-7415	
E-Mail: pstefan@lith.org		E-Mail: sandrews@lith.org		E-Mail: pstefan@lith.org	
D. Purchasing Agent (Enter the Purchasing Agent or if there is no Purchasing Agent, the name of the person responsible for oversight of all competitively bid contracts should be listed.)		E. FOIA Officer (Enter the FOIA Officer or if there is no FOIA Officer, the name of the person responsible for oversight of all FOIA requests should be listed.)		F. TIF Officer (Enter the TIF Officer or if there is no TIF Officer, the name of the person responsible for oversight of all TIF Districts should be listed.)	
Peter	Stefan	Nancy	Sujet		
Fin. Officer/Treas.		Dep. Clerk			
600 Harvest Gate		600 Harvest Gate			
Lake in the Hills		Lake in the Hills			
IL 60156-4803		IL 60156-4803			
Phone: (847) 960-7421 Ext.		Phone: (847) 960-7414 Ext.		Phone:	
Fax: (847) 960-7415		Fax: (847) 960-7415		Fax:	
E-Mail: pstefan@lith.org		E-Mail: nsujet@lith.org		E-Mail:	

If the Chief Executive Officer and the Chief Financial Officer are the same person as the Contact Person, please check this box and skip to Step 2.

Unit Name : Lake-In-The-Hills Village

Unit Code : 063/055/32

STEP 4: POPULATION, EAV AND EMPLOYEES

What is the total population of Lake-In-The-Hills Village?^	28,945
What is the total EAV of Lake-In-The-Hills Village?	\$789,341,144
How many full time employees are paid?*	109
How many part time employees are paid?*	23
What is the total salary paid to all employees?	\$10,784,172

^ Or provide estimated population.

* Do not include contractual employees.

STEPS 5 AND 6: COMPONENT UNITS AND APPROPRIATIONS

Provide the appropriation for the primary government listed in the first row of the table below.

In the remaining rows, provide the names of all component units along with their appropriations. Indicate if the component units are blended or discretely presented, its fiscal year end date and if the component unit was funded with governmental fund types or enterprise fund types. If the component units are already indicated, that data is based on forms submitted last year. If you have more component units than the rows provided below, please indicate them on an attachment.

If you need assistance with the terms indicated below, refer to the *Chart of Accounts and Definitions* and the *How to Fill Out An AFR* documents.

Name of Unit/Component FUNDS SHOULD NOT BE LISTED HERE*	Appropriation^	Type of Component Unit (Blended or Discretely Presented)	Fiscal Year End	Enterprise Fund Type or Governmental Fund Type
Lake-In-The-Hills Village	\$32,820,341		12/31	
Total Appropriations	\$32,820,341			

* Do not enter funds such as Joint Bridge, Permanent Road, Town Fund, Equipment, Water & Sewer, General Assistance, etc. These funds should be included in Step 8.

^ If the Primary Government or Component Unit does NOT budget or levy taxes, please enter the unit's TOTAL EXPENDITURES.

Unit Name : Lake-In-The-Hills Village

Unit Code : 063/055/32

STEP 7: OTHER GOVERNMENTS

Indicate any payments Lake-In-The-Hills Village made to other governments for services or programs (include programs performed on a reimbursement, cost-sharing basis or federal payroll taxes).

Intergovernmental agreements - indicate how much was paid	\$0
Federal government payroll taxes	\$795,015
All other intergovernmental payments	\$0

STEP 8: FUND LISTING & ACCOUNT GROUPS

A. List all funds and how much was spent in FY 2021 for each fund. Also, indicate the Fund Type (Fund Types are at the top of each column beginning on page F1). If any fund names appear below, the data is based on forms submitted last year. Please make all necessary corrections. If you have more fund names than the rows provided below, please indicate them on an attachment.

Fund Name	Expenditure	Fund Type	FY End
Capital Improvement	\$1,051,118	Capital Projects Fund	12/31
General	\$17,358,233	General Fund	12/31
Health Insurance	\$345,739	Internal Service Fund	12/31
Lake Projects	\$101,422	Capital Projects Fund	12/31
Motor Fuel Tax	\$1,429,323	Special Revenue Fund	12/31
Municipal Airport	\$1,187,632	Enterprise Fund	12/31
Police Pension	\$1,433,576	Fiduciary Fund	12/31
Police Seizure	\$279	Special Revenue Fund	12/31
Special Service Areas	\$503,548	Special Revenue Fund	12/31
Veterans Memorial	\$470	Special Revenue Fund	12/31
Water Operating and Maintenance	\$4,137,558	Enterprise Fund	12/31
Total Expenditures	\$27,548,898		

B. Does Lake-In-The-Hills Village have assets or liabilities that should be recorded as a part of Account Groups? See Chart of Accounts and Definitions and the How to Fill Out An AFR documents for more information about Account Groups.

___ Yes X No

Office of the Comptroller, Susana A. Mendoza
FY 2021 AFR
Multi-Purpose Form

Unit Name : Lake-In-The-Hills Village

Unit Code : 063/055/32

STEP 9: GOVERNMENTAL ENTITIES

List of governmental entities that are part of or related to the primary government. Exclude component units detailed in Steps 5 & 6. Most small governments do not have governmental entities.

Entity Name	Relationship

STEP 10: REPORTING

Check any state or local entity where financial reports are filed.

STATE AGENCIES	
___ - Board of Education	___ - Board of Higher Education
___ - DCEO	<u>X</u> - Department of Insurance
OTHER STATE OR LOCAL OFFICES	
<u>X</u> - Illinois Comptroller	___ - Secretary of State
___ - General Assembly - House	___ - General Assembly - Senate
<u>X</u> - County Clerk	___ - Circuit Clerk
___ - Governor's Office	___ - Other - _____

Assets

Code	Enter All Amounts in Whole Numbers	Governmental Activity	Business-Like Activity	Fiduciary	Discretely Presented Component Units
Current Assets					
101t	Cash and Cash Equivalent	\$23,907,266	\$8,911,049	\$1,360,517	\$0
102t	Investments	\$0	\$0	\$43,970,522	\$0
115t	Receivables	\$9,202,626	\$1,221,005	\$67,159	\$0
109t	Inventories	\$88,496	\$45,428	\$0	\$0
112t	Other Assets (Explain)	\$1,732,129	\$217,055	\$1,503	\$0
Non-Current Assets					
116t	Capital Assets/Net of Accumulated Depreciation	\$30,441,219	\$39,841,048	\$0	\$0
117t	Other Capital Assets (Explain)	\$148,472,742	\$13,837,033	\$0	\$0
120t	Total Assets	\$213,844,478	\$64,072,618	\$45,399,701	\$0
150t	Deferred Outflow of Resources	\$1,483,472	\$882,876	\$0	\$0

Liabilities

Code	Enter All Amounts in Whole Numbers	Governmental Activity	Business-Like Activity	Fiduciary	Discretely Presented Component Units
Current Liabilities					
122t	All Payables	\$1,462,808	\$635,886	\$13,578	\$0
132t	Deferred Revenues	\$1,964,484	\$8,021	\$0	\$0
128t	Other Liabilities (Explain)	\$0	\$0	\$0	\$0
Non-Current/Long Term Liabilities					
129t	Due Within One Year	\$285,449	\$157,542	\$0	\$0
130t	Due Beyond One Year	\$2,002,228	\$2,330,268	\$0	\$0
131t	Other Non-Current/Long Term Liabilities (Explain)	\$0	\$0	\$0	\$0
135t	Total Liabilities	\$5,714,969	\$3,131,717	\$13,578	\$0
155t	Deferred Inflow of Resources	\$16,113,115	\$774,271	\$0	\$0

Net Position

Code	Enter All Amounts in Whole Numbers	Governmental Activity	Business-Like Activity	Fiduciary	Discretely Presented Component Units
143t	Investments in Capital Assets/Net of Related Debt	\$178,913,961	\$52,092,295	\$0	\$0
148t	Net Position - Restricted	\$4,086,368	\$0	\$45,386,123	\$0
149t	Net Position - Unrestricted	\$10,499,537	\$8,957,211	\$0	\$0
146t	Total Net Position	\$193,499,866	\$61,049,506	\$45,386,123	\$0

Revenues and Receipts

Code	Enter All Amounts in Whole Numbers	General	Special Revenue	Capital Projects	Debt Service	Enterprise	Internal Service	Fiduciary	Discretely Presented Component Units
Local Taxes		Report In Whole Numbers							
201t	Property Tax	\$5,674,404	\$378,871	\$0	\$0	\$104,199	\$0	\$0	\$0
202t	Local Sales Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
203t	Utilities Tax	\$236,362	\$0	\$1,280,695	\$0	\$0	\$0	\$0	\$0
203a	Electric Utilities	\$0	\$0	\$711,531	\$0	\$0	\$0	\$0	\$0
203b	Water Utilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
203c	Communications Utilities	\$236,362	\$0	\$0	\$0	\$0	\$0	\$0	\$0
203d	Other Utilities (Explain)	\$0	\$0	\$569,164	\$0	\$0	\$0	\$0	\$0
204t	Other Taxes (Explain)	\$3,068,764	\$0	\$0	\$0	\$2,545	\$0	\$0	\$0
Intergovernmental Receipts & Grants									
211t	State Income Tax	\$3,858,855	\$0	\$0	\$0	\$0	\$0	\$0	\$0
212t	State Sales Tax	\$3,876,140	\$0	\$0	\$0	\$0	\$0	\$0	\$0
213t	State Motor Fuel Tax	\$0	\$1,202,687	\$0	\$0	\$0	\$0	\$0	\$0
214t	State Replacement Tax	\$11,872	\$0	\$0	\$0	\$0	\$0	\$0	\$0
205t	State Gaming Tax(es)	\$225,585	\$0	\$0	\$0	\$0	\$0	\$0	\$0
215t	Other State Sources (Explain)	\$1,160,025	\$0	\$0	\$0	\$0	\$0	\$0	\$0
215a	General Support	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
215b	Public Welfare	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
215c	Health and/or Hospitals	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
215d	Streets and Highways	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
215e	Culture and Recreation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
215f	Housing/Comm. Development	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
215g	Water Supply System	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
215h	Electric/Gas Power System	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
215i	Mass Transit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
215j	Other (Explain)	\$1,160,025	\$0	\$0	\$0	\$0	\$0	\$0	\$0
225t	Federal Sources	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
225a	General Support	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Revenues and Receipts

Code	Enter All Amounts in Whole Numbers	General	Special Revenue	Capital Projects	Debt Service	Enterprise	Internal Service	Fiduciary	Discretely Presented Component Units
Intergovernmental Receipts & Grants									
225b	Public Welfare	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
225c	Health and/or Hospitals	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
225d	Streets and Highways	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
225e	Culture and Recreation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
225f	Housing/Comm. Development	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
225g	Water Supply System	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
225h	Electric/Gas Power System	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
225i	Mass Transit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
225j	Other (Explain)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
226t	Other Intergovernmental Sources (Explain)	\$52,519	\$799,589	\$117,528	\$0	\$325,403	\$0	\$0	\$0
Other Sources									
231t	Licenses and Permits	\$390,477	\$0	\$0	\$0	\$0	\$0	\$0	\$0
233t	Fines and Forfeitures	\$188,845	\$0	\$0	\$0	\$0	\$0	\$0	\$0
234t	Charges for Services	\$1,702,179	\$0	\$0	\$0	\$5,237,308	\$319,305	\$0	\$0
234a	Water Utilities	\$0	\$0	\$0	\$0	\$4,354,659	\$0	\$0	\$0
234b	Gas Utilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
234c	Electric Utilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
234d	Transit Utilities	\$0	\$0	\$0	\$0	\$882,649	\$0	\$0	\$0
234e	Sewer Utilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
234f	Refuse and Disposal Charges	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
234g	Parking	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
234h	Housing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
234i	Highway or Bridge Tolls	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
234j	Culture and Recreation	\$571,769	\$0	\$0	\$0	\$0	\$0	\$0	\$0
234k	Other (Explain)	\$1,130,410	\$0	\$0	\$0	\$0	\$319,305	\$0	\$0
235t	Interest	(\$6,928)	\$5,374	\$402	\$0	\$5,788	\$20	\$0	\$0
236t	Miscellaneous (Explain)	\$297,197	\$10,383	\$0	\$0	\$15,528	\$0	\$7,442,887	\$0
240t	Total Receipts and Revenue	\$20,736,296	\$2,396,904	\$1,398,625	\$0	\$5,690,771	\$319,325	\$7,442,887	\$0

Disbursements, Expenditures and Expenses

Code	Enter All Amounts in Whole Numbers	General	Special Revenue	Capital Projects	Debt Service	Enterprise	Internal Service	Fiduciary	Discretely Presented Component Units
Report In Whole Numbers									
251t	General Government	\$3,344,998	\$323,118	\$97,962	\$0	\$0	\$345,739	\$187,805	\$0
251a	Financial Administration	\$758,819	\$0	\$0	\$0	\$0	\$0	\$121,264	\$0
251b	General Administrative Buildings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
251c	Central Administration	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
251d	Other (Explain)	\$2,586,179	\$323,118	\$97,962	\$0	\$0	\$345,739	\$66,541	\$0
252t	Public Safety	\$8,799,213	\$279	\$0	\$0	\$0	\$0	\$0	\$0
252a	Police	\$8,799,213	\$279	\$0	\$0	\$0	\$0	\$0	\$0
252b	Fire	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
252c	Regulation - Building Inspection	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
252d	Other (Explain)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
253t	Corrections	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
254t	Judiciary and Legal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
255t	Transportation and Public Works	\$4,429,100	\$74,199	\$0	\$0	\$792,467	\$0	\$0	\$0
255a	Streets and Highways	\$2,340,235	\$74,199	\$0	\$0	\$0	\$0	\$0	\$0
255b	Airports	\$0	\$0	\$0	\$0	\$792,467	\$0	\$0	\$0
255c	Parking Meters	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
255d	Parking Facilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
255e	Other (Explain)	\$2,088,865	\$0	\$0	\$0	\$0	\$0	\$0	\$0
256t	Social Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
256a	Welfare	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
256b	Health (Other than hospitals)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
256c	Hospital Operations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
256d	Cemeteries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
256e	Other (Explain)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Disbursements, Expenditures and Expenses

Code	Enter All Amounts in Whole Numbers	General	Special Revenue	Capital Projects	Debt Service	Enterprise	Internal Service	Fiduciary	Discretely Presented Component Units
Report In Whole Numbers									
257t	Culture and Recreation	\$784,922	\$0	\$0	\$0	\$0	\$0	\$0	\$0
257a	Library	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
257b	Parks	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
257c	Other (Explain)	\$784,922	\$0	\$0	\$0	\$0	\$0	\$0	\$0
258t	Housing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
275t	Environment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
275a	Sewage	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
275b	Solid Waste Management	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
275c	Other (Explain)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
259t	Debt	\$0	\$0	\$0	\$0	\$43,862	\$0	\$0	\$0
259a	Interest	\$0	\$0	\$0	\$0	\$43,862	\$0	\$0	\$0
259b	Principal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
271t	Public Utility Company	\$0	\$0	\$0	\$0	\$2,600,811	\$0	\$0	\$0
271a	Water	\$0	\$0	\$0	\$0	\$2,600,811	\$0	\$0	\$0
271b	Electric	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
271c	Transit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
271d	Other (Explain)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
272t	Depreciation	\$0	\$0	\$0	\$0	\$1,880,050	\$0	\$0	\$0
280t	Capital Outlay	\$0	\$1,536,024	\$1,054,578	\$0	\$0	\$0	\$0	\$0
260t	Other Expenditures/Expenses (Explain)	\$0	\$0	\$0	\$0	\$8,000	\$0	\$1,245,771	\$0
270t	Total Expenditures/Expense	\$17,358,233	\$1,933,620	\$1,152,540	\$0	\$5,325,190	\$345,739	\$1,433,576	\$0

Fund Balances and Other Financing Sources (Uses)

Code	Enter All Amounts in Whole Numbers	General	Special Revenue	Capital Projects	Debt Service	Enterprise	Internal Service	Fiduciary	Discretely Presented Component Units
Report In Whole Numbers									
301t	Excess of receipts/revenues over (under) expenditures/expenses (240t-270t)	\$3,378,063	\$463,284	\$246,085	\$0	\$365,581	(\$26,414)	\$6,009,311	\$0
302t	Operating transfers in	\$0	\$0	\$0	\$0	\$0	\$25,000	\$0	\$0
303t	Operating transfers out	(\$25,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
304t	Bond proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
305t	Other long term debt (Explain)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
306t	Net increase (decrease) in fund balance (301t + 302t - 303t + 304t + 305t)	\$3,353,063	\$463,284	\$246,085	\$0	\$365,581	(\$1,414)	\$6,009,311	\$0
307t	Previous year fund balance	\$15,818,301	\$3,442,390	\$853,728	\$0	\$60,658,802	\$165,835	\$39,376,812	\$0
308t	Other (Explain)	\$0	\$180,694	\$45,967	\$0	\$25,123	\$0	\$0	\$0
310t	Current Year Ending Fund Balance (306t + 307t + 308t)	\$19,171,364	\$4,086,368	\$1,145,780	\$0	\$61,049,506	\$164,421	\$45,386,123	\$0

Statement of Indebtedness (Governmental & Proprietary combined)

Debt Instruments for All Funds	Code	Outstanding Beginning of Year	Code	Issued Current Fiscal Year	Code	Retired Current Fiscal Year	Code	Outstanding End of Year	Original Issue Amount	Final Maturity Date	Interest Rate Ranges-Lowest	Interest Rate Ranges-Highest
Report In Whole Numbers												
General Obligation Bonds	400	\$1,580,000	406	\$0	412	\$120,000	418	\$1,460,000	\$2,770,000			
Water	400a	\$1,445,000	406a	\$0	412a	\$55,000	418a	\$1,390,000	\$1,495,000	12/15/2039	1.75%	4.00%
Electric	400b	\$0	406b	\$0	412b	\$0	418b	\$0	\$0		0.00%	0.00%
Transportation	400c	\$135,000	406c	\$0	412c	\$65,000	418c	\$70,000	\$1,275,000	12/15/2022	2.00%	2.00%
Housing	400d	\$0	406d	\$0	412d	\$0	418d	\$0	\$0		0.00%	0.00%
Other (Explain)	400e	\$0	406e	\$0	412e	\$0	418e	\$0	\$0		0.00%	0.00%
Revenue Bonds	401	\$0	407	\$0	413	\$0	419	\$0	\$0			
Water	401a	\$0	407a	\$0	413a	\$0	419a	\$0	\$0		0.00%	0.00%
Electric	401b	\$0	407b	\$0	413b	\$0	419b	\$0	\$0		0.00%	0.00%
Transportation	401c	\$0	407c	\$0	413c	\$0	419c	\$0	\$0		0.00%	0.00%
Housing	401d	\$0	407d	\$0	413d	\$0	419d	\$0	\$0		0.00%	0.00%
Other (Explain)	401e	\$0	407e	\$0	413e	\$0	419e	\$0	\$0		0.00%	0.00%
Alternate Revenue Bonds	402	\$0	408	\$0	414	\$0	420	\$0	\$0		0.00%	0.00%
Contractual Commitments	403	\$0	409	\$0	415	\$0	421	\$0	\$0		0.00%	0.00%
Other (Explain)	404	\$9,594,627	410	\$429,581	416	\$6,708,721	422	\$3,315,487	\$0		0.00%	0.00%
Total Debt	405	\$11,174,627	411	\$429,581	417	\$6,828,721	423	\$4,775,487				

Debt Limitations and Future Debt

Future Debt Service Requirements for Bonded Debt listed above			
Year Ending	Principal	Interest	Total
2022	\$130,000	\$48,950	\$178,950
2023	\$60,000	\$46,500	\$106,500
2024	\$60,000	\$45,450	\$105,450
2025	\$65,000	\$44,400	\$109,400
2026	\$65,000	\$43,100	\$108,100
2027-2031	\$355,000	\$187,000	\$542,000
2032-2036	\$425,000	\$112,200	\$537,200
2037-2041	\$300,000	\$24,400	\$324,400
TOTAL	\$ 1,460,000	\$ 552,000	\$ 2,012,000

Please provide a summary of the authorized debt limitations, including any statutory references.

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

Pension Funds / Retirement Benefits

Code	Enter All Amounts in Whole Numbers	IMRF			Police Pension			Fire Pension		
		2018	2019	2020	2019	2020	2021	Year 1	Year 2	Year 3
500	Actuarial Valuation Date (VD)	12/31/2018	12/31/2019	12/31/2020	12/31/2019	12/31/2020	12/31/2021			
500a	Reporting Date (RD)	12/31/2019	12/31/2020	12/31/2021	12/31/2019	12/31/2020	12/31/2021			
500b	Measurement Date (MD)	12/31/2018	12/31/2019	12/31/2020	12/31/2019	12/31/2020	12/31/2021			
501	Total Pension Liability (TPL)	\$23,494,913	\$25,174,762	\$25,897,649	\$43,549,962	\$43,892,457	\$45,116,521	\$0	\$0	\$0
502	Plan Fiduciary Net Position (FNP)	\$20,055,954	\$23,262,153	\$26,635,397	\$34,188,258	\$39,376,812	\$45,386,123	\$0	\$0	\$0
503	Net Pension Liability (NPL)	\$3,438,959	\$1,912,609	(\$737,748)	\$9,361,704	\$4,515,645	(\$269,602)	\$0	\$0	\$0
504	Plan Fiduciary Net Position as a Percentage of Total Pension Liability	85.36%	92.40%	102.84%	78.50%	89.71%	100.59%	0.00%	0.00%	0.00%
505	Net Pension Obligation/ Net OPEB Obligation	\$1	\$1	\$1	\$1	\$1	\$1	\$0	\$0	\$0

Enter All Amounts in Whole Numbers

Code		SLEP			Other Pension			OPEB (Net)		
		Year 1	Year 2	Year 3	Year 1	Year 2	Year 3	2019	2020	2021
500	Actuarial Valuation Date (VD)							12/31/2019	12/31/2020	12/31/2021
500a	Reporting Date (RD)							12/31/2019	12/31/2020	12/31/2021
500b	Measurement Date (MD)							12/31/2019	12/31/2020	12/31/2021
501	Total Pension Liability (TPL)	\$0	\$0	\$0	\$0	\$0	\$0	\$1015603	\$1,025,572	\$1,089,334
502	Plan Fiduciary Net Position (FNP)	\$0	\$0	\$0	\$0	\$0	\$0	\$1	\$1	\$1
503	Net Pension Liability (NPL)	\$0	\$0	\$0	\$0	\$0	\$0	\$1,015,602	\$1,025,571	\$1,089,333
504	Plan Fiduciary Net Position as a Percentage of Total Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
505	Net Pension Obligation / Net OPEB Obligation	\$0	\$0	\$0	\$0	\$0	\$0	\$1	\$1	\$1

Capital Outlay*

Code	Function	These are not funds	
		Construction	Land, Structures, and Equipment
601t	General Government	\$0	\$225,034
602t	Law Enforcement	\$0	\$173,203
603t	Corrections	\$0	\$0
604t	Fire	\$0	\$0
605t	Sewerage	\$0	\$0
606t	Sanitation and Wastewater	\$0	\$0
607t	Parks and Recreation	\$0	\$0
608t	Housing and Community Development	\$0	\$0
609t	Highways, Roads and Bridges	\$0	\$2,164,165
610t	Parking Facilities	\$0	\$0
611t	Welfare	\$0	\$0
612t	Hospital	\$0	\$0
613t	Water	\$9,286	\$313,646
614t	Nursing Homes	\$0	\$0
615t	Conservation and Natural Resources	\$0	\$0
616t	Libraries	\$0	\$0
617t	Other	\$249,729	\$32,669

*This page should only be filled out if you have spent funds for capital projects or development.

*The Capital Outlay page is requested by the U.S. Census Bureau and is considered optional by the State Comptroller.

*If you complete this page you WILL NOT have to complete the Survey of Government Finances from the U.S. Census Bureau.

*If you do NOT complete this page the U.S. Census Bureau will contact you for further information.

Explanation or Comments

<u>Type</u>	<u>Explanation</u>
112t	Prepaid expenses and net pension assets
117t	Capital assets not being depreciated
203d	Natural gas utility tax
204t	Home rule sales tax, amusement, cannabis home rule tax
215j	Local use tax and cannabis use tax
226t	Grants and Police Seizure Revenue
234k	Cable Franchise, impact fees, other fees, rental income, and health insurance fees
236t	misc revenue, contributions, insurance/restitutions, and investment income
251d	Executive, Admin, Community Development, MIS, Insur/Legal/Engineering, and Pension Fund Admin expense, contractual services, and health care costs
255e	Public Works Admin and Public Property
257c	Recreation
260t	Pension Benefits, Amortization
308t	Prior period adjustment, sale of capital assets
404t	GO Bonds, GO Bond premium, OPEB, Comp Absences, IMRF and Police Pension NPL, and ARO
410t	OPEB and Comp Absences
416t	GO Bonds, GO Bond premium, Comp Absences, IMRF, and Police Pension NPL
422t	GO Bonds, GO Bond Premium, Comp Absences, OPEB, and ARO
AuthDebtLimit	Under the 1970 Illinois Constitution, there is no legal limit for home rule municipalities except as set by the General Assembly.

CPA Information

According to the Governmental Account Audit Act [50 ILCS 310], an Annual Audit submitted to the IL Office of the Comptroller shall be performed by a licensed public accountant, with a valid certificate as a public accountant under the Illinois Public Accounting Act [225 ILCS 450]. Please access the website of the Illinois General Assembly (www.ilga.gov/legislation/ilcs/ilcs.asp) to view these Acts. **If your government is required to submit an Annual Audit, please complete the following:**

Is the Licensed Certified Public Accountant performing your audit working as an individual licensed in Illinois, or are they working in association with a Public Accounting Firm or a Professional Service Corporation licensed in Illinois, or are they licensed in another state? Please use a checkmark to select one choice:

- Individual Licensed Certified Public Accountant Public Accounting Firm (IL License) Professional Service Corporation (IL License)
- Out-of-State (Individual / Public Accounting Firm / Professional Service Corporation)

Is the Licensed Certified Public Accountant performing your audit working as an individual licensed in Illinois, or are they working in association with a Public Accounting Firm or a Professional Service Corporation licensed in Illinois, or are they licensed in another state? Please use a checkmark to select one choice:

Enter the active 9-digit License#:	<u>066003284</u>	License Status:	<u>ACTIVE</u>
Business Name:	<u>SIKICH LLP</u>		
Address:	<u>1415 W Diehl Rd Ste 400</u>	Address 2:	_____
City:	<u>Naperville</u>	State: <u>IL</u>	ZIP: <u>60563-1197</u>
Phone:	_____	Ext. _____	Fax: _____ E-Mail: _____
Last Name:	<u>Savio</u>	First Name: <u>Jim</u>	Title: <u>Partner</u>
Phone:	<u>6305668400</u>	Ext. _____	E-Mail: <u>jim.savio@sikich.com</u>

F12

List of Error(s) still needing to be resolved

Office of the Comptroller, Susana A. Mendoza
FY 2021 AFR
Multi-Purpose Form

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

SIKICH.COM

June 30, 2022

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 financial statements of the Police Pension Plan, a fiduciary component unit of the Village of Lake in the Hills, Illinois (the Village) for the year ended December 31, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 10, 2021. 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 Fund 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, 2021. We noted no transactions entered into by the Plan 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 liability.

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. We did not identify any misstatements as a result of our audit.

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 basic financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 30, 2022.

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 Police Pension Plan of the Village's financial statements or a determination of the type of auditor's opinion that may be expressed on those basic 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 Police Pension Plan of 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 as listed in the table of contents which is 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.

Other Matters (Continued)

We were engaged to report on the supplemental data, which accompanies the basic financial statements but are not RSI. With respect to the supplemental data, 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 supplemental data to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Trustees and management of the Police Pension Plan of the Village of Lake in the Hills, Illinois 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 Police Pension Plan. 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, 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, 2021

The background of the lower half of the page features a teal header bar at the top, followed by a large, abstract graphic of overlapping, semi-transparent geometric shapes in shades of gray and white, creating a sense of depth and movement. In the bottom right corner, there is a solid orange rectangular box containing the text 'SIKICH.COM' in white, uppercase, sans-serif font.

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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	1-3
BASIC FINANCIAL STATEMENTS	
Statement of Fiduciary Net Position	4
Statement of Changes in Fiduciary Net Position	5
Notes to Financial Statements	6-14
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

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Naperville, IL 60563
630.566.8400

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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

Opinions

We have audited the accompanying financial statements of the Police Pension Fund (the Fund), a fiduciary component unit of the Village of Lake in the Hills, Illinois (the Village) as of and for the year ended December 31, 2021 and the related notes to financial statements, which collectively comprise the Fund's basic financial statements as listed in the table of contents.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Police Pension Fund of the Village of Lake in the Hills, Illinois, as of December 31, 2021, and the changes in fiduciary net position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the 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.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement 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.

Supplementary 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 Fund. 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
June 30, 2022

BASIC FINANCIAL STATEMENTS

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
POLICE PENSION PLAN

STATEMENT OF FIDUCIARY NET POSITION

December 31, 2021

ASSETS	
Cash	\$ 10,637
First American Government Obligation Fund	1,349,880
Investments, at Fair Value	
Illinois Funds	1,363,958
Illinois Metropolitan Investment Fund	2
U.S. Treasury Securities	1,641,359
U.S. Agency Securities	3,056,738
Corporate Bonds	7,033,065
Fixed Income Mutual Funds	1,660,309
Foreign Issues	635,110
Equity Mutual Funds	28,579,981
Receivables	
Accrued Interest	67,159
Prepaid Items	<u>1,503</u>
 Total Assets	 45,399,701
 LIABILITIES	
Accounts Payable	<u>13,578</u>
 NET POSITION RESTRICTED	
FOR PENSION	<u><u>\$ 45,386,123</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, 2021

ADDITIONS

Contributions

Employer	\$ 1,645,039
Employee	445,060

Total Contributions	<u>2,090,099</u>
---------------------	------------------

Investment Income

Net Appreciation in Fair Value of Investments	4,308,989
Interest	<u>1,043,799</u>

Total Investment Income	5,352,788
Less Investment Expense	<u>(121,264)</u>

Net Investment Income	<u>5,231,524</u>
-----------------------	------------------

Total Additions	<u>7,321,623</u>
-----------------	------------------

DEDUCTIONS

Pension Benefits	1,245,771
Administrative Expenses	<u>66,541</u>

Total Deductions	<u>1,312,312</u>
------------------	------------------

NET INCREASE	6,009,311
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**NET POSITION RESTRICTED
FOR PENSION**

January 1	<u>39,376,812</u>
-----------	-------------------

December 31	<u><u>\$ 45,386,123</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, 2021

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 of 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 January 1, 2021 (actuarial valuation date), the Plan membership consisted of:

Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	19
Inactive Plan Members Entitled to but not yet Receiving Benefits	3
Active Plan Members	<u>39</u>
 TOTAL	 <u><u>61</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 preceding 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% of 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, 2021, the Village's contribution was 42.02% 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, 2021.

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	2.60%	0.80%
U.S. Large Cap	43.40%	6.90%
U.S. Mid Cap	7.60%	7.40%
U.S. Small Cap	3.40%	7.30%
International Equities	8.10%	6.00%
U.S Fixed Income Taxable	31.70%	1.70%
High Yield Fixed Income	0.80%	3.50%
Alternative	2.40%	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 1.80%) 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, 2021, 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, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 13.50%. 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, 2021:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury Obligations	\$ 1,641,359	\$ -	\$ 1,353,876	\$ 287,483	\$ -
U.S. Agency Obligations	3,056,738	-	2,088,642	764,922	203,174
Fixed Income Mutual Funds	1,660,309	-	1,660,309	-	-
Foreign Issues	635,110	-	371,522	263,588	-
Corporate Bonds	7,033,065	50,610	3,113,165	3,869,290	-
TOTAL	\$ 14,026,581	\$ 50,610	\$ 8,587,514	\$ 5,185,283	\$ 203,174

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, 2021: 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 foreign issues 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 investment-grade corporate bonds. The U.S. agency obligations are either not rated or rated from AA+. The corporate bonds are rated BBB- to AAA. The fixed income mutual funds are rated Bb+ to AAA. The Illinois Funds are rated AAA. The foreign issues are rated BBB+ to AA-.

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 (ASSET) OF THE VILLAGE

A. Net Pension Liability (Asset)

Total Pension Liability	\$ 45,116,521
Plan Fiduciary Net Position	45,386,123
Village's Net Pension Liability (Asset)	(269,602)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.60%

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

4. PENSION LIABILITY (ASSET) OF THE VILLAGE (Continued)

A. Net Pension Liability (Asset) (Continued)

See the schedule of changes in the employer's net pension liability (asset) and related ratios on pages 15 and 16 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 January 1, 2021, using the following actuarial methods and assumptions. The total pension liability was rolled forward by the actuary using updating procedures to December 31, 2021.

Actuarial Valuation Date	January 1, 2021
Measurement Date	December 31, 2021
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

Active 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 (ASSET) 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 (asset) to changes in the discount rate. The table below presents the net pension liability (asset) of the Village calculated using the discount rate of 6.75% as well as what the Village's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) 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 (Asset)	\$ 7,193,152	\$ (269,602)	\$ (6,281,768)

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, 2021 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.

REQUIRED SUPPLEMENTARY INFORMATION

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

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

Last Eight Fiscal Years

FISCAL YEAR ENDING DECEMBER 31,	2014	2015	2016	2017	2018	2019	2020	2021
TOTAL PENSION LIABILITY								
Service Cost	\$ 914,462	\$ 819,172	\$ 927,272	\$ 989,863	\$ 973,114	\$ 1,017,162	\$ 1,089,035	\$ 1,126,128
Interest	1,972,342	2,166,890	2,290,894	2,385,137	2,551,157	2,677,085	2,743,686	2,820,349
Changes of Benefit Terms	-	-	-	-	-	171,924	-	-
Differences Between Expected and Actual Experience	723,430	(965,189)	56,947	109,340	(581,406)	127,910	(2,070,960)	(1,476,642)
Changes of Assumptions	1,077,358	709,326	(862,520)	-	-	463,113	(308,204)	-
Benefit Payments, Including Refunds of Member Contributions	(739,738)	(783,911)	(1,002,314)	(1,030,489)	(1,019,055)	(1,135,494)	(1,111,062)	(1,245,771)
Net Change in Total Pension Liability	3,947,854	1,946,288	1,410,279	2,453,851	1,923,810	3,321,700	342,495	1,224,064
Total Pension Liability - Beginning	28,546,180	32,494,034	34,440,322	35,850,601	38,304,452	40,228,262	43,549,962	43,892,457
TOTAL PENSION LIABILITY - ENDING	\$ 32,494,034	\$ 34,440,322	\$ 35,850,601	\$ 38,304,452	\$ 40,228,262	\$ 43,549,962	\$ 43,892,457	\$ 45,116,521
PLAN FIDUCIARY NET POSITION								
Contributions - Employer	\$ 1,020,259	\$ 1,066,419	\$ 1,248,941	\$ 1,292,435	\$ 1,369,010	\$ 1,370,263	\$ 1,484,407	\$ 1,645,039
Contributions - Member	328,681	347,585	410,317	379,776	352,057	389,244	439,448	445,060
Contributions - Other	55,831	105	-	-	-	-	-	-
Net Investment Income	1,101,370	(83,151)	1,386,255	3,005,889	(1,388,452)	5,598,402	4,426,285	5,231,524
Benefit Payments, Including Refunds of Member Contributions	(739,738)	(783,911)	(1,002,314)	(1,030,489)	(1,019,055)	(1,135,494)	(1,111,062)	(1,245,771)
Administrative Expense	(43,872)	(27,935)	(27,378)	(25,049)	(44,211)	(45,326)	(50,524)	(66,541)
Net Change in Plan Fiduciary Net Position	1,722,531	519,112	2,015,821	3,622,562	(730,651)	6,177,089	5,188,554	6,009,311
Plan Fiduciary Net Position - Beginning	20,861,794	22,584,325	23,103,437	25,119,258	28,741,820	28,011,169	34,188,258	39,376,812
PLAN FIDUCIARY NET POSITION - ENDING	\$ 22,584,325	\$ 23,103,437	\$ 25,119,258	\$ 28,741,820	\$ 28,011,169	\$ 34,188,258	\$ 39,376,812	\$ 45,386,123
EMPLOYER'S NET PENSION LIABILITY (ASSET)	\$ 9,909,709	\$ 11,336,885	\$ 10,731,343	\$ 9,562,632	\$ 12,217,093	\$ 9,361,704	\$ 4,515,645	\$ (269,602)

FISCAL YEAR ENDING DECEMBER 31,	2014	2015	2016	2017	2018	2019	2020	2021
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.50%	67.10%	70.10%	75.04%	69.63%	78.50%	89.71%	100.60%
Covered Payroll	\$ 3,507,517	\$ 3,833,606	\$ 3,628,173	\$ 3,746,089	\$ 3,172,999	\$ 3,276,121	\$ 3,945,289	\$ 3,914,759
Employer's Net Pension Liability (Asset) as a Percentage of Covered Payroll	282.50%	295.70%	295.80%	255.30%	385.00%	285.80%	114.50%	-6.90%

Notes to Required Supplementary Information

Year Ended December 31, 2020 - There was a change with respect to actuarial assumptions to reflect revised expectations with respect to the marital assumption for retiree and disabled members to the actual spousal data.

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.

(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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Actuarially Determined Contribution	\$ 932,539	\$ 913,030	\$ 1,018,934	\$ 1,067,861	\$ 1,250,911	\$ 1,293,479	\$ 1,370,179	\$ 1,372,114	\$ 1,498,027	\$ 1,634,382
Contributions in Relation to the Actuarially Determined Contribution	933,602	914,128	1,020,259	1,066,419	1,248,941	1,292,435	1,369,010	1,370,263	1,484,407	1,645,039
CONTRIBUTION DEFICENCY (Excess)	\$ (1,063)	\$ (1,098)	\$ (1,325)	\$ 1,442	\$ 1,970	\$ 1,044	\$ 1,169	\$ 1,851	\$ 13,620	\$ (10,657)
Covered Payroll	\$ 3,045,224	\$ 3,194,090	\$ 3,507,517	\$ 3,833,606	\$ 3,628,173	\$ 3,746,089	\$ 3,172,999	\$ 3,276,121	\$ 3,945,289	\$ 3,914,759
Contributions as a Percentage of Covered Payroll	30.66%	28.62%	29.09%	27.82%	34.42%	34.50%	43.15%	41.83%	37.62%	42.02%

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, 2021:

Actuarial Cost Method	Entry-Age Normal
Amortization Method	Level Percent of Pay, Closed; 100% through 2033
Remaining Amortization Period	14 Years
Asset Valuation Method	Five-Year Smoothed Fair Value
Return on Investments	6.75%
Inflation	2.25%
Salary Increases	3.75% to 10.77%
Payroll Growth	3.25%
Mortality	Pub-2010 Adjusted for Plan Status, Demographics, 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 Eight Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2014	2015	2016	2017	2018	2019	2020	2021
Annual Money-Weighted Rate of Return, Net of Investment Expense	5.49%	(0.41%)	6.07%	12.09%	(4.88%)	20.20%	13.75%	13.50%

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, 2021

	<u>Par</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Carrying and Fair Value</u>
DEPOSITS				
Harris Bank				
First National Bank				
Account Numbers 317-784-7 and 70-013-4		Open	0.00% - 0.05%	\$ 10,637
Total Deposits				<u>10,637</u>
INVESTMENTS				
Held for Safekeeping by				
U.S. Bank				
U.S. Treasury Note	\$ 214,000	08/31/27	0.500%	204,194
U.S. Treasury Note	320,000	08/31/25	0.250%	309,987
U.S. Treasury Note	91,000	10/31/27	0.500%	86,599
U.S. Treasury Note	179,000	08/31/28	1.125%	175,533
U.S. Treasury Note	168,000	08/31/26	0.750%	164,240
U.S. Treasury Note	405,000	09/15/24	0.375%	399,273
U.S. Treasury Note	90,000	11/15/31	1.500%	88,861
U.S. Treasury Note	23,000	11/30/28	1.500%	23,090
U.S. Treasury Note	89,000	12/31/23	0.625%	89,018
U.S. Treasury Note	96,000	02/15/27	2.250%	100,564
FFCB Deb	179,167	03/25/30	2.000%	178,465
FFCB Deb	375,375	03/23/26	1.000%	371,283
FFCB Deb	245,000	01/15/26	1.000%	241,435
FFCB Deb	105,000	04/14/31	2.150%	104,351
FFCB Deb	270,000	08/19/25	0.300%	268,923
FFCB Deb	100,000	08/26/27	0.500%	99,124
FFCB Deb	225,000	11/15/24	1.100%	224,987
FFCB Deb	50,000	05/16/25	1.030%	49,771
FFCB Deb	35,000	11/15/24	1.050%	34,998
FFCB Deb	45,000	11/23/26	1.430%	44,887
FFCB Deb	90,000	11/22/23	0.750%	89,945
FFCB Deb	285,000	12/26/26	0.875%	284,769
FFCB Deb	45,000	12/10/24	1.015%	44,993
FHLMC	30,929	06/01/51	2.500%	31,605
FFCB Deb	88,000	04/29/26	2.920%	88,732
FFCB Deb	83,000	09/22/31	1.730%	80,951
FFCB Deb	45,000	01/21/32	2.040%	44,843
FFCB Deb	83,000	12/01/32	2.150%	82,924
FFCB Deb	67,000	12/09/31	2.200%	66,857
FFCB Deb	157,000	12/14/26	1.600%	156,840
FHLMC	134,000	12/21/34	2.550%	133,587
FNMA	23,440	07/01/31	2.000%	24,019
FNMA	90,000	12/18/26	0.875%	87,955
FNMA	51,000	07/30/29	1.150%	48,924
FNMA	16,020	07/01/40	4.500%	17,547
FNMA	23,153	01/01/41	2.000%	23,525
FNMA	26,330	06/01/50	3.000%	27,510
FNMA	35,017	02/01/49	3.000%	36,530
FNMA	21,939	04/01/32	3.000%	22,969
FNMA	41,137	02/01/33	3.500%	43,489
Foreign Issues	633,207	Various	1.000%-3.700%	635,110
Corporate Bonds	6,912,574	Various	1.700%-5.550%	<u>7,033,065</u>
Total in Safekeeping				<u>12,366,272</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, 2021

	Par	Maturity Date	Interest Rate	Carrying and Fair Value
INVESTMENTS (Continued)				
Other				
Invesco Fund		Open		\$ 322,125
Fuller Thaler Behavioral Small Cap Fund		Open		762,671
American Euro Pacific Growth Fund		Open		2,231,273
Gateway Fund		Open		1,048,823
Harding Loevner International Fund		Open		1,021,033
Principal Midcap Fund		Open		3,345,906
Vanguard Growth Index Fund		Open		5,965,250
Vanguard Value Index Fund		Open		4,790,597
Vanguard Small Cap Index Fund		Open		749,431
Vanguard 500 Index Admiral		Open		8,342,872
Federated		Open		338,420
Pimco		Open		1,321,889
Illinois Funds		Open		1,363,958
Illinois Metropolitan Investment Convenience Fund		Open		2
First American Government Obligation Fund		Open		1,349,880
				<u>32,954,130</u>
Total Other				32,954,130
				<u>45,320,402</u>
Total Safekeeping and Other				45,320,402
TOTAL DEPOSITS AND INVESTMENTS				<u><u>\$ 45,331,039</u></u>

(See independent auditor's report.)



REQUEST FOR BOARD ACTION

MEETING DATE: January 10, 2023

DEPARTMENT: Community Development

SUBJECT: Amendment to an Ordinance Granting a Variation to Section 16.7 Table 5 - Signs Permitted, at 220 North Randall Road

EXECUTIVE SUMMARY

At the July 26, 2022 Committee of the Whole meeting staff presented a request from Mark Hoffmann for a variation to the sign regulations in Section 16.7 Table 5 of the Zoning Code. The requested variation would allow for the construction of a new permanent ground sign for the Moretti's restaurant to replace the ground sign that was removed during the widening of North Randall Road. The motion to approve the request was denied at the July 28, 2022 Board of Trustees meeting, with Trustees expressing concerns with the overall height of the sign.

Staff met with Mr. Hoffmann to determine whether he would be willing to reduce the height of the proposed sign and move it as close as possible to the property line to increase its visibility. Mr. Hoffmann was very willing and open, and made adjustments that would better align with the requests of the Board. Specifically, at the August 9, 2022 Committee of the Whole meeting staff presented revised drawings with the proposed height of the sign reduced to 15 feet as measured from the base of the sign, which would require a variation of seven feet. At the August 11, 2022 Board of Trustees meeting the Trustees reconsidered the July 28 Board action on the sign variation, and approved Ordinance No. 2022-29 as amended to approve a variation for the revised sign.

On August 13, 2022 Village staff received a formal sign permit application from the owner's sign contractor. The approved amended ordinance would allow the ground sign to be located near the northeast corner of the property adjacent to the driveway accessing North Randall Road (within 17 feet from the driveway and within 13 feet from the eastern lot line). However, the sign permit application shows the new sign in a location centered on the front of the building (approximately 120 feet north of the southern lot line and 2.5 feet away from the eastern lot line). Upon review, the Village Attorney determined that the proposed change in location would require approval by the Board of Trustees.

FINANCIAL IMPACT

None

ATTACHMENTS

1. Ordinance, amended to include the additional changes outlined above.
2. Exhibits

RECOMMENDED MOTION

Motion to approve an amendment to Ordinance No. 2022-29, An Ordinance Granting a Variation to Section 16.7 Table 5 – Signs Permitted, at 220 N. Randall Rd, PIN 19-30-276-006, to allow for a sign with a height increased from 8 feet to 15 feet and with the setback from a property line decreased from 10 feet to 2.5 feet, with the following conditions:

1. The changeable copy portion of the sign shall not be used to direct attention to a business, commodity, service, or entertainment conducted, sold or offered at a location other than the premises on which the sign is located; and,
2. The sign base shall be located approximately 120 feet north of the southern property line and within 13 feet of the eastern property line along North Randall Road, and no part of the sign may be located less than 2.5 feet away from the eastern property line along North Randall Road.

ORDINANCE 2023 -

**AN ORDINANCE AMENDING ORDINANCE NO. 2022-29, AN ORDINANCE GRANTING
A VARIATION TO SECTION 16.7 TABLE 5 - SIGNS PERMITTED,
AT 220 N. RANDALL ROAD, PIN 19-30-276-006,
TO ALLOW FOR A SIGN**

ORDINANCE PASSED BY THE
PRESIDENT AND BOARD OF TRUSTEES
OF THE VILLAGE OF LAKE IN THE HILLS
AT THEIR REGULAR MEETING ON JANUARY 12, 2023
PUBLISHED IN PAMPHLET FORM BY AUTHORITY OF THE
BOARD OF TRUSTEES
OF THE
VILLAGE OF LAKE IN THE HILLS

President: Ray Bogdanowski

Board of Trustees: Stephen J. Harlfinger
Bob Huckins
Bill Dustin
Suzette Bojarski
Diane Murphy
Wendy Anderson

Clerk: Shannon DuBeau

VILLAGE OF LAKE IN THE HILLS

ORDINANCE NO. 2022 - 29

**An Ordinance Granting a Variation to Section 16.7
Table 5 - Signs Permitted, at 220 N. Randall Road,
PIN 19-30-276-006, to allow for a Sign**

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 to regulate for the protection of the public health, safety, morals, and welfare, as granted in the Constitution of the State of Illinois; and

WHEREAS, Mark Hoffmann, applicant at the subject property at 220 North Randall Road, petitioned the Village of Lake in the Hills requesting a variation to 16.7 Table 5 - Signs Permitted to allow for a sign; and

WHEREAS, a public hearing was held by the Village of Lake in the Hills Planning and Zoning Commission, after due notice in the manner provided by law; and

WHEREAS, the Planning and Zoning Commission, after deliberation, has made a report and its recommendation relative to the rezoning 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 a variation to Section 16.7 Table 5 - Signs Permitted to allow for a sign at 220 North Randall Road, PIN 19-30-276-006, is hereby incorporated.

SECTION 3: Approval of ~~the Variations.~~ Subject to, and contingent upon, the conditions, restrictions, and provisions set forth in Sections 4 and 5 of this Ordinance, the following variations from Section 16.7 Table 5 - Signs Permitted, for an additional 7 feet above the maximum allowable height of 8 feet to allow for a 15 foot high sign structure, measured from the base of the sign, at of the Zoning Code are hereby granted on the subject property at 220 N. Randall Road, PIN 19-30-276-006, with the following conditions, is

~~hereby granted on the subject property, with the understanding the variation for the sign does not relieve the owner from complying with all other setbacks of the Village, the required distance from the front lot line and that the sign shall be constructed approximately at the location indicated on the submitted land title survey. Based on the heights of surrounding single tenant commercial signs, the applicant's request for a variation of an additional 7 feet in height from the maximum allowable standards, as measured from the base of the sign, is hereby approved.:~~

1. An increase in the maximum allowable height of the ground sign from 8 feet to 15 feet as measured from the base of the sign; and,
- 1-2. A decrease in the minimum required distance from a lot line for the ground sign from 10 feet to 2.5 feet.

SECTION 4: Conditions. The approvals granted in this Ordinance ~~is~~ are granted expressly and specifically subject to the following conditions:

1. The changeable copy portion of the sign shall not be used to direct attention to a business, commodity, service, or entertainment conducted, sold or offered at a location other than the premises on which the sign is located.
2. The sign base shall be located ~~within 17 feet of the driveway accessing North Randall Road approximately 120 feet north of the southern property line~~ and within 13 feet of the eastern property line along North Randall Road, and no part of the sign may be located less than 2.5 feet away from the eastern property line along North Randall Road.

SECTION 5: All other requirements set forth in the Zoning Ordinance of the Village of Lake in the Hills, as would be required by the Village as to any owner of property zoned in the same manner as the Subject Property shall be complied with.

SECTION 6: 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 7: All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 8: 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 ~~11th~~10th day of ~~August~~January, ~~2022~~2023 by roll call vote as follows:

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

APPROVED THIS ~~11th~~10th DAY OF ~~AUGUST~~January,
~~2022~~2023

Village President, Ray Bogdanowski

(SEAL)

ATTEST: _____
Village Clerk, Shannon DuBeau

Published: _____

C E R T I F I C A T I O N

I, SHANNON DUBEAU, do hereby certify by my signature affixed below that I am the duly elected and qualified Village Clerk of the VILLAGE OF LAKE IN THE HILLS, County of McHenry, Illinois, and that as such Village Clerk, I am the keeper of the ordinances, records, corporate seal and proceedings of the President and Board of Trustees of said Village of Lake in the Hills.

I do hereby further certify that at a regular meeting of the President and Board of Trustees of the VILLAGE OF LAKE IN THE HILLS, Illinois, held on the 12th day of January 2023 the foregoing Ordinance titled "An Ordinance Amending Ordinance No. 2022-29, An Ordinance Granting a Variation to Section 16.7 Table 5 - Signs Permitted, at 220 N. Randall Road, PIN 19-30-276-006, to allow for a sign" as duly passed by the Board of Trustees of the VILLAGE OF LAKE IN THE HILLS a true and correct copy of which is attached hereto. The passage of said Ordinance was on a roll call vote, on which the vote was as follows:

	Ayes	Nays	Absent	Abstain
Trustee Harlfinger	_____	_____	_____	_____
Trustee Huckins	_____	_____	_____	_____
Trustee Dustin	_____	_____	_____	_____
Trustee Bojarski	_____	_____	_____	_____
Trustee Murphy	_____	_____	_____	_____
Trustee Anderson	_____	_____	_____	_____
President Ray Bogdanowski	_____	_____	_____	_____

I do further certify that said Ordinance was duly published on January 13, 2023, in pamphlet form.

IN WITNESS WHEREOF, I have above set my hand and caused to be affixed the seal of the VILLAGE OF LAKE IN THE HILLS, Illinois on the 13th day of January 2023.

Shannon DuBeau, Village Clerk
By Nancy Sujet, Deputy Village Clerk
Village of Lake in the Hills
McHenry County, Illinois

(SEAL)

Moretti's

**220 N. Randall Rd.
Lake in the Hills, IL 60156**

MORETTI'S

**220 N. Randall Rd.
Lake in the Hills, IL 60156**

Date	10/25/21
Acct. Executive	S. Menna
Page No.	001
Revision Number	Date
(Rev. 9)	06/21/22
(Rev. 10)	08/05/22
(Rev. 11)	08/05/22
(Rev. 12)	08/08/22
(Rev. 13)	08/09/22
Rev. 14 08/10/22	Rev. 15 12/15/22
Rev. 16 12/22/22	

Drawn By **D. Savage**

Drawing Scale

PERMIT INFO

Sign Sq. Ft.

No. of Lamps/LEDs

Total Wattage

No. of Power Supplies

Total Amperage

Ext. 20 Amp Toggle
Switch w/Rubber Boot

Signature	mm/dd/yy
Cust. Approval	Date
Signature	mm/dd/yy
Landlord Approval	Date

ELECTRICAL NOTES

Sign company DOES NOT provide Primary Electrical to Sign. Power to the Sign must be done by a licensed electrical contractor or licensed electrician.

Each Sign Must Have:

1. A minimum of One(1) dedicated 120V 20A circuit.
2. Junction box installed within Six(6) feet of Sign.
3. Three Wire: Line, Ground, and Neutral.

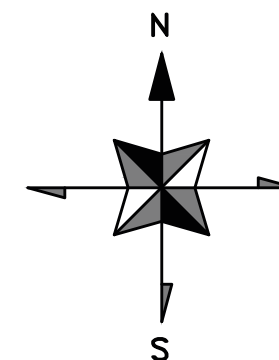
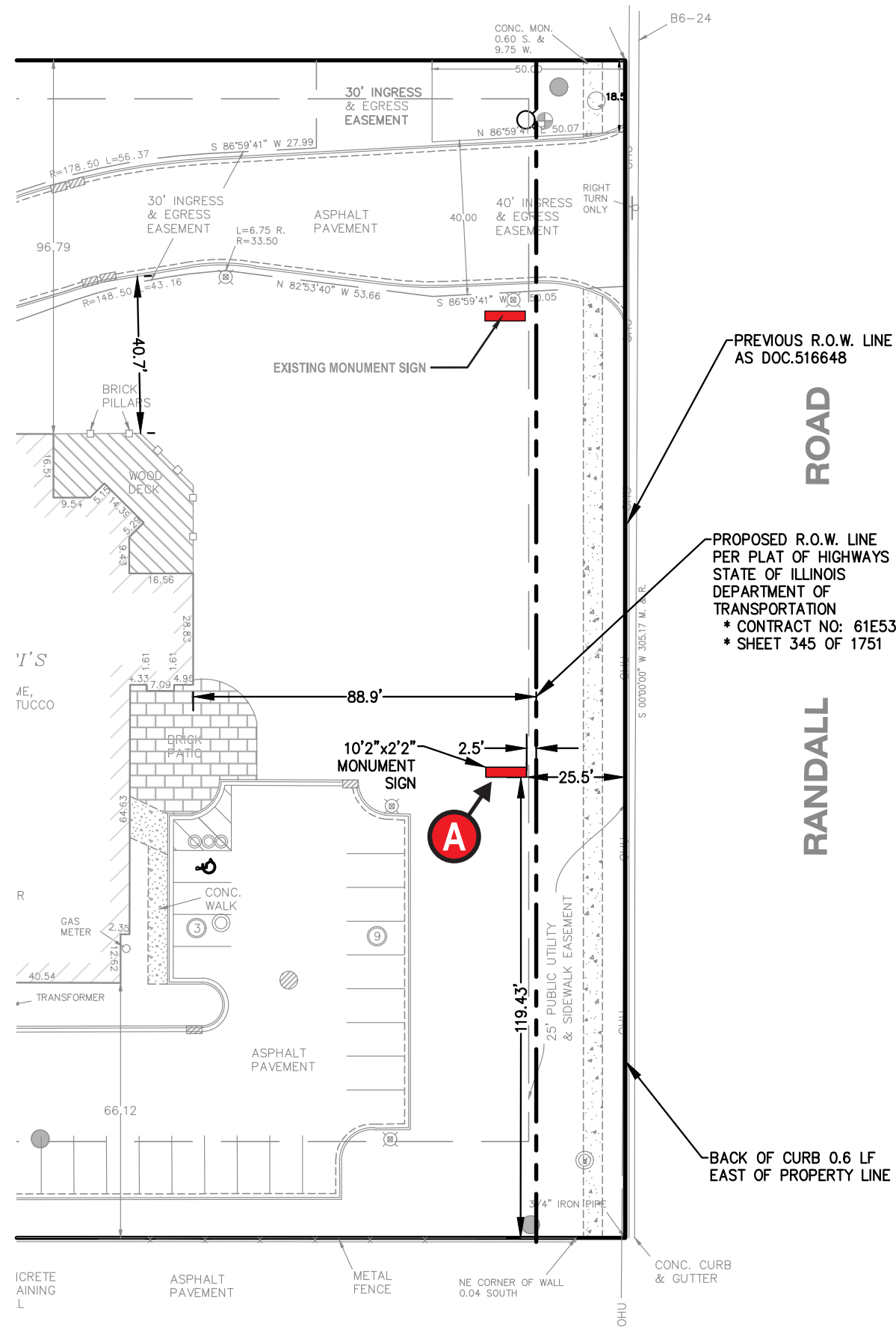
MORETTI'S

220 N. Randall Rd.
Lake in the Hills, IL 60156

Date	10/25/21
Acct. Executive	S. Menna
Page No.	002
Revision Number	Date
(Rev. 9)	06/21/22
(Rev. 10)	08/05/22
(Rev. 11)	08/05/22
(Rev. 12)	08/08/22
(Rev. 13)	08/09/22
Rev. 14 08/10/22	Rev. 15 12/15/22
Rev. 16 12/22/22	
Drawn By	D. Savage
Drawing Scale	N.T.S.

PERMIT INFO	
Sign Sq. Ft.	
No. of Lamps/LEDs	
Total Wattage	
No. of Power Supplies	
Total Amperage	
Ext. 20 Amp Toggle Switch w/Rubber Boot	Yes

Signature	mm/dd/yy
Cust. Approval	Date
Signature	mm/dd/yy
Landlord Approval	Date



ELECTRICAL NOTES

Sign company DOES NOT provide Primary Electrical to Sign. Power to the Sign must be done by a licensed electrical contractor or licensed electrician.

Each Sign Must Have:

1. A minimum of One(1) dedicated 120V 20A circuit.
2. Junction box installed within Six(6) feet of Sign.
3. Three Wire: Line, Ground, and Neutral.



D/F PYLON SIGN W/ SAMSUNG 8mm RGB EMU

N.T.S.



PROPOSED



PREVIOUS MONUMENT SIGN LOCATION

MORETTI'S

220 N. Randall Rd.
Lake in the Hills, IL 60156

Date	10/25/21
Acct. Executive	S. Menna
Page No.	003
Revision Number	Date
(Rev. 9)	06/21/22
(Rev. 10)	08/05/22
(Rev. 11)	08/05/22
(Rev. 12)	08/08/22
(Rev. 13)	08/09/22
Rev. 14 08/10/22	Rev. 15 12/15/22
Rev. 16 12/22/22	

Drawn By **D. Savage**

Drawing Scale

PERMIT INFO

Sign Sq. Ft.
No. of Lamps/LEDs
Total Wattage
No. of Power Supplies
Total Amperage
Ext. 20 Amp Toggle Switch w/Rubber Boot

Signature	mm/dd/yy
Cust. Approval	Date
Signature	mm/dd/yy
Landlord Approval	Date

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ELECTRICAL NOTES
Sign company DOES NOT provide Primary Electrical to Sign. Power to the Sign must be done by a licensed electrical contractor or licensed electrician.

- Each Sign Must Have:**
1. A minimum of One(1) dedicated 120V 20A circuit.
 2. Junction box installed within Six(6) feet of Sign.
 3. Three Wire: Line, Ground, and Neutral.

MORETTI'S

220 N. Randall Rd.
Lake in the Hills, IL 60156

Date 10/25/21

Acct. Executive S. Menna

Page No. 004

Revision Number Date

(Rev. 9) 06/21/22

(Rev. 10) 08/05/22

(Rev. 11) 08/05/22

(Rev. 12) 08/08/22

(Rev. 13) 08/09/22

Rev. 14 08/10/22 Rev. 15 12/15/22
Rev. 16 12/22/22

Drawn By D. Savage

Drawing Scale 3/16"=1'

(Rev. 8)

PERMIT INFO

Sign Sq. Ft.

No. of Lamps/LEDs

Total Wattage

No. of Power Supplies

Total Amperage

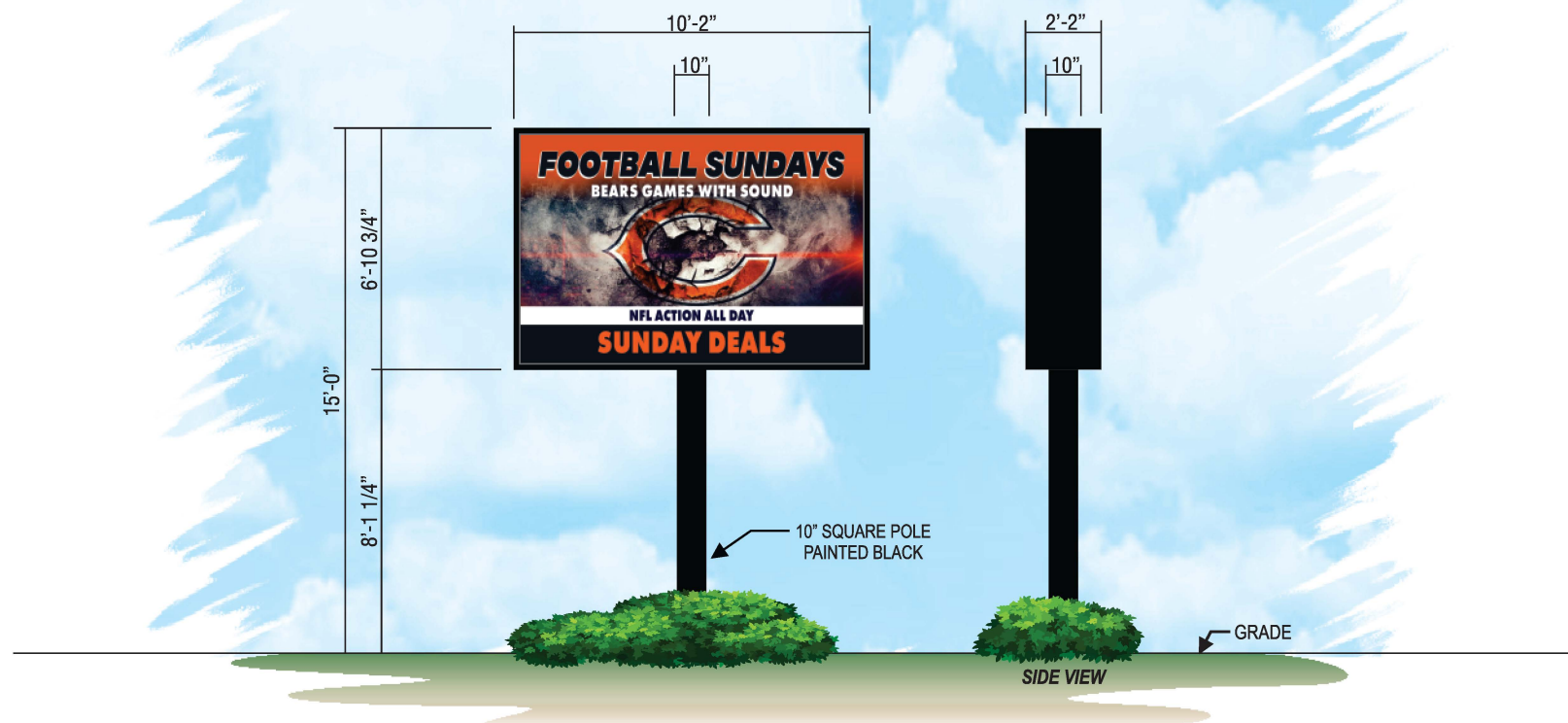
Ext. 20 Amp Toggle Switch w/Rubber Boot Yes

Signature mm/dd/yy

Cust. Approval Date

Signature mm/dd/yy

Landlord Approval Date



D/F ILLUM. PYLON SIGN W/ SAMSUNG 8mm RGB EMU

Total Sq.Ft.: **152.5**

Pole: **Painted, MP Black.**



Quantity: 2
Overall Cab. Height: 6'-10 3/4"
Overall Cab. Width: 10'-2"
Active: 6'-6 3/4" x 9'-10"
Overall Sign Depth: 8in.
Total Sq. Ft.: 70.0

Type: **8mm 240 x 360 RGB LED Matrix Display**
Cabinet Style: XPR-E
Approx. Weight/Face: 541.8 lbs
Wattage/Face: 6000 (Display only)



ELECTRICAL NOTES

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Each Sign Must Have:

1. A minimum of One(1) dedicated 120V 20A circuit.
2. Junction box installed within Six(6) feet of Sign.
3. Three Wire: Line, Ground, and Neutral.



REQUEST FOR BOARD ACTION

MEETING DATE: January 10, 2023

DEPARTMENT: Public Works

SUBJECT: Airport Ground Lease for Hangar PAP-26

EXECUTIVE SUMMARY

The Lake in the Hills Airport Rules and Regulations require airport tenants to enter into applicable leases, licenses, or storage agreements for Village owned hangers. Mark Zakula is requesting a new ground lease in the name of his trust fund on Hangar PAP-26. This lease is for the period of January 13, 2023 to January 12, 2043. The lease includes an option to renew for four additional five-year terms.

Mr. Zakula has signed the appropriate lease form and has provided acceptable proof of insurance.

FINANCIAL IMPACT

The Airport Fund will receive \$2,437.80 annually from the ground lease, subject to annual increases approved by ordinance.

ATTACHMENTS

1. Proposed Ordinance
2. PAP-26 Ground Lease

RECOMMENDED MOTION

Motion to approve the Ordinance and authorize the Village President and Village Clerk to sign the ground lease for Hangar PAP-26 with MK Zakula Trust.

VILLAGE OF LAKE IN THE HILLS

ORDINANCE NO. 2023- _____

**An Ordinance Authorizing the Approval of a Ground Lease
between the Village of Lake in the Hills
and the MK Zakula Trust for PAP-26**

WHEREAS, the Village of Lake in the Hills, McHenry County, Illinois, 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 to regulate for the protection of the public health, safety, morals and welfare, as granted in the Constitution of the State of Illinois.

WHEREAS, the Village and the MK Zakula Trust wish to enter into a Ground Lease for PAP-26 at the Lake in the Hills Airport for an initial period of 20 years, ending January 12, 2043 with the option to renew for four (4) additional terms of five years; and

WHEREAS, the dimensions of the land area occupied by the outside perimeter of PAP-26 is approximately 42'3" x 18' by 16'5" x 20'7" of billable hangar space.

NOW, THEREFORE, BE IT ORDAINED by the President and Board of Trustees of the Village of Lake in the Hills, McHenry County, Illinois, as follows:

SECTION 1: That the President is hereby authorized to enter into a Ground Lease between the Village and MK Zakula Trust for PAP-26 at the Lake in the Hills Airport ("Exhibit A"), attached hereto and made a part hereof.

SECTION 2: 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 judgment shall not affect, impair, invalidate or nullify the remainder thereof, which remainder shall remain and continue in full force and effect.

SECTION 3: All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 4: 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 12th day of January, 2023 by roll call vote as follows:

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

APPROVED THIS 12TH DAY OF JANUARY, 2023

Village President, Ray Bogdanowski

(SEAL)

ATTEST: _____
Village Clerk, Shannon DuBeau

Published: _____

VILLAGE OF LAKE IN THE HILLS
LAKE IN THE HILLS AIRPORT GROUND LEASE

THIS GROUND LEASE (this “Lease”) made and entered into at Lake in the Hills, Illinois, this 13th day of January, 2023 by and between the Village of Lake in the Hills, an Illinois municipal corporation (the “Lessor”) and MK Zakula Trust (the “Lessee”).

WITNESSETH:

WHEREAS, the Lessor does hereby let and lease to the Lessee the parcel of property depicted on Exhibit A attached to and by this reference incorporated into this Lease at the Lake in the Hills Airport (the “Airport”), which parcel of property is commonly known as:

[PAP-26]

Lot dimensions 42’3” X 18’ by 16’5” X 20’7” (The “Premises”).

ARTICLE 1: TERM; RENEWAL

1.01 This Lease shall commence on January 13, 2023, and shall continue for a period of 20 years and shall terminate January 12, 2043 (the “Initial Term”) unless sooner terminated as hereinafter provided.

1.02 The Lessee shall have the option to renew this Lease for four (4) additional terms of five years (the “Extension Terms”), which Extension Terms shall commence on the day immediately following the last day of the then existing Term, provided (i) that the Lessee notifies the Lessor in writing (the “Extension Notice”) at least 60 days prior to the expiration of the existing Term that the Lessee intends to renew this Lease for one of the Extension Terms; (ii) that the Lessee is not in default of any obligation or duty imposed upon it by this Lease; and (iii) that the Lessor may increase, modify, or otherwise alter, for the Extension Terms, the amount of rent paid by the Lessee. The Lessor shall notify the Lessee in writing of any rent increase (the “Rental Increase Notice”) within 30 days of receipt of the Extension Notice. In the event the Lessee determines that the rental increase is unreasonable, the Lessee shall have 10 days after Lessor’s delivery of the Rental Increase Notice to elect to terminate this Lease. In the event the Lessee elects to terminate this Lease pursuant to the terms of this Article 1.02, then the Lessee shall provide the Lessor with written notice (the “Termination Notice”) of its intention to do so no later than 10 days after the Lessor’s delivery of the Rental Increase Notice. In the event the Lessor does not receive the Termination Notice within the 10-day period of time, it shall be conclusively presumed that the Lessee has elected not to terminate this Lease

ARTICLE 2: USE

2.01 The Premises shall be used, occupied, and maintained by the Lessee for the sole purpose of supporting an Aircraft Hangar/Storage facility (the “Hangar”) for aircraft owned or leased by the Lessee and for lease for storage of other aircraft, and uses reasonably incidental thereto, and for no other purpose (the “Approved Uses”).

2.02 The Lessee shall not conduct any business activities or aviation-related activities other than the Approved Uses, unless the Lessee shall also have a separate and valid commercial activity agreement with the Lessor. The Lessee shall comply with (a) all applicable governmental laws, ordinances, codes, rules, and regulations and applicable orders and directions of public officers thereunder and (b) all requirements of carriers of insurance on the Premises respecting all matters of occupancy, condition, maintenance, and use of the Premises, whether any of the foregoing shall be directed to the Lessee or the Lessor, including but not limited to any environmental laws or regulations by any local, state, or federal government and the Airport rules and regulations.

2.03 The Lessee agrees to occupy the entire Premises and to properly maintain and operate the Approved Uses at all times during the term(s) of this Lease.

2.04 The Lessee shall be entitled to the non-exclusive use, in common with other users, of the public facilities of the Airport solely for the purpose of ingress and egress to and from the Premises. The Lessee shall not use the public areas for the transient or permanent tie-down of aircraft or for any purposes other than as expressly permitted by this Lease.

2.05 The Lessee shall, at the Lessee's own expense, comply with all present and hereinafter enacted environmental laws, including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6941 et seq., Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq., Safe Drinking Water Act, 42 U.S.C. Section 300 et seq., the Clean Air Act, 42 U.S.C. Section 7401 et seq., and the regulations promulgated thereunder and any other laws, regulations, and ordinances (whether enacted by the local, state or federal governments) now in effect or hereinafter enacted, that deal with the regulation or protection of the environment and hazardous materials. The Lessee shall not cause or permit any hazardous material to be used, generated, manufactured, produced, or stored on, under, or about the Premises. The Lessee shall not keep on the Premises any inflammables, such as gasoline, kerosene, naphtha, or benzine or other volatile chemicals or compounds or explosives or any other articles of intrinsically dangerous nature, except such materials and equipment commonly related to airplane maintenance. The Lessee further shall indemnify, defend, and hold harmless the Lessor from and against any and all liability, loss, damage, expense, penalties, and legal and investigation fees or costs arising from or related to any claim or action for injury or liability brought by any person, entity or governmental body, alleging or arising in connection with contamination of, or adverse effects on, the environment of the Premises.

ARTICLE 3: RENT

3.01 The amount of rent payable to the Lessor (the "Rent") is set forth on the rent schedule ("the Rent Schedule") attached to and by this reference incorporated into this Lease as Exhibit B. The Rent, during the Initial Term and any Extension Term, is subject to an increased adjustment by the Lessor on an annual basis based on the following: the current year's Rent multiplied by the Consumer Price Index (the "CPI") for the Chicago Metropolitan Area, up to a maximum 10 percent increase over the current year's rent. The CPI to be used for the preceding calculation shall be the CPI available for the most recent 12 month period. The first month's Rent shall be paid upon the execution of this Lease and each month's Rent thereafter shall be paid in advance on or before the first day of a calendar month during the term(s) of this Lease.

Rent for any partial calendar month within the Term shall be prorated on a per diem basis assuming a 30-day month.

3.02 The Lessee agrees to pay all rent and any other amount owing hereunder on the due date thereof to the Lessor at its office at 600 Harvest Gate, Lake in the Hills, Illinois, or to such other person at such other address as the Lessor may from time to time designate in writing. The Lessee hereby agrees that the Lessee's obligation to pay such rent and other amounts shall be absolute and unconditional under all circumstances, including, without limitation, the following circumstances: (a) any setoff counter-claim, recoupment, defense, or other right that the Lessee may have against the Lessor, or anyone else for any reason whatsoever; (b) any damage to, loss, or destruction of the Premises or any interruption or cessation in the use or possession thereof by the Lessee for any reason whatsoever, unless directly caused by the negligent acts of Lessor; (c) any insolvency, bankruptcy, reorganization, or similar proceedings by or against the Lessee; and (d) any other event or circumstance whatsoever, whether or not similar to any of the foregoing. To the extent permitted by applicable law, the Lessee hereby waives any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statutes or otherwise, to terminate, cancel, quit, or surrender any portion of the Premises hereunder except in accordance with the expressed terms hereof. If for any reason whatsoever this Lease shall be terminated in whole or in part by operation of law or otherwise, except in the event of termination without the fault of Lessee or termination upon change of ownership in accordance with Article 12 of this Lease, or dis-affirmed by the Lessee, all remaining rent payments which would have become due and payable in accordance with the terms hereof had this Lease not been terminated or dis-affirmed in whole or part shall become immediately due and payable. Each rent or any other payment made by the Lessee hereunder shall be final and the Lessee shall not seek to recover all or any part of such payment from the Lessor for any reason whatsoever.

3.03 The Lessee shall also pay the Lessor a late charge upon payment of Rent after the tenth day of any month in the amount of 10 percent of the amount owed. Payment of a late charge to the Lessor shall in no way interfere with the Lessee's obligation to pay Rent on the first day of each month. Payment by the Lessee of a late charge shall not be deemed a waiver of or otherwise limit the Lessor's remedies under this Lease.

ARTICLE 4: LESSOR'S RIGHT TO RELOCATE LESSEE

4.01 The Lessee acknowledges that at any time during the term(s) of this Lease, the Lessor may need to relocate the Hangar to another comparable location at the Airport (the "Relocation"). In the event the Lessor determines in its sole and absolute discretion that Relocation is necessary, the Lessor shall provide the Lessee with 30 days written notice of its intention to relocate. The Hangar will be relocated to another location that, in the sole discretion of the Lessor, is comparable to the Premises, and the definition of the "Premises" shall be revised to reflect the new location. The Lessor will pay for the following costs of Relocation: preparation of the new site, relocation of the Hangar and hangar facilities onto the new site, and all costs directly associated with the Relocation. The Lessee shall have no right to reimbursement from the Lessor for any costs incurred by the Lessee as a result of the Relocation, except for reasonable costs incurred by the Lessee as a result of Lessor's Relocation actions.

4.02 The Lessor shall not be responsible for theft, loss, injury, damage, or destruction of the Hangar or of any aircraft or other property on the Premises during the Relocation. The Lessee hereby releases and discharges the Lessor for the loss of or damage to the Lessee's property, except for that loss or damage arising out of the Lessor's negligence during the Relocation.

ARTICLE 5: CONDITION OF PREMISES; REPAIR

5.01 The Lessee has inspected the Premises and accepts the Premises in an "as is" condition. The Lessee acknowledges that its decision to enter into this Lease was based on its own knowledge and analysis and not on any representations by the Lessor, and the Lessee waives any and all claims against the Lessor in connections therewith. At the termination of this Lease, the Lessee shall, at Lessee's sole expense, remove the Hangar, including any foundation, and restore the Premises to a natural state, including grading and grass seeding.

5.02 The Lessee agrees, at its sole cost and expense, to repair, replace, or reconstruct the Hangar and other improvements located on the Premises that are damaged or destroyed by fire or other casualty, or required to be repaired, removed, or reconstructed by any governmental or military authority. Such repair, replacement, or reconstruction shall be accomplished within such time as may be reasonable under the circumstances after allowing for delays caused by strikes, lockouts, acts of God, fire, extraordinary weather conditions, or any other cause or casualty beyond the reasonable control of Lessee (the "Reasonable Time Period"). The design and specifications of such repair, replacement, or reconstruction shall be as determined by Lessee; but such work shall restore the Premises to not less than its condition prior to said need for repair.

ARTICLE 6: COVENANTS

The Lessee agrees to all of the following covenants:

(a) The Lessee shall not commit, suffer, or allow to be committed or suffered any acts of waste on the Premises, or commit or permit to be committed any acts which will in any way constitute a public or private nuisance or an unlawful or immoral act. Only the Approved Uses shall be permitted.

(b) All maintenance to the Hangar or other improvements or any repair of damages to same from any cause shall be the sole responsibility of the Lessee and shall be made in the Reasonable Time Period and at the Lessee's expense (unless such damage was caused by the negligence of the Lessor) and same shall comply fully with all applicable laws, ordinances, and other government regulations, codes, and directions.

(c) The Lessee shall not erect or install any sign of any kind anywhere in or on the Premises without the specific prior written consent of the Lessor. In addition, the Lessee shall not use any broadcast or audio advertising media, including but not limited to loudspeakers, phonographs, or radio or television broadcasts, in a manner visible or audible outside of the Hangar.

(d) The Lessee shall not install any exterior lighting or plumbing fixtures, shades, or awnings or exterior decoration or paintings or build any enclosures or audio or television antenna, loudspeakers, sound amplifiers, or similar devices on the roof or exterior walls of the Hangar without the specific prior written consent of the Lessor.

(e) The Lessee shall store all trash and garbage within proper receptacles in the Hangar and around the Premises. The Lessee shall not burn any trash or garbage of any kind in or about the Premises.

ARTICLE 7: REMEDIES

7.01 In the event of any default by the Lessee with respect to any of the events below and the Lessee's failure to cure said default within 10 days after written notice thereof by the Lessor, the Lessor may immediately terminate this Lease and/or the Lessee's right to possession hereunder, and pursue any other remedy available to the Lessor at law or in equity and including, without limitation, those remedies set forth at the end of this Article, upon the happening of one or more of the following events:

- (a) The making by the Lessee of an assignment for the benefit of the creditors without the written consent of the Village Administrator;
- (b) The operation or supervision of any business other than the Approved Uses conducted in the Premises by the Lessee, or by anyone else, except only with the prior specific written consent of the Lessor;
- (c) The levying of a writ of execution or attachment on or against the property of the Lessee;
- (d) The doing, or permitting to be done, by the Lessee of any act which creates a mechanic's lien or claim therefor against the Premises or any part of the Premises;
- (e) The failure of the Lessee to pay any Rent when due, which shall not be in lieu of any statutorily prescribed remedies for the Lessee's failure to pay Rent but shall be in addition thereto;
- (f) If the estate created hereby shall be taken in execution or by other process of law or if proceedings are instituted in a court of competent jurisdiction for the reorganization, liquidation, or voluntary or involuntary dissolution of the Lessee or composition for the benefit of a creditor or for its adjudication as a bankrupt or insolvent, or for the appointment of a receiver of the property of the Lessee for any purpose and said proceedings are not dismissed, and any receiver, trustee, or liquidator appointed therein discharged within 10 days after the institution of said proceedings;
- (g) Any failure of the Lessee to keep and perform fully any of its covenants under this Lease;

- (h) The abandonment of the Premises by the Lessee or the discontinuance by the Lessee of the proper maintenance and operation of the Approved Uses for a consecutive period of three months or longer;
- (i) If the Lessee is a corporation, the sale of any of the Lessee's stock pledged for any purpose, whether by virtue of execution or otherwise.

7.02 Upon the event of a default hereunder by the Lessee, the Lessor shall have the right to cure the default, at its option, by any means reasonably necessary. In such event, the Lessee shall reimburse the Lessor for all reasonable costs incurred by the Lessor in curing the default.

7.03 Upon the termination of this Lease or the Lessee's right to possession hereunder, the Lessor may re-enter the Premises using such force as may be necessary and in compliance with applicable law and remove all persons, fixtures, property and equipment therefrom and the Lessor shall not be liable for damages or otherwise by reason of re-entry or termination of possession of the term of this Lease. Upon termination of either the Lessee's right to possession or the Lease, the Lessor shall be entitled to recover immediately an amount equal to the minimum rent for the balance of the term less the amount of any minimum rental obtained from any other lessee for the balance of the term in the event the said premises are re-let. Upon and after entry into possession without termination of this Lease, the Lessor may, but need not, re-let the Premises or any part thereof for the account of the Lessee for such rent, for such time and upon such terms as the Lessor in its sole discretion shall determine.

ARTICLE 8: TAXES

The Premises is owned by the Lessor and is currently tax-exempt. Therefore, in the event the Lessee's operations on the Premises cause a tax to be assessed against, levied upon, or otherwise become payable in respect of the Premises or the use thereof, the Lessee shall pay all taxes relating to the Premises or to this Lease, including all real estate taxes, personal property taxes and leasehold taxes, unforeseen as well as foreseen, that are assessed against, levied upon and become payable in respect of the Premises or the use thereof during the term(s) of this Lease; provided, however, that in the event such taxes are imposed as a result of Lessor's actions under the Lease, then the Lessee shall not be responsible for said taxes. Such payment of taxes by Lessee shall be in addition to the payment of Rent.

ARTICLE 9: INSURANCE; INDEMNIFICATION

9.01 The Lessee shall, at Lessee's sole cost, during the entire term hereof, keep in full force and effect a policy of airport liability and property damage insurance with respect to the Hangar and the Premises or any other occupant of the Premises, in which the limits of public liability shall not be less than \$1 million per occurrence. The policy shall name the Lessor and its trustees, officers, employees, attorneys, legal representatives, and agents as additional insureds and shall contain a clause that the insurer will not cancel or change the insurance without first giving the Lessor 30 days prior written notice thereof. The insurance shall be with companies licensed to do business in the State of Illinois. The insurance shall be in a form reasonably acceptable to the Lessor and a copy of the policy and a certificate of insurance shall be delivered

to the Lessor prior to the commencement hereof. In the event the Lessee shall fail to procure said insurance, the Lessor may, but shall be under no obligation to, procure such insurance in which event the Lessee agrees to pay to the Lessor, as additional rent, the amount of premium therefore on the first day of the month following the month in which the Lessor notifies the Lessee of the amount of premium due hereunder.

9.02 The Lessee, shall at the Lessee's sole cost, during the entire term hereof, keep in full force and effect a policy for fire and property damage insurance with respect to the Hangar and all other Lessee property contained on the Premises, as well as all other improvements on the Premises, in such amount and form, and with such companies, as the Lessor may reasonably determine. The Lessee shall, from time to time, as requested by the Lessor, deliver certificates of such insurance verifying coverage to the Lessor.

9.03 Except only to the extent otherwise prohibited by law, the Lessee covenants and agrees to indemnify and hold harmless the Lessor and its trustees, officers, employees, attorneys, legal representatives, and agents from any and all losses, claims, damages, costs, or expenses, including attorney's fees, the Lessor may be required to pay as a result of acts and/or omissions of the Lessee or any agent of the Lessee.

ARTICLE 10: SUBORDINATION

The parties to this Lease desire that this Lease be prior in lien to all other documents, including mortgages, trust deeds, or other encumbrances that may hereafter be recorded against the Premises. Lessee agrees to subordinate any mortgage, trust deed, or other encumbrance that may hereafter be placed on the Premises, or to any advances to be made thereunder and to interest thereon and all renewals, replacements, and extensions thereof, to this Lease; and the Lessee agrees to execute any instrument or instruments which the Lessor may reasonably, at the Lessor's sole and complete discretion, require to effect such subordination, provided that the Lessee and its successors and assigns shall have the right to freely, peaceably, and quietly occupy and enjoy the full possession and use of said premises as long as the Lessee shall not be in default under this Lease, and subject to the Lessor's right to relocate the Lessee as set forth in Article 4 of this Lease. In the event of any mortgagee, trustee, or encumbrancer notifying the Lessee to that effect, this Lease shall be deemed prior in lien to said mortgage, trust deed, or encumbrance whether or not this Lease is dated prior to or subsequent to the date of said mortgage, trust deed, or encumbrance.

ARTICLE 11: IMPROVEMENTS; MECHANIC'S LIENS

11.01 This Section 11.01 is applicable if the Premises are unimproved as of the effective date of this Lease. During the term of this Lease, unless this Lease shall be sooner terminated in accordance with the terms hereof; the Lessee, at its sole cost and expense, shall construct or place on the Premises the Hangar and related improvements in accordance with the Lessee's plans and specifications as set forth in Exhibit C attached to and by this reference incorporated into this Lease (the "Plans"). The Hangar and related improvements shall be constructed in accordance with all applicable federal, state and local laws, codes, ordinances, and regulations and shall have the specific prior written approval of the Lessor.

11.02 All repairs, construction, modifications, alterations, or changes made by the Lessee to the Premises shall be done or contracted for only with the Lessor's specific prior written consent, which the Lessor may withhold for any reason that the Lessor deems sufficient. Notwithstanding anything to the contrary herein, no alterations to the Premises are allowed during the term(s) of this Lease except for the construction of the Hangar and related improvements. Any of the foregoing that the Lessee undertakes shall be done at the Lessee's sole cost and expense and none of the foregoing nor any other act shall be allowed or suffered which may create any mechanic's lien or claim for lien against the Premises. In the event any lien or claim for lien upon the Lessor's title or the Premises results from any act or neglect of the Lessee, and the Lessee fails to remove said lien or dismiss such claim for lien within 10 days after the Lessors notice to do so, the Lessor may, but need not, remove the lien or satisfy such claim for lien by paying the full amount thereof without any investigation or contest of the validity or amount thereof and the Lessee shall pay the Lessor promptly upon demand, and as additional rent, the amount paid out by the Lessor, including the Lessor's costs, expenses, and counsel fees.

ARTICLE 12: ASSIGNMENT OR SUBLETTING

The Lessee agrees not to assign, encumber, or in any manner transfer this Lease or any interest hereunder and not to permit the use or occupancy of the Premises, whether by license, concession or otherwise by anyone other than the Lessee without the specific prior written consent of the Lessor (which consent shall not be unreasonably denied); provided, however, that the Lessee may sublet the Premises for the remainder of the then existing Term with the prior written consent of the Lessor (which consent shall not be unreasonably denied) and subject to the terms of this Lease. Any assignment or subletting permitted hereunder shall not be deemed to relieve the Lessee of its obligation to pay rental and perform its other obligations hereunder. Consent by the Lessor of one assignment or one subletting or one use or occupancy of the Premises shall not constitute a waiver of the Lessor's rights under this Article as to any subsequent assignments, subletting, or use or occupancy. If the Lessee is a corporation or partnership, and if, during the term of this Lease, the ownership of the shares of stock or partnership interests which constitute control of the Lessee changes by reason of sale, gift, death, or otherwise, the Lessee shall provide the Lessor with written notice and confirmation of the new owner's intent to be bound by the terms of the Lease, along with evidence of the new owner's financial information to insure that the new owner is capable of performing the obligations set forth in this Lease. In the event the Lessor concludes, in the exercise of its discretion, that the new owner is not capable of performing the obligations under this Lease, the Lessor may at any time thereafter terminate this Lease by giving the Lessee written notice of such termination at least 30 days prior to the date of termination stated in the notice. Receipt of rent after such change of control shall not affect the Lessor's rights under the preceding sentence.

ARTICLE 13: UNTENANTABILITY

In the event that the Hangar shall be destroyed or so damaged by fire, explosion, windstorm, or other casualty as to be untenable, the Lessee shall within the Reasonable Time Period secure the Hangar and restore it in accordance with the terms of this Lease and rents due hereunder shall not be abated.

ARTICLE 14: SURRENDER OF PREMISES; HOLD OVER

14.01 At the expiration of the tenancy hereby created, whether by lapse of time or otherwise, or upon termination of the Lessee's right of possession, the Lessee shall immediately surrender possession of the Premises to the Lessor in good condition, and shall remove the Hangar and all other improvements therefrom. If such possession is not immediately surrendered, then the Lessor may immediately enter the Premises and possess itself thereof and remove all persons and effects therefrom using such force as may be necessary and in compliance with applicable law. If the Lessee shall fail or refuse to remove all of the Lessee's property from the Premises, then the Lessee shall be conclusively presumed to have abandoned the same, and title thereto shall thereupon pass to the Lessor without any cost either by set-off; credit, allowance, or otherwise, and the Lessor may at its option accept title to such property, or at the Lessee's expense may remove the same or any part thereof in any manner that the Lessor shall choose and store the same without incurring liability to the Lessee or any other person.

14.02 It is agreed and understood that any holding over by the Lessee of the Premises at the expiration or cancellation of this Lease shall operate and be construed as a tenancy from month to month at a rental of three times the current monthly rental, and in addition the Lessee shall be liable to the Lessor for all loss or damage on account of any holding over against the Lessor's will after the expiration or cancellation of this Lease, whether such loss or damage may be contemplated at this time or not. No receipt or acceptance of money by the Lessor from the Lessee after the expiration or cancellation of this Lease or after the service of any notice, after the commencement of any suit, or after any judgment for possession of the Premises, shall reinstate, continue or extend the terms of this Lease, or affect any such notice, demand, or suit or imply consent for any action for which the Lessor's consent is required or operate as a waiver of any right of the Lessor to retake and resume possession of the Premises and remove the structures.

ARTICLE 15: COSTS AND FEES

The Lessee shall pay upon demand all of the Lessor's costs, charges, and expenses, including fees of attorneys, agents, and others retained by the Lessor, incurred in enforcing any of the obligations of Lessee under this Lease or in any litigation, negotiation, or transaction in which the Lessor shall, without the Lessor's fault, become involved through or on account of this Lease. In the event it becomes necessary for either party hereto to file suit to enforce this Lease or any provision contained herein, the prevailing party in such suit shall be entitled to recover, in addition to all other remedies or damages provided for in this Lease, reasonable attorneys' fees and costs incurred in such suit at trial or on appeal or in connection with any bankruptcy or similar proceeding.

ARTICLE 16: SUCCESSORS AND ASSIGNS

The terms, covenants, and conditions hereof shall be binding upon, apply and inure to the benefit of the heirs, executors, administrators, successors in interest and assigns of; the parties hereto. No rights, however, shall inure to the benefit of any assignee or sub-lessee of the Lessee except only if such assignment or sublease has been specifically consented to by the Lessor in writing as provided herein.

ARTICLE 17: REMEDIES CUMULATIVE

All rights and remedies of the Lessor enumerated in this Lease shall be cumulative and none shall exclude any other right or remedy allowed by law, and said rights and remedies may be exercised and enforced concurrently as often as occasion therefor arises.

ARTICLE 18: ESTOPPEL CERTIFICATE

Each party agrees at any time and from time to time, upon not less than 20 days prior written request by the other, to execute, acknowledge, and deliver to the other a statement in writing certifying that this Lease is unmodified and in full force and effect and the date to which the rental and other charges have been paid in advance, if any, it being intended that any such statement delivered pursuant to this paragraph may be relied upon by any prospective purchaser of this leasehold or the fee, or mortgagee or assignee of any mortgage upon this leasehold or the fee of the Premises.

ARTICLE 19: MISCELLANEOUS

19.01 The necessary grammatical changes required to make the provisions of this Lease apply to the past, present, and future and in the plural sense where appropriate and to corporations, associations, partnerships, or individuals, male or female, shall in all instances be assumed as though in each case fully expressed.

19.02 The laws of, but not the conflicts of law rules of, the State of Illinois shall govern the validity, performance, and enforcement of this Lease.

19.03 The headings of several articles contained herein are for convenience only and do not limit or construe the contents of the articles.

19.04 All of the covenants of this Lease are independent covenants. If any provisions of this Lease are found by a court of competent jurisdiction to be illegal, invalid, or unenforceable, then the remainder of the Lease will not be affected, and in lieu of each provision which is found to be illegal, invalid, or unenforceable, there will be added as part of this Lease a provision as similar to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable.

19.05 Notwithstanding any other provision to the contrary herein, either Lessor or Lessee may, in its sole discretion, terminate this Lease upon 30 day's written notice to the other party.

ARTICLE 20: NOTICES

Any notices required or desired to be given under this Lease shall be in writing and (i) personally served, (ii) given by certified mail, return receipt requested, (iii) given by overnight express delivery, or (iv) given by facsimile transmission, with any such facsimile transmission confirmed by next business day overnight express delivery. Any notice shall be addressed to the party to receive it at the following address or at such other address as the party may from time to time direct in writing:

To the Lessee at:

MK Zakula Trust
285 Buckingham Drive
Algonquin, IL 60102

and to the Lessor at:

Village of Lake in the Hills
600 Harvest Gate
Lake in the Hills, Illinois 60156
Attention: Village Administrator

with a copy to:

Village of Lake in the Hills
600 Harvest Gate
Lake in the Hills, Illinois 60156
Attention: Airport Manager

Express Delivery notices shall be deemed to be given upon receipt. Postal notices shall be deemed to be given three days after deposit with the United States Postal Service. Facsimile notices shall be deemed given upon the date of transmission, provided that compliance is made with the remaining obligations of this Article 20.

ARTICLE 21: PRIOR AGREEMENTS

This Lease replaces and supersedes any other written or oral prior agreement, arrangement, or understanding between the Lessee and the Lessor or its agent, which prior agreement(s) shall be considered null and void and of no further effect whatsoever as of the date hereof.

IN WITNESS WHEREOF, the parties have executed this Lease as of the day and year above.

[LESSOR] VILLAGE OF LAKE IN THE HILLS

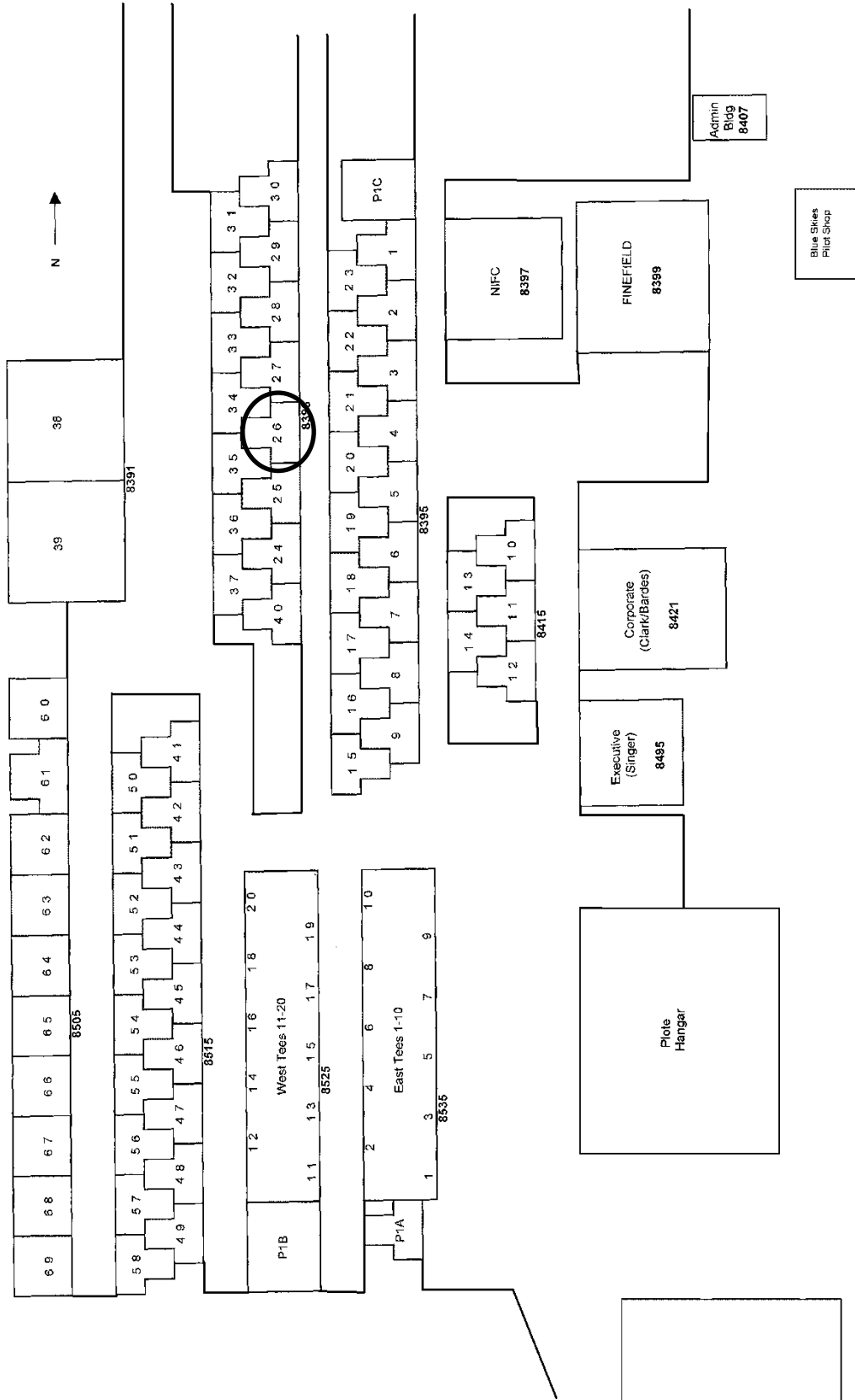
By: _____
Village President

Attest: _____
Village Clerk

[LESSEE] MK Zakula Trust

By: *M. Zakula*
Title: TRUSTEE

EXHIBIT A PREMISES



**EXHIBIT B
RENT SCHEDULE**

Village Owned Facility Leases and Tie Downs

Description	Rate	Frequency
Hard surface tie downs	\$90.00	Monthly
Grass tie downs	\$60.00	Monthly
East and West T-Hangar Building Leases	\$320.00	Monthly
Maintenance Hangar Building Lease	\$3,086.39	Monthly
8603 Pyott Road Building Lease	\$2,117.43	Monthly

Overnight Transient Storage

Description	Rate	Frequency
Grass Tie Down	\$5.00*	Daily
Hard Surface Tie Down or Ramp Area	\$10.00*	Daily
T-Hangar	\$30.00	Daily
Large Aircraft Ramp Fee	\$50.00	Daily

*\$5 or \$10 respectively of the overnight transient fees will be waived if the aircraft operator purchases at least 15 gallons of aviation fuel in conjunction with that overnight stay.

Land Leases

Description	Rate	Frequency
Square Hangars	\$13.30*	Cents per Month
T-Hangar Size A (39'3" x 14'8"; 16'6" x 14'7" approx.)	\$195.28	Monthly
T-Hangar Size B (42'3" x 18'; 16'5" x 20'7" approx.)	\$203.15	Monthly
T-Hangar Size C (46' x 21'; 19'6" x 23'8" approx.)	\$218.87	Monthly

*Per square foot of land area occupied based on the outside perimeter of the structure (rounded to the nearest foot) unless otherwise specified in the lease.

**Private Hangar Electrical Service Fee
Monthly Fee by Breaker Size and Configuration**

Breaker Size (Amps)	Monthly Fee (USD)	Comments
20	\$7	Single breaker serves 3 individual hangars
20	\$10	Single breaker serves 2 individual hangars
20	\$20	Fee per individual breaker
30	\$29	Fee per individual breaker
40	\$39	Fee per individual breaker
50	\$49	Fee per individual breaker
60	\$59	Fee per individual breaker

**EXHIBIT B
RENT SCHEDULE**

Disconnect/Reconnect – Electrical

If a tenant makes a request to the Village to disconnect Village provided electrical service to a private hangar, the disconnection may be completed subject to review to ensure it is feasible to complete the request. If the request is approved the tenant will not be allowed to reconnect to the Village provided electrical service for a period of 12 months. The 12-month period shall start on the date the electrical is disconnected to the private hangar. After the 12-month period, the tenant can submit a request to reconnect to the Village provided electrical service. The Village will charge a fee of \$65.00 to reconnect the Village provided electrical service.

Non-Aeronautical Storage

The following non-aeronautical storage lease rates shall be effective upon execution of a new lease:

Area in Square Feet	Monthly Rental Rate
10x10	\$33
10x30	\$75

Waiver to Late Fees

If a late fee is assessed according to the lease, a request to waive the late fee may be considered by the Village Finance Department. The late fee may be waived in the event all of the following conditions are met:

1. A written request to waive the late fee must be presented to the Finance Department; and
2. The Finance Department must receive the written request to waive the late fee by the last business day of the month the payment was due and was not received until after the 10th of the same month; and
3. The tenant has displayed a good payment history during the preceding 12 months. A good payment history shall be defined as having a) no late fees posted to the account, and b) no late fee waiver requested for the account during the preceding 12 months and c) no returned payments associated with the account.

**EXHIBIT C
PLANS**

Not applicable.



REQUEST FOR BOARD ACTION

MEETING DATE: January 10, 2023

DEPARTMENT: Public Works

SUBJECT: Airport Ground Lease for Hangar PAP-32

EXECUTIVE SUMMARY

The Lake in the Hills Airport Rules and Regulations require airport tenants to enter into applicable leases, licenses, or storage agreements for Village owned hangars. Geoffrey Shepstone, President of Lancaster Aviation, LLC is requesting a new ground lease on Hangar PAP-32. This lease is for the period of January 13, 2023 to January 12, 2043. The lease includes an option to renew for four additional five-year terms.

Mr. Shepstone has signed the appropriate lease form and has provided acceptable proof of insurance. The LLC is listed in good standing with the office of the Illinois Secretary of State.

FINANCIAL IMPACT

The Airport Fund will receive \$2,437.80 annually from the ground lease, subject to annual increases approved by ordinance.

ATTACHMENTS

1. Proposed Ordinance
2. PAP-32 Ground Lease

RECOMMENDED MOTION

Motion to approve the Ordinance and authorize the Village President and Village Clerk to sign the ground lease for Hangar PAP-32 with Lancaster Aviation, LLC.

VILLAGE OF LAKE IN THE HILLS

ORDINANCE NO. 2023- _____

**An Ordinance Authorizing the Approval of a Ground Lease
between the Village of Lake in the Hills
and Lancaster Aviation, LLC for PAP-32**

WHEREAS, the Village of Lake in the Hills, McHenry County, Illinois, 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 to regulate for the protection of the public health, safety, morals and welfare, as granted in the Constitution of the State of Illinois.

WHEREAS, the Village and Lancaster Aviation, LLC wish to enter into a Ground Lease for PAP-32 at the Lake in the Hills Airport for an initial period of 20 years, ending January 12, 2043 with the option to renew for four (4) additional terms of five years; and

WHEREAS, the dimensions of the land area occupied by the outside perimeter of PAP-32 is approximately 42'3" x 18' by 16'5" x 20'7" of billable hangar space.

NOW, THEREFORE, BE IT ORDAINED by the President and Board of Trustees of the Village of Lake in the Hills, McHenry County, Illinois, as follows:

SECTION 1: That the President is hereby authorized to enter into a Ground Lease between the Village and Lancaster Aviation, LLC for PAP-32 at the Lake in the Hills Airport ("Exhibit A"), attached hereto and made a part hereof.

SECTION 2: 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 judgment shall not affect, impair, invalidate or nullify the remainder thereof, which remainder shall remain and continue in full force and effect.

SECTION 3: All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 4: 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 12th day of January, 2023 by roll call vote as follows:

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

APPROVED THIS 12TH DAY OF JANUARY, 2023

Village President, Ray Bogdanowski

(SEAL)

ATTEST: _____
Village Clerk, Shannon DuBeau

Published: _____

VILLAGE OF LAKE IN THE HILLS
LAKE IN THE HILLS AIRPORT GROUND LEASE

THIS GROUND LEASE (this “Lease”) made and entered into at Lake in the Hills, Illinois, this 13th day of January, 2023 by and between the Village of Lake in the Hills, an Illinois municipal corporation (the “Lessor”) and Lancaster Aviation LLC / Geoffrey Shepstone (the “Lessee”).

WITNESSETH:

WHEREAS, the Lessor does hereby let and lease to the Lessee the parcel of property depicted on Exhibit A attached to and by this reference incorporated into this Lease at the Lake in the Hills Airport (the “Airport”), which parcel of property is commonly known as:

[PAP-32]

Lot dimensions 42’3” X 18’ by 16’5” X 20’7” (The “Premises”).

ARTICLE 1: TERM; RENEWAL

1.01 This Lease shall commence on January 13, 2023, and shall continue for a period of 20 years and shall terminate January 12, 2043 (the “Initial Term”) unless sooner terminated as hereinafter provided.

1.02 The Lessee shall have the option to renew this Lease for four (4) additional terms of five years (the “Extension Terms”), which Extension Terms shall commence on the day immediately following the last day of the then existing Term, provided (i) that the Lessee notifies the Lessor in writing (the “Extension Notice”) at least 60 days prior to the expiration of the existing Term that the Lessee intends to renew this Lease for one of the Extension Terms; (ii) that the Lessee is not in default of any obligation or duty imposed upon it by this Lease; and (iii) that the Lessor may increase, modify, or otherwise alter, for the Extension Terms, the amount of rent paid by the Lessee. The Lessor shall notify the Lessee in writing of any rent increase (the “Rental Increase Notice”) within 30 days of receipt of the Extension Notice. In the event the Lessee determines that the rental increase is unreasonable, the Lessee shall have 10 days after Lessor’s delivery of the Rental Increase Notice to elect to terminate this Lease. In the event the Lessee elects to terminate this Lease pursuant to the terms of this Article 1.02, then the Lessee shall provide the Lessor with written notice (the “Termination Notice”) of its intention to do so no later than 10 days after the Lessor’s delivery of the Rental Increase Notice. In the event the Lessor does not receive the Termination Notice within the 10-day period of time, it shall be conclusively presumed that the Lessee has elected not to terminate this Lease

ARTICLE 2: USE

2.01 The Premises shall be used, occupied, and maintained by the Lessee for the sole purpose of supporting an Aircraft Hangar/Storage facility (the “Hangar”) for aircraft owned or leased by the Lessee and for lease for storage of other aircraft, and uses reasonably incidental thereto, and for no other purpose (the “Approved Uses”).

2.02 The Lessee shall not conduct any business activities or aviation-related activities other than the Approved Uses, unless the Lessee shall also have a separate and valid commercial activity agreement with the Lessor. The Lessee shall comply with (a) all applicable governmental laws, ordinances, codes, rules, and regulations and applicable orders and directions of public officers thereunder and (b) all requirements of carriers of insurance on the Premises respecting all matters of occupancy, condition, maintenance, and use of the Premises, whether any of the foregoing shall be directed to the Lessee or the Lessor, including but not limited to any environmental laws or regulations by any local, state, or federal government and the Airport rules and regulations.

2.03 The Lessee agrees to occupy the entire Premises and to properly maintain and operate the Approved Uses at all times during the term(s) of this Lease.

2.04 The Lessee shall be entitled to the non-exclusive use, in common with other users, of the public facilities of the Airport solely for the purpose of ingress and egress to and from the Premises. The Lessee shall not use the public areas for the transient or permanent tie-down of aircraft or for any purposes other than as expressly permitted by this Lease.

2.05 The Lessee shall, at the Lessee's own expense, comply with all present and hereinafter enacted environmental laws, including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6941 et seq., Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq., Safe Drinking Water Act, 42 U.S.C. Section 300 et seq., the Clean Air Act, 42 U.S.C. Section 7401 et seq., and the regulations promulgated thereunder and any other laws, regulations, and ordinances (whether enacted by the local, state or federal governments) now in effect or hereinafter enacted, that deal with the regulation or protection of the environment and hazardous materials. The Lessee shall not cause or permit any hazardous material to be used, generated, manufactured, produced, or stored on, under, or about the Premises. The Lessee shall not keep on the Premises any inflammables, such as gasoline, kerosene, naphtha, or benzine or other volatile chemicals or compounds or explosives or any other articles of intrinsically dangerous nature, except such materials and equipment commonly related to airplane maintenance. The Lessee further shall indemnify, defend, and hold harmless the Lessor from and against any and all liability, loss, damage, expense, penalties, and legal and investigation fees or costs arising from or related to any claim or action for injury or liability brought by any person, entity or governmental body, alleging or arising in connection with contamination of, or adverse effects on, the environment of the Premises.

ARTICLE 3: RENT

3.01 The amount of rent payable to the Lessor (the "Rent") is set forth on the rent schedule ("the Rent Schedule") attached to and by this reference incorporated into this Lease as Exhibit B. The Rent, during the Initial Term and any Extension Term, is subject to an increased adjustment by the Lessor on an annual basis based on the following: the current year's Rent multiplied by the Consumer Price Index (the "CPI") for the Chicago Metropolitan Area, up to a maximum 10 percent increase over the current year's rent. The CPI to be used for the preceding calculation shall be the CPI available for the most recent 12 month period. The first month's Rent

shall be paid upon the execution of this Lease and each month's Rent thereafter shall be paid in advance on or before the first day of a calendar month during the term(s) of this Lease. Rent for any partial calendar month within the Term shall be prorated on a per diem basis assuming a 30-day month.

3.02 The Lessee agrees to pay all rent and any other amount owing hereunder on the due date thereof to the Lessor at its office at 600 Harvest Gate, Lake in the Hills, Illinois, or to such other person at such other address as the Lessor may from time to time designate in writing. The Lessee hereby agrees that the Lessee's obligation to pay such rent and other amounts shall be absolute and unconditional under all circumstances, including, without limitation, the following circumstances: (a) any setoff counter-claim, recoupment, defense, or other right that the Lessee may have against the Lessor, or anyone else for any reason whatsoever; (b) any damage to, loss, or destruction of the Premises or any interruption or cessation in the use or possession thereof by the Lessee for any reason whatsoever, unless directly caused by the negligent acts of Lessor; (c) any insolvency, bankruptcy, reorganization, or similar proceedings by or against the Lessee; and (d) any other event or circumstance whatsoever, whether or not similar to any of the foregoing. To the extent permitted by applicable law, the Lessee hereby waives any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statutes or otherwise, to terminate, cancel, quit, or surrender any portion of the Premises hereunder except in accordance with the expressed terms hereof. If for any reason whatsoever this Lease shall be terminated in whole or in part by operation of law or otherwise, except in the event of termination without the fault of Lessee or termination upon change of ownership in accordance with Article 12 of this Lease, or dis-affirmed by the Lessee, all remaining rent payments which would have become due and payable in accordance with the terms hereof had this Lease not been terminated or dis-affirmed in whole or part shall become immediately due and payable. Each rent or any other payment made by the Lessee hereunder shall be final and the Lessee shall not seek to recover all or any part of such payment from the Lessor for any reason whatsoever.

3.03 The Lessee shall also pay the Lessor a late charge upon payment of Rent after the tenth day of any month in the amount of 10 percent of the amount owed. Payment of a late charge to the Lessor shall in no way interfere with the Lessee's obligation to pay Rent on the first day of each month. Payment by the Lessee of a late charge shall not be deemed a waiver of or otherwise limit the Lessor's remedies under this Lease.

ARTICLE 4: LESSOR'S RIGHT TO RELOCATE LESSEE

4.01 The Lessee acknowledges that at any time during the term(s) of this Lease, the Lessor may need to relocate the Hangar to another comparable location at the Airport (the "Relocation"). In the event the Lessor determines in its sole and absolute discretion that Relocation is necessary, the Lessor shall provide the Lessee with 30 days written notice of its intention to relocate. The Hangar will be relocated to another location that, in the sole discretion of the Lessor, is comparable to the Premises, and the definition of the "Premises" shall be revised to reflect the new location. The Lessor will pay for the following costs of Relocation: preparation of the new site, relocation of the Hangar and hangar facilities onto the new site, and all costs directly associated with the Relocation. The Lessee shall have no right to reimbursement from the Lessor for any costs incurred by the Lessee as a result of the Relocation, except for reasonable costs incurred by the Lessee as a result of Lessor's Relocation actions.

4.02 The Lessor shall not be responsible for theft, loss, injury, damage, or destruction of the Hangar or of any aircraft or other property on the Premises during the Relocation. The Lessee hereby releases and discharges the Lessor for the loss of or damage to the Lessee's property, except for that loss or damage arising out of the Lessor's negligence during the Relocation.

ARTICLE 5: CONDITION OF PREMISES; REPAIR

5.01 The Lessee has inspected the Premises and accepts the Premises in an "as is" condition. The Lessee acknowledges that its decision to enter into this Lease was based on its own knowledge and analysis and not on any representations by the Lessor, and the Lessee waives any and all claims against the Lessor in connections therewith. At the termination of this Lease, the Lessee shall, at Lessee's sole expense, remove the Hangar, including any foundation, and restore the Premises to a natural state, including grading and grass seeding.

5.02 The Lessee agrees, at its sole cost and expense, to repair, replace, or reconstruct the Hangar and other improvements located on the Premises that are damaged or destroyed by fire or other casualty, or required to be repaired, removed, or reconstructed by any governmental or military authority. Such repair, replacement, or reconstruction shall be accomplished within such time as may be reasonable under the circumstances after allowing for delays caused by strikes, lockouts, acts of God, fire, extraordinary weather conditions, or any other cause or casualty beyond the reasonable control of Lessee (the "Reasonable Time Period"). The design and specifications of such repair, replacement, or reconstruction shall be as determined by Lessee; but such work shall restore the Premises to not less than its condition prior to said need for repair.

ARTICLE 6: COVENANTS

The Lessee agrees to all of the following covenants:

(a) The Lessee shall not commit, suffer, or allow to be committed or suffered any acts of waste on the Premises, or commit or permit to be committed any acts which will in any way constitute a public or private nuisance or an unlawful or immoral act. Only the Approved Uses shall be permitted.

(b) All maintenance to the Hangar or other improvements or any repair of damages to same from any cause shall be the sole responsibility of the Lessee and shall be made in the Reasonable Time Period and at the Lessee's expense (unless such damage was caused by the negligence of the Lessor) and same shall comply fully with all applicable laws, ordinances, and other government regulations, codes, and directions.

(c) The Lessee shall not erect or install any sign of any kind anywhere in or on the Premises without the specific prior written consent of the Lessor. In addition, the Lessee shall not use any broadcast or audio advertising media, including but not limited to loudspeakers, phonographs, or radio or television broadcasts, in a manner visible or audible outside of the Hangar.

(d) The Lessee shall not install any exterior lighting or plumbing fixtures, shades, or awnings or exterior decoration or paintings or build any enclosures or audio or television antenna, loudspeakers, sound amplifiers, or similar devices on the roof or exterior walls of the Hangar without the specific prior written consent of the Lessor.

(e) The Lessee shall store all trash and garbage within proper receptacles in the Hangar and around the Premises. The Lessee shall not burn any trash or garbage of any kind in or about the Premises.

ARTICLE 7: REMEDIES

7.01 In the event of any default by the Lessee with respect to any of the events below and the Lessee's failure to cure said default within 10 days after written notice thereof by the Lessor, the Lessor may immediately terminate this Lease and/or the Lessee's right to possession hereunder, and pursue any other remedy available to the Lessor at law or in equity and including, without limitation, those remedies set forth at the end of this Article, upon the happening of one or more of the following events:

- (a) The making by the Lessee of an assignment for the benefit of the creditors without the written consent of the Village Administrator;
- (b) The operation or supervision of any business other than the Approved Uses conducted in the Premises by the Lessee, or by anyone else, except only with the prior specific written consent of the Lessor;
- (c) The levying of a writ of execution or attachment on or against the property of the Lessee;
- (d) The doing, or permitting to be done, by the Lessee of any act which creates a mechanic's lien or claim therefor against the Premises or any part of the Premises;
- (e) The failure of the Lessee to pay any Rent when due, which shall not be in lieu of any statutorily prescribed remedies for the Lessee's failure to pay Rent but shall be in addition thereto;
- (f) If the estate created hereby shall be taken in execution or by other process of law or if proceedings are instituted in a court of competent jurisdiction for the reorganization, liquidation, or voluntary or involuntary dissolution of the Lessee or composition for the benefit of a creditor or for its adjudication as a bankrupt or insolvent, or for the appointment of a receiver of the property of the Lessee for any purpose and said proceedings are not dismissed, and any receiver, trustee, or liquidator appointed therein discharged within 10 days after the institution of said proceedings;
- (g) Any failure of the Lessee to keep and perform fully any of its covenants under this Lease;

- (h) The abandonment of the Premises by the Lessee or the discontinuance by the Lessee of the proper maintenance and operation of the Approved Uses for a consecutive period of three months or longer;
- (i) If the Lessee is a corporation, the sale of any of the Lessee's stock pledged for any purpose, whether by virtue of execution or otherwise.

7.02 Upon the event of a default hereunder by the Lessee, the Lessor shall have the right to cure the default, at its option, by any means reasonably necessary. In such event, the Lessee shall reimburse the Lessor for all reasonable costs incurred by the Lessor in curing the default.

7.03 Upon the termination of this Lease or the Lessee's right to possession hereunder, the Lessor may re-enter the Premises using such force as may be necessary and in compliance with applicable law and remove all persons, fixtures, property and equipment therefrom and the Lessor shall not be liable for damages or otherwise by reason of re-entry or termination of possession of the term of this Lease. Upon termination of either the Lessee's right to possession or the Lease, the Lessor shall be entitled to recover immediately an amount equal to the minimum rent for the balance of the term less the amount of any minimum rental obtained from any other lessee for the balance of the term in the event the said premises are re-let. Upon and after entry into possession without termination of this Lease, the Lessor may, but need not, re-let the Premises or any part thereof for the account of the Lessee for such rent, for such time and upon such terms as the Lessor in its sole discretion shall determine.

ARTICLE 8: TAXES

The Premises is owned by the Lessor and is currently tax-exempt. Therefore, in the event the Lessee's operations on the Premises cause a tax to be assessed against, levied upon, or otherwise become payable in respect of the Premises or the use thereof, the Lessee shall pay all taxes relating to the Premises or to this Lease, including all real estate taxes, personal property taxes and leasehold taxes, unforeseen as well as foreseen, that are assessed against, levied upon and become payable in respect of the Premises or the use thereof during the term(s) of this Lease; provided, however, that in the event such taxes are imposed as a result of Lessor's actions under the Lease, then the Lessee shall not be responsible for said taxes. Such payment of taxes by Lessee shall be in addition to the payment of Rent.

ARTICLE 9: INSURANCE; INDEMNIFICATION

9.01 The Lessee shall, at Lessee's sole cost, during the entire term hereof, keep in full force and effect a policy of airport liability and property damage insurance with respect to the Hangar and the Premises or any other occupant of the Premises, in which the limits of public liability shall not be less than \$1 million per occurrence. The policy shall name the Lessor and its trustees, officers, employees, attorneys, legal representatives, and agents as additional insureds and shall contain a clause that the insurer will not cancel or change the insurance without first giving the Lessor 30 days prior written notice thereof. The insurance shall be with companies licensed to do business in the State of Illinois. The insurance shall be in a form reasonably acceptable to the Lessor and a copy of the policy and a certificate of insurance shall be delivered to the Lessor prior to the commencement hereof. In the event the Lessee shall fail to procure said insurance, the

Lessor may, but shall be under no obligation to, procure such insurance in which event the Lessee agrees to pay to the Lessor, as additional rent, the amount of premium therefore on the first day of the month following the month in which the Lessor notifies the Lessee of the amount of premium due hereunder.

9.02 The Lessee, shall at the Lessee's sole cost, during the entire term hereof, keep in full force and effect a policy for fire and property damage insurance with respect to the Hangar and all other Lessee property contained on the Premises, as well as all other improvements on the Premises, in such amount and form, and with such companies, as the Lessor may reasonably determine. The Lessee shall, from time to time, as requested by the Lessor, deliver certificates of such insurance verifying coverage to the Lessor.

9.03 Except only to the extent otherwise prohibited by law, the Lessee covenants and agrees to indemnify and hold harmless the Lessor and its trustees, officers, employees, attorneys, legal representatives, and agents from any and all losses, claims, damages, costs, or expenses, including attorney's fees, the Lessor may be required to pay as a result of acts and/or omissions of the Lessee or any agent of the Lessee.

ARTICLE 10: SUBORDINATION

The parties to this Lease desire that this Lease be prior in lien to all other documents, including mortgages, trust deeds, or other encumbrances that may hereafter be recorded against the Premises. Lessee agrees to subordinate any mortgage, trust deed, or other encumbrance that may hereafter be placed on the Premises, or to any advances to be made thereunder and to interest thereon and all renewals, replacements, and extensions thereof, to this Lease; and the Lessee agrees to execute any instrument or instruments which the Lessor may reasonably, at the Lessor's sole and complete discretion, require to effect such subordination, provided that the Lessee and its successors and assigns shall have the right to freely, peaceably, and quietly occupy and enjoy the full possession and use of said premises as long as the Lessee shall not be in default under this Lease, and subject to the Lessor's right to relocate the Lessee as set forth in Article 4 of this Lease. In the event of any mortgagee, trustee, or encumbrancer notifying the Lessee to that effect, this Lease shall be deemed prior in lien to said mortgage, trust deed, or encumbrance whether or not this Lease is dated prior to or subsequent to the date of said mortgage, trust deed, or encumbrance.

ARTICLE 11: IMPROVEMENTS; MECHANIC'S LIENS

11.01 This Section 11.01 is applicable if the Premises are unimproved as of the effective date of this Lease. During the term of this Lease, unless this Lease shall be sooner terminated in accordance with the terms hereof; the Lessee, at its sole cost and expense, shall construct or place on the Premises the Hangar and related improvements in accordance with the Lessee's plans and specifications as set forth in Exhibit C attached to and by this reference incorporated into this Lease (the "Plans"). The Hangar and related improvements shall be constructed in accordance with all applicable federal, state and local laws, codes, ordinances, and regulations and shall have the specific prior written approval of the Lessor.

11.02 All repairs, construction, modifications, alterations, or changes made by the Lessee to the Premises shall be done or contracted for only with the Lessor's specific prior written

consent, which the Lessor may withhold for any reason that the Lessor deems sufficient. Notwithstanding anything to the contrary herein, no alterations to the Premises are allowed during the term(s) of this Lease except for the construction of the Hangar and related improvements. Any of the foregoing that the Lessee undertakes shall be done at the Lessee's sole cost and expense and none of the foregoing nor any other act shall be allowed or suffered which may create any mechanic's lien or claim for lien against the Premises. In the event any lien or claim for lien upon the Lessor's title or the Premises results from any act or neglect of the Lessee, and the Lessee fails to remove said lien or dismiss such claim for lien within 10 days after the Lessors notice to do so, the Lessor may, but need not, remove the lien or satisfy such claim for lien by paying the full amount thereof without any investigation or contest of the validity or amount thereof and the Lessee shall pay the Lessor promptly upon demand, and as additional rent, the amount paid out by the Lessor, including the Lessor's costs, expenses, and counsel fees.

ARTICLE 12: ASSIGNMENT OR SUBLETTING

The Lessee agrees not to assign, encumber, or in any manner transfer this Lease or any interest hereunder and not to permit the use or occupancy of the Premises, whether by license, concession or otherwise by anyone other than the Lessee without the specific prior written consent of the Lessor (which consent shall not be unreasonably denied); provided, however, that the Lessee may sublet the Premises for the remainder of the then existing Term with the prior written consent of the Lessor (which consent shall not be unreasonably denied) and subject to the terms of this Lease. Any assignment or subletting permitted hereunder shall not be deemed to relieve the Lessee of its obligation to pay rental and perform its other obligations hereunder. Consent by the Lessor of one assignment or one subletting or one use or occupancy of the Premises shall not constitute a waiver of the Lessor's rights under this Article as to any subsequent assignments, subletting, or use or occupancy. If the Lessee is a corporation or partnership, and if, during the term of this Lease, the ownership of the shares of stock or partnership interests which constitute control of the Lessee changes by reason of sale, gift, death, or otherwise, the Lessee shall provide the Lessor with written notice and confirmation of the new owner's intent to be bound by the terms of the Lease, along with evidence of the new owner's financial information to insure that the new owner is capable of performing the obligations set forth in this Lease. In the event the Lessor concludes, in the exercise of its discretion, that the new owner is not capable of performing the obligations under this Lease, the Lessor may at any time thereafter terminate this Lease by giving the Lessee written notice of such termination at least 30 days prior to the date of termination stated in the notice. Receipt of rent after such change of control shall not affect the Lessor's rights under the preceding sentence.

ARTICLE 13: UNTENANTABILITY

In the event that the Hangar shall be destroyed or so damaged by fire, explosion, windstorm, or other casualty as to be untenable, the Lessee shall within the Reasonable Time Period secure the Hangar and restore it in accordance with the terms of this Lease and rents due hereunder shall not be abated.

ARTICLE 14: SURRENDER OF PREMISES; HOLD OVER

14.01 At the expiration of the tenancy hereby created, whether by lapse of time or otherwise, or upon termination of the Lessee's right of possession, the Lessee shall immediately surrender possession of the Premises to the Lessor in good condition, and shall remove the Hangar and all other improvements therefrom. If such possession is not immediately surrendered, then the Lessor may immediately enter the Premises and possess itself thereof and remove all persons and effects therefrom using such force as may be necessary and in compliance with applicable law. If the Lessee shall fail or refuse to remove all of the Lessee's property from the Premises, then the Lessee shall be conclusively presumed to have abandoned the same, and title thereto shall thereupon pass to the Lessor without any cost either by set-off; credit, allowance, or otherwise, and the Lessor may at its option accept title to such property, or at the Lessee's expense may remove the same or any part thereof in any manner that the Lessor shall choose and store the same without incurring liability to the Lessee or any other person.

14.02 It is agreed and understood that any holding over by the Lessee of the Premises at the expiration or cancellation of this Lease shall operate and be construed as a tenancy from month to month at a rental of three times the current monthly rental, and in addition the Lessee shall be liable to the Lessor for all loss or damage on account of any holding over against the Lessor's will after the expiration or cancellation of this Lease, whether such loss or damage may be contemplated at this time or not. No receipt or acceptance of money by the Lessor from the Lessee after the expiration or cancellation of this Lease or after the service of any notice, after the commencement of any suit, or after any judgment for possession of the Premises, shall reinstate, continue or extend the terms of this Lease, or affect any such notice, demand, or suit or imply consent for any action for which the Lessor's consent is required or operate as a waiver of any right of the Lessor to retake and resume possession of the Premises and remove the structures.

ARTICLE 15: COSTS AND FEES

The Lessee shall pay upon demand all of the Lessor's costs, charges, and expenses, including fees of attorneys, agents, and others retained by the Lessor, incurred in enforcing any of the obligations of Lessee under this Lease or in any litigation, negotiation, or transaction in which the Lessor shall, without the Lessor's fault, become involved through or on account of this Lease. In the event it becomes necessary for either party hereto to file suit to enforce this Lease or any provision contained herein, the prevailing party in such suit shall be entitled to recover, in addition to all other remedies or damages provided for in this Lease, reasonable attorneys' fees and costs incurred in such suit at trial or on appeal or in connection with any bankruptcy or similar proceeding.

ARTICLE 16: SUCCESSORS AND ASSIGNS

The terms, covenants, and conditions hereof shall be binding upon, apply and inure to the benefit of the heirs, executors, administrators, successors in interest and assigns of; the parties hereto. No rights, however, shall inure to the benefit of any assignee or sub-lessee of the Lessee except only if such assignment or sublease has been specifically consented to by the Lessor in writing as provided herein.

ARTICLE 17: REMEDIES CUMULATIVE

All rights and remedies of the Lessor enumerated in this Lease shall be cumulative and none shall exclude any other right or remedy allowed by law, and said rights and remedies may be exercised and enforced concurrently as often as occasion therefor arises.

ARTICLE 18: ESTOPPEL CERTIFICATE

Each party agrees at any time and from time to time, upon not less than 20 days prior written request by the other, to execute, acknowledge, and deliver to the other a statement in writing certifying that this Lease is unmodified and in full force and effect and the date to which the rental and other charges have been paid in advance, if any, it being intended that any such statement delivered pursuant to this paragraph may be relied upon by any prospective purchaser of this leasehold or the fee, or mortgagee or assignee of any mortgage upon this leasehold or the fee of the Premises.

ARTICLE 19: MISCELLANEOUS

19.01 The necessary grammatical changes required to make the provisions of this Lease apply to the past, present, and future and in the plural sense where appropriate and to corporations, associations, partnerships, or individuals, male or female, shall in all instances be assumed as though in each case fully expressed.

19.02 The laws of, but not the conflicts of law rules of, the State of Illinois shall govern the validity, performance, and enforcement of this Lease.

19.03 The headings of several articles contained herein are for convenience only and do not limit or construe the contents of the articles.

19.04 All of the covenants of this Lease are independent covenants. If any provisions of this Lease are found by a court of competent jurisdiction to be illegal, invalid, or unenforceable, then the remainder of the Lease will not be affected, and in lieu of each provision which is found to be illegal, invalid, or unenforceable, there will be added as part of this Lease a provision as similar to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable.

19.05 Notwithstanding any other provision to the contrary herein, either Lessor or Lessee may, in its sole discretion, terminate this Lease upon 30 day's written notice to the other party.

ARTICLE 20: NOTICES

Any notices required or desired to be given under this Lease shall be in writing and (i) personally served, (ii) given by certified mail, return receipt requested, (iii) given by overnight express delivery, or (iv) given by facsimile transmission, with any such facsimile transmission confirmed by next business day overnight express delivery. Any notice shall be addressed to the party to receive it at the following address or at such other address as the party may from time to time direct in writing:

To the Lessee at:

Lancaster Aviation LLC / Geoffrey Shepstone
418 Caesar Drive
Barrington Hills, IL 60010

and to the Lessor at:

Village of Lake in the Hills
600 Harvest Gate
Lake in the Hills, Illinois 60156
Attention: Village Administrator

with a copy to:

Village of Lake in the Hills
600 Harvest Gate
Lake in the Hills, Illinois 60156
Attention: Airport Manager

Express Delivery notices shall be deemed to be given upon receipt. Postal notices shall be deemed to be given three days after deposit with the United States Postal Service. Facsimile notices shall be deemed given upon the date of transmission, provided that compliance is made with the remaining obligations of this Article 20.

ARTICLE 21: PRIOR AGREEMENTS

This Lease replaces and supersedes any other written or oral prior agreement, arrangement, or understanding between the Lessee and the Lessor or its agent, which prior agreement(s) shall be considered null and void and of no further effect whatsoever as of the date hereof.

IN WITNESS WHEREOF, the parties have executed this Lease as of the day and year above.

[LESSOR] VILLAGE OF LAKE IN THE HILLS

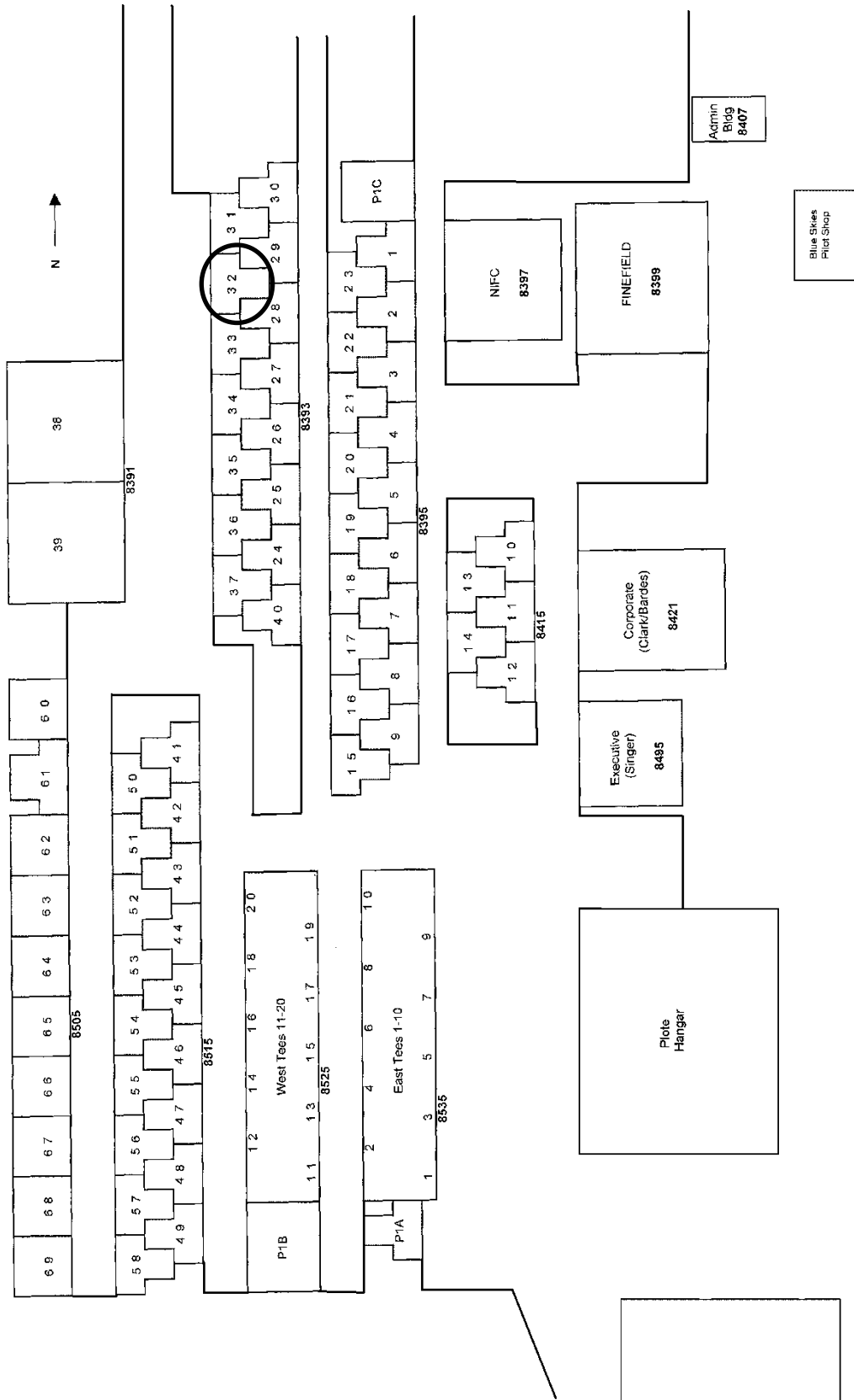
By: _____
Village President

Attest: _____
Village Clerk

[LESSEE] Lancaster Aviation LLC / Geoffrey Shepstone

By: Geoffrey Shepstone
Title: owner/mgr

EXHIBIT A PREMISES



**EXHIBIT B
RENT SCHEDULE**

Village Owned Facility Leases and Tie Downs

Description	Rate	Frequency
Hard surface tie downs	\$90.00	Monthly
Grass tie downs	\$60.00	Monthly
East and West T-Hangar Building Leases	\$320.00	Monthly
Maintenance Hangar Building Lease	\$3,086.39	Monthly
8603 Pyott Road Building Lease	\$2,117.43	Monthly

Overnight Transient Storage

Description	Rate	Frequency
Grass Tie Down	\$5.00*	Daily
Hard Surface Tie Down or Ramp Area	\$10.00*	Daily
T-Hangar	\$30.00	Daily
Large Aircraft Ramp Fee	\$50.00	Daily

*\$5 or \$10 respectively of the overnight transient fees will be waived if the aircraft operator purchases at least 15 gallons of aviation fuel in conjunction with that overnight stay.

Land Leases

Description	Rate	Frequency
Square Hangars	\$13.30*	Cents per Month
T-Hangar Size A (39'3" x 14'8"; 16'6" x 14'7" approx.)	\$195.28	Monthly
T-Hangar Size B (42'3" x 18'; 16'5" x 20'7" approx.)	\$203.15	Monthly
T-Hangar Size C (46' x 21'; 19'6" x 23'8" approx.)	\$218.87	Monthly

*Per square foot of land area occupied based on the outside perimeter of the structure (rounded to the nearest foot) unless otherwise specified in the lease.

**Private Hangar Electrical Service Fee
Monthly Fee by Breaker Size and Configuration**

Breaker Size (Amps)	Monthly Fee (USD)	Comments
20	\$7	Single breaker serves 3 individual hangars
20	\$10	Single breaker serves 2 individual hangars
20	\$20	Fee per individual breaker
30	\$29	Fee per individual breaker
40	\$39	Fee per individual breaker
50	\$49	Fee per individual breaker
60	\$59	Fee per individual breaker

**EXHIBIT B
RENT SCHEDULE**

Disconnect/Reconnect – Electrical

If a tenant makes a request to the Village to disconnect Village provided electrical service to a private hangar, the disconnection may be completed subject to review to ensure it is feasible to complete the request. If the request is approved the tenant will not be allowed to reconnect to the Village provided electrical service for a period of 12 months. The 12-month period shall start on the date the electrical is disconnected to the private hangar. After the 12-month period, the tenant can submit a request to reconnect to the Village provided electrical service. The Village will charge a fee of \$65.00 to reconnect the Village provided electrical service.

Non-Aeronautical Storage

The following non-aeronautical storage lease rates shall be effective upon execution of a new lease:

Area in Square Feet	Monthly Rental Rate
10x10	\$33
10x30	\$75

Waiver to Late Fees

If a late fee is assessed according to the lease, a request to waive the late fee may be considered by the Village Finance Department. The late fee may be waived in the event all of the following conditions are met:

1. A written request to waive the late fee must be presented to the Finance Department; and
2. The Finance Department must receive the written request to waive the late fee by the last business day of the month the payment was due and was not received until after the 10th of the same month; and
3. The tenant has displayed a good payment history during the preceding 12 months. A good payment history shall be defined as having a) no late fees posted to the account, and b) no late fee waiver requested for the account during the preceding 12 months and c) no returned payments associated with the account.

**EXHIBIT C
PLANS**

Not applicable.



REQUEST FOR BOARD ACTION

MEETING DATE: January 10, 2023

DEPARTMENT: Public Works

SUBJECT: Crawford, Murphy and Tilly, Inc. Professional Engineering Services Standard Schedule of Hourly Charges

EXECUTIVE SUMMARY

Staff seeks Board approval to amend Crawford, Murphy and Tilly, Inc.'s standard schedule of hourly charges for professional engineering services at the Lake in the Hills Airport from January 1, 2023 through December 31, 2023.

The Village currently retains Crawford, Murphy and Tilly, Inc. ("CMT") of Springfield, IL, for airport consulting services. A master contract between the Village and CMT was approved on February 21, 2019 and is in effect through March 27, 2024.

Annually, CMT adjusts its rates for services rendered outside of grant-funded capital projects and Village staff brings these proposed rates to the Village Board for consideration. Enclosed is a proposed Ordinance increasing CMT's rates from January 1, 2023 until December 31, 2023. CMT charges the same rates to all its clients. The 2023 rates are increasing an average of 12% this year, up from 8% in 2022 and 4.7% in 2021. CMT's rates are only used for on-call hourly assignments not associated with capital projects. The Illinois Department of Transportation sets rates that are used for all federally funded grant projects. CMT has served in a consulting capacity for the Airport since 2012. The Public Works Department is satisfied with their performance.

FINANCIAL IMPACT

The included rates are used for on-call hourly assignments that are not associated with capital projects. The Airport Fund includes \$6,000 annually for such tasks and activity within this account is sporadic and inconsistent from year to year.

ATTACHMENTS

1. Proposed Ordinance

RECOMMENDED MOTION

Motion to approve an ordinance amending Crawford, Murphy and Tilly, Inc.'s standard schedule of hourly charges for professional engineering services at the Lake in the Hills Airport from January 1, 2023 through December 31, 2023.

VILLAGE OF LAKE IN THE HILLS

ORDINANCE NO. 2023 - _____

**An Ordinance Approving an Amended Master Contract with
Crawford, Murphy and Tilly, Inc. for Engineering Services at
the Lake in the Hills Airport**

WHEREAS, the Village of Lake in the Hills, McHenry County, Illinois, 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 to regulate for the protection of the public health, safety, morals and welfare, as granted in the Constitution of the State of Illinois.

NOW, THEREFORE, BE IT ORDAINED by the President and Board of Trustees of the Village of Lake in the Hills, McHenry County, Illinois, as follows:

SECTION 1: The agreement for engineering services with Crawford, Murphy and Tilly, Inc. for the Lake in the Hills Airport was approved on February 21, 2019. It shall be amended with a new Standard Schedule of Hourly Charges from January 1, 2023 through December 31, 2023, which is Exhibit A of this Ordinance.

SECTION 2: 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 judgment shall not affect, impair, invalidate or nullify the remainder thereof, which remainder shall remain and continue in full force and effect.

SECTION 3: All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 4: 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 12th day of January, 2023 by roll call vote as follows:

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

APPROVED THIS 12TH DAY OF JANUARY, 2023

Village President, Ray Bogdanowski

(SEAL)

ATTEST: _____
Village Clerk, Shannon DuBeau

Published: _____

CRAWFORD, MURPHY & TILLY, INC.
STANDARD SCHEDULE OF HOURLY CHARGES
JANUARY 1, 2023

Classification	Regular Rate
Principal	\$ 275
Project Engineer II Project Architect II Project Manager II Project Environmental Scientist II Project Structural Engineer II	\$ 265
Project Engineer I Project Architect I Project Manager I Project Environmental Scientist I Project Structural Engineer I	\$ 230
Sr. Structural Engineer II	\$ 215
Sr. Technician II	\$ 190
Aerial Mapping Specialist	\$ 185
Sr. Engineer I Sr. Architect I Sr. Structural Engineer I Land Surveyor	\$ 185
Technical Manager II Environmental Scientist III	\$ 170
Sr. Technician I	\$ 165
Sr. Planner I GIS Specialist Engineer I Architect I Structural Engineer I	\$ 165
Environmental Scientist II Technician II	\$ 140
Planner I Technical Manager I Environmental Scientist I Technician I Project Administrative Assistant	\$ 120
Administrative/Accounting Assistant	\$ 80

If the completion of services on the project assignment requires work to be performed on an overtime basis, labor charges above are subject to a 15% premium. These rates are subject to change upon reasonable and proper notice. In any event this schedule will be superseded by a new schedule effective January 1, 2024.

Out of pocket direct costs will be added at actual cost for blueprints, supplies, transportation and subsistence and other miscellaneous job-related expenses directly attributable to the performance of services. A usage charge may be made when specialized equipment is used directly on the project. Subconsultant services furnished to CMT by another company will be invoiced at actual cost, plus ten percent.



INFORMATIONAL MEMORANDUM

MEETING DATE: January 10, 2023

DEPARTMENT: Parks and Recreation

SUBJECT: Amenity Discussion - Garden Plot Update

EXECUTIVE SUMMARY

In August 2022, staff received a phone call from a garden plot renter who presented a list of comments and concerns regarding their experience as a garden plot owner. The items that were discussed included the path maintenance, the quality of the soil, the proximity to water, the disposal of weeds, the overall condition of the site, certain plots flooding, and plot owners abandoning their plots.

Upon review of the above listed concerns, staff researched and found the following:

- The current configuration of the plots includes narrow paths where plot owners frequently deposit their weeds. The Village would need to invest in a weed disposal container and encourage plot owners to keep the pathways clear.
- Proximity to Water - The closest water source for the garden plots is the spigot on the public works building. Garden plot owners must transport the water from the spigot to the site. Staff researched the cost to install a water source at the site and found that it would be an investment of approximately \$1,500.
- In order to better assess the site, staff contacted Brenda Dahlfors, who oversees the U of I Extension Master Gardner program to meet onsite and assess the condition of the garden plots. The visit took place in September, near the end of the season. During the visit, we found that a number of plots were overgrown and abandoned (attachment #1). Should the Village be interested in continuing to utilize this location for the garden plots, Ms. Dahlfors recommended using the next growing season to restore the soils and remediate the abundance of weeds through solarization and tilling. Tilling would need to be performed several times during the season, every few weeks. Solarization involves placing a clear plastic tarp over the plots through the growing season to create a greenhouse effect that traps heat and eliminates moisture, killing the vegetation underneath. Both of the recommended methods to improve the site would require extensive maintenance by staff for the next season and render the plots unavailable for rent to the public.

Staff brought forward three options to the Parks and Recreation Board at the November 3, 2022 meeting including the following: (1) maintain current operations, (2) spend the 2023 season improving the site, or (3) eliminate the current plots and incorporate garden plot options into the Parks Master Plan.

Option #1 - Status quo

This option would maintain current operations as they currently exist. Staff would rototill the existing plots at the beginning of next season. Water access would remain at the existing spigot at Public Works. Garden plot renters would be reminded to remove their weeds and assist with site maintenance. Garden plot renters would be reminded to contact staff if they were to abandon their plot.

Option #2 - Spend 2023 improving the current site

Suspending garden plot rentals through the 2023 growing season would allow the Village to address the well-established weeds and poor soil quality. This solution would require an extensive amount of labor throughout the season, as well as additional costs for the rental of a tiller, solar tarping, and new soil. It is estimated that the total cost to remediate the challenges with the site would be a minimum of \$4,000, not including labor. The loss of revenue would range from \$900 - \$1,200 for the 2023 growing season.

Option #3 - Eliminate the garden plots and identify a long-term solution in the Parks Master Plan

The current location of the garden plots is not ideal, with very limited access to water, close proximity to Public Works, and not being incorporated into an existing park. As staff begins the Parks Master Planning process in 2023, inclusion of an improved garden plot location could be identified that would enhance the experience for the residents. This could include raised beds, in a location that has an improved or dedicated water source.

The Parks and Recreation Board made the recommendation to pursue Option #3, eliminating the current garden plots and incorporating a garden plot experience into a future location as determined through the Parks Master Plan process.

FINANCIAL IMPACT

Option 1 - The Village currently has 30 garden plots available that are rented out at \$30 (R) / \$40 (NR) each. The annual revenue is between \$900 and \$1,200, if all plots are rented and based on residency.

Option 2 - The costs associated with site remediation are estimated to be \$4,000 without labor. This is not a budgeted expense, so it would require a budget amendment in the future.

Option 3 - If eliminated, the Village could expect to lose between \$900 - \$1,200 in revenues annually.

ATTACHMENTS

1. Photos of existing garden plot conditions - October 2022

SUGGESTED DIRECTION

Seeking the Board's direction regarding the elimination of the current garden plots and incorporating a garden plot experience into a future location as determined through the Parks Master Plan process.

Attachment #1 - Photos of existing Garden Plot conditions - October 2022

